RYANAIR HOLDINGS PLC
Form 6-K
July 26, 2011

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of July 2011

RYANAIR HOLDINGS PLC
(Translation of registrant's name into English)

c/o Ryanair Ltd Corporate Head Office
Dublin Airport
County Dublin Ireland
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F..X.. Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ..... No ..X..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- ________

Standard Form TR-1

Voting rights attached to shares- Article 12(1) of directive 2004/109/EC

Financial instruments - Article 11(3) of the Commission Directive 2007/14/EC i

1. Identity of the issuer or the underlying issuer of existing shares to which voting rights are attachedii:
Ryanair Holdings plc

2. Reason for the notification (please tick the appropriate box or boxes):

X	an acquisition or disposal of voting rights
	an acquisition or disposal of financial instruments which may result in the acquisition of shares already issued to which voting rights are attached
	an event changing the breakdown of voting rights

3. Full name of person(s) subject to the notification obligationiii:
Capital Research and Management Company

4. Full name of shareholder(s) (if different from the person mentioned in point 3.)iv:

5. Date of the transaction and date on which the threshold is crossed or reachedv:
22 July 2011

6. Date on which issuer is notified: 25 July 2011

7. Threshold(s) that is/are crossed or reached: Above 16%

8. Notified details:

A) Voting rights attached to shares

Class/type of shares (if possible	Situation previous to the Triggering transactionvi	Resulting situation after the triggering transactionvii

using the ISIN CODE)	Number of Sharesviii	Number of Voting rightsix	Number of sharesx Direct	Number of voting rights xi Direct xii	Indirect xiii	% of voting rights Direct	Indirect
Ordinary (IE00B1GKF381)	745,000	745,000			745,000		0.0500%
ADRs (US7835131043)	47,338,599	236,692,995			238,077,995		15.9706%
SUBTOTAL A (based on aggregate voting rights)		237,437,995			238,822,995		16.0205%

B) Financial Instruments
Resulting situation after the triggering transaction xiv

Type of financial instrument	Expiration Date xv	Exercise/Conversion Period/ Date xvi	Number of voting rights that may be acquired if the instrument is exercised/converted	% of voting rights
N/A				
		SUBTOTAL B (in relation to all expiration dates)		

Total (A+B) [where applicable in accordance with national law]	number of voting rights	% of voting rights
238,822,995	238,822,995	16.0205%

9. Chain of controlled undertakings through which the voting rights and/or the financial instruments are effectively held, if applicable xvii:
n/a

10. In case of proxy voting: [name of the proxy holder] will cease to hold [number] voting rights as of [date].
n/a

11. Additional information:

Done at Los Angeles, California on 25 July 2011

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

RYANAIR HOLDINGS PLC

Date: 26 July, 2011

By:___/s/ Juliusz Komorek____

Juliusz Komorek
Company Secretary

holder s registered address. If any Senior Secured Note is to be purchased in part only, any notice of purchase that relates to such Senior Secured Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Senior Secured Notes 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 Senior Secured Notes.

In the event that an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Senior Secured Notes, the Issuers could seek the consent of their lenders to purchase the Senior Secured 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 Senior Secured Notes.

Table of Contents

In such case, the Issuers failure to purchase tendered Senior Secured Notes would constitute an Event of Default under the Senior Secured Notes Indenture that is likely, in turn, to constitute a default under the Issuers other Indebtedness.

Transactions with Affiliates. The Senior Secured Notes 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 $15.0 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 $30.0 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 Senior Secured Notes Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Senior Secured Notes 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 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,

Table of Contents

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 Senior Secured 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 Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Credit Agreement Documents, the First Lien Intercreditor Agreement, the 2007 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 Senior Secured 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, the Pactiv Acquisition Document, the Food and the Flex Acquisition Document 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 Senior Secured Notes 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;

499

Table of Contents

(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 Senior Secured Notes Indenture.

Liens. The Senior Secured Notes 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 Senior Secured Notes Indenture provides that at any time the First Lien Obligations consist solely of the Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes Exchange Offer Registration Statement or the Senior Secured Notes 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 Senior Secured Notes Exchange Offer Registration Statement or the Senior Secured Notes 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 Senior Secured Notes, in addition to providing such information to the Trustee and the holders of the Senior Secured 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 Senior Secured Notes Exchange Offer Registration Statement, or if the Senior Secured Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Secured Notes Registration Rights Agreement, the Senior Secured Notes 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 Senior Secured Notes Exchange Offer Registration Statement, or if the Senior Secured Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Secured Notes Registration Rights Agreement, the Senior Secured Notes Shelf Registration Statement, but prior to the effectiveness of the Senior Secured Notes Exchange Offer Registration Statement or Senior Secured Notes Shelf Registration Statement, by publicly filing with the SEC the Senior Secured Notes Exchange Offer Registration Statement or Senior Secured Notes 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 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 secured 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 Senior Secured Notes if RGHL has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

The Senior Secured Notes Indenture also provides that, so long as any of the Senior Secured 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 Senior Secured Notes and to prospective investors, upon their request, the information required to be delivered by Rule 144A(d)(4) under the Securities Act.

Future Senior Secured Note Guarantors. The Senior Secured Notes Indenture provides that each Restricted Subsidiary (unless such Subsidiary is an Issuer, a Senior Secured 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 Senior Secured 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 Senior Secured Notes; *provided* that notwithstanding the foregoing:

(a) the Thai Guarantor (as defined below) shall only be required to enter into its Senior Secured Note Guarantee as described below under the caption Certain Covenants Bank of Thailand Approval and Thai Business Permit;

(b) to the extent the foregoing obligation is triggered by Indebtedness or Public Debt existing as of November 16, 2010, the relevant Restricted Subsidiary shall only be required to enter into its respective Senior Secured Note Guarantee at such time as it grants its guarantee with respect to the Indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities with respect to the Pactiv Acquisition;

(c) no Senior Secured 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;

(d) no such Senior Secured Note Guarantee need be secured unless required pursuant to the Future Collateral covenant;

(e) if such Indebtedness is by its terms expressly subordinated to the Senior Secured Notes or any Senior Secured 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 Senior Secured Note Guarantee of the Senior Secured Notes at least to the same extent as such Indebtedness is subordinated to the Senior Secured Notes or any other senior guarantee;

(f) no Senior Secured 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 Senior Secured Notes 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;

(g) no Senior Secured Note Guarantee shall be required if such Senior Secured Note Guarantee would not be required pursuant to the applicable provisions of the Agreed Security Principles;

(h) no Senior Secured Note Guarantee shall be required from a US Controlled Foreign Subsidiary or a Financial Assistance Restricted Subsidiary;

(i) no Senior Secured Note Guarantee shall be required if such Senior Secured 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

Table of Contents

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 Senior Secured Note Guarantee, which cannot be avoided through measures reasonably available to BP I, BP II or any such Restricted Subsidiary; and

(j) each such Senior Secured 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 Senior Secured Note Guarantees shall be released in accordance with the provisions of the Senior Secured Notes Indenture described under Senior Secured Note Guarantees.

Bank of Thailand Approval and Thai Business Permit. The Senior Secured Notes Indenture provides that, within 30 days after November 16, 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 efforts 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 Senior Secured 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 Senior Secured Notes (the *Thai Senior Secured Note Guarantee*) and to provide security in favor of the Senior Secured Notes.

Notwithstanding the provisions set forth under Certain Covenants Future Senior Secured Note Guarantors, but subject to the exceptions to the requirement to provide a Senior Secured 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 Senior Secured Notes, and shall enter into the relevant Security Documents pursuant to which security interests in the relevant Collateral will be reaffirmed and extended to secure the Senior Secured 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 or confirms its guarantee with respect to the Indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition, provided that at such time it would, but for the provisions of this section, be required to grant a Senior Secured Note Guarantee under the terms of the section Certain Covenants Future Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantee.

503

Table of Contents

Limitation on the U.S. Issuers. Notwithstanding anything contained in the Senior Secured Notes Indenture to the contrary, neither of the U.S. 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 Senior Secured 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) (x) except as may be otherwise permitted under the Senior Secured Notes Indenture under Certain Covenants Future Senior Secured Note Guarantors, any Restricted Subsidiary other than a Senior Secured Note Guarantor or an Issuer guaranteeing the 2007 Senior Notes or the 2007 Senior Subordinated Notes or (y) such guarantees not being subordinated to the Senior Secured Notes and Senior Secured Note Guarantees pursuant to the 2007 Intercreditor Agreement; or

(c) the terms of the 2007 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 Senior Secured Notes (including materially impairing the lien priority of the Senior Secured 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 Senior Secured Notes 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 Senior Secured 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 Senior Secured Note Guarantor of any After-Acquired Collateral, the Issuers or such Senior Secured 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 Senior Secured 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 Senior Secured 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 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.

Covenant Suspension. If (i) the Senior Secured 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 Senior Secured Notes Indenture, 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 Senior Secured 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 Senior Secured Notes Indenture for any period of time as a result of the foregoing, and on any

505

Table of Contents

subsequent date one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes will ever achieve or maintain Investment Grade Ratings.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Senior Secured Notes 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 U.S. Issuer I, the U.S. 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 U.S. Issuer I, the U.S. 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 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 U.S. Issuer I, the U.S. 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 Senior Secured Notes is a corporation;

(2) the Successor Company (if other than BP I, BP II, the U.S. Issuer I, the U.S. Issuer II or the Luxembourg Issuer, as applicable) expressly assumes all the obligations of BP I, BP II, the U.S. Issuer I, the U.S. Issuer II or the Luxembourg Issuer, as applicable, under its Senior Secured Note Guarantee (if applicable) and the Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 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 U.S. Issuer I, the U.S. Issuer II or the Luxembourg Issuer, as applicable, the Issuers and each Senior Secured Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its obligations under the Senior Secured Notes Indenture, Senior Secured Notes and Senior Secured Note Guarantee, the Security Documents, First Lien Intercreditor Agreement and 2007 Intercreditor Agreement, as applicable, shall apply to such Person s obligations under the Senior Secured Notes Indenture, the Senior Secured Notes, the Security Documents, the First Lien Intercreditor Agreement and 2007 Intercreditor Agreement and Senior Secured 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 Senior Secured Notes 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 U.S. Issuer I, the U.S. Issuer II or the Luxembourg Issuer, as applicable) will succeed to, and be substituted for, BP I, BP II, the U.S. Issuer I, the U.S. Issuer II or the Luxembourg Issuer, as applicable, under the applicable Senior Secured Note Guarantee (if applicable), the Senior Secured Notes Indenture, the applicable Security Documents, the First Lien Intercreditor Agreement and 2007 Intercreditor Agreement, and in such event BP I, BP II, the U.S. Issuer I, the U.S. Issuer II or the Luxembourg Issuer, as applicable, will automatically be released and discharged from its obligations under the applicable Senior Secured Note Guarantee and the Senior Secured Notes Indenture, the applicable Security Documents, the First Lien Intercreditor Agreement and 2007 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 U.S. Issuer I, the U.S. 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 U.S. Issuer I, the U.S. 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 Senior Secured Notes Indenture further provides that, subject to certain limitations in the Senior Secured Notes Indenture governing release of a Senior Secured Note Guarantee upon the sale or disposition of a Restricted Subsidiary that is a Senior Secured Note Guarantor, no Senior Secured Note Guarantor (other than RGHL) will, and BP I and BP II will not permit any Senior Secured Note Guarantor (other than RGHL) to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Senior Secured Note

Table of Contents

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 Senior Secured Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Senior Secured 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 Senior Secured Note Guarantor or such Person, as the case may be, being herein called the *Successor Senior Secured Note Guarantor*), and the Successor Senior Secured Note Guarantor (if other than such Senior Secured Note Guarantor) expressly assumes all the obligations of such Senior Secured Note Guarantor under the Senior Secured Notes Indenture, the relevant Security Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement and such Senior Secured Note Guarantor s Senior Secured 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 Senior Secured Note Guarantor (if other than such Senior Secured 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 Senior Secured Notes Indenture.

Subject to certain limitations described in the Senior Secured Notes Indenture, in a transaction to which the immediately preceding paragraph 1(a) applies, the Successor Senior Secured Note Guarantor (if other than such Senior Secured Note Guarantor) will succeed to, and be substituted for, such Senior Secured Note Guarantor under the Senior Secured Notes Indenture and such Senior Secured Note Guarantor s Senior Secured Note Guarantee, and such Senior Secured Note Guarantor will automatically be released and discharged from its obligations under the Senior Secured Notes Indenture and such Senior Secured Note Guarantor s Senior Secured Note Guarantee. Notwithstanding the foregoing, (1) a Senior Secured Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Senior Secured 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 Senior Secured Note Guarantor is not increased thereby, and (2) a Senior Secured Note Guarantor may merge, amalgamate or consolidate with another Senior Secured Note Guarantor, an Issuer, BP I or BP II.

In addition, notwithstanding the foregoing, any Senior Secured 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 Senior Secured Note Guarantor or (y) any Restricted Subsidiary that is not a Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantor, any Collateral subject to security interests in favor of the Senior Secured Notes will be automatically released from such security interests and the Senior Secured Notes will no longer have the benefit of such Collateral.

Additional Covenants. The Senior Secured Notes 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 Senior Secured Notes Indenture as:

(1) a default in any payment of interest on any Senior Secured Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Senior Secured 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 or Limitation on the U.S. 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 Senior Secured Notes or the Senior Secured Notes Indenture (other than a failure to purchase Senior Secured 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 $30.0 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 $50.0 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 Senior Secured Note Guarantee of RGHL, BP I or a Significant Subsidiary (or any Senior Secured Note Guarantee of one or more Senior Secured 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 Senior Secured Notes Indenture or the First Lien Intercreditor Agreement) or BP I, BP II or any Senior Secured Note Guarantor that qualifies as a Significant Subsidiary (or one or more Senior Secured Note Guarantors that collectively would represent a Significant Subsidiary) denies or disaffirms its obligations under the Senior Secured Notes Indenture or any Senior Secured Note Guarantee and such Default continues for 20 days; or

(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 Senior Secured Notes Indenture for any reason other than the satisfaction in full of all obligations under the Senior Secured Notes Indenture and discharge of the Senior Secured Notes Indenture or in accordance with the terms of the First Lien Intercreditor Agreement, the 2007 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Senior Secured 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 U.S. Issuers) occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of outstanding Senior Secured 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 Senior Secured 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 U.S. Issuers occurs, the principal of, premium, if any, and interest on all the Senior Secured 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 Senior Secured Notes may rescind any such acceleration with respect to the Senior Secured 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 Senior Secured 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 Senior Secured Notes as described above be annulled, waived or rescinded upon the happening of any such events.

Subject to the provisions of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Indenture or the Senior Secured Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing,

510

(2) Holders of at least 25% in principal amount of the outstanding Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes such that an agreement will be reached and the Trustee will act on behalf of the secured noteholders.

The Senior Secured Notes 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured 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 2007 Intercreditor Agreement (or, in each case, on terms not materially less favorable to the holders of the Senior Secured Notes), including containing substantially the same terms with respect to enforcement and release of Senior Secured 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 2007 Intercreditor Agreement.

The Senior Secured Notes 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 2007 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 the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement or any Additional Intercreditor Agreement the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Senior Secured Notes), (3) add parties to the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement or an Additional Intercreditor Agreement, including Senior Secured Note Guarantors, or successors, including successor trustees or other Representatives, (4) secure the Senior Secured Notes (including Additional Senior Secured 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 Senior Secured Notes (including any Additional Senior Secured 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 Senior Secured 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 2007 Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders representing a majority in aggregate principal amount of the Senior Secured 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 2007 Intercreditor Agreement or any Additional Intercreditor Agreement.

The Senior Secured Notes Indenture also provides that each secured noteholder, by accepting a Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of the First Lien Intercreditor Agreement, the 2007 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 2007 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 Senior Secured Notes Indenture, the Senior Secured Notes, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement, Additional Intercreditor Agreements, the Security Documents and the Senior Secured Notes may be amended with the consent of the holders of a majority in principal amount of the Senior Secured 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 Senior Secured 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 Senior Secured Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any Senior Secured Note,

(3) reduce the principal of or extend the Stated Maturity of any Senior Secured Note,

(4) reduce the premium or amount payable upon the redemption of any Senior Secured Note, change the time at which any Senior Secured Note may be redeemed as described under Optional Redemption, or Redemption for Changes in Withholding Taxes,

(5) make any Senior Secured Note payable in money other than that stated in such Senior Secured Note,

(6) expressly subordinate the Senior Secured Notes or any Senior Secured Note Guarantee to any other Indebtedness of any Issuer, BP I or any Senior Secured Note Guarantor not otherwise permitted by the Senior Secured Notes Indenture,

Table of Contents

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s Senior Secured 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 Senior Secured 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) change the provisions of the First Lien Intercreditor Agreement or the 2007 Intercreditor Agreement or any Additional Intercreditor Agreement in any manner adverse to the interests of the Holders in any material respect, or

(10) make any change in the provisions of the Senior Secured Notes 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 Senior Secured Notes or the Senior Secured Notes 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 Senior Secured Note or any Senior Secured 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 Senior Secured 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 Senior Secured Notes), no amendment or waiver may release from the Lien of the Senior Secured Notes 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 Senior Secured 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 Senior Secured Notes required by the Trust Indenture Act (which consents may be obtained in connection with a tender offer or exchange offer for the Senior Secured Notes).

Without the consent of any Holder, BP I, the Issuers, the Trustee and the Collateral Agent may amend the Senior Secured Notes Indenture, the Senior Secured Notes, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement, 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 Senior Secured Notes Indenture (including the release of any Senior Secured Note Guarantees or security interest in any Collateral in accordance with the terms of the Senior Secured Notes 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 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, (4) to provide for uncertificated Senior Secured Notes in addition to or in place of certificated Senior Secured Notes (*provided* that the uncertificated Senior Secured Notes are issued in registered form for purposes of Section 163(f) of the Code), (5) to add a Senior Secured Note Guarantee with respect to the Senior Secured 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 2007 Intercreditor Agreement, any Additional Intercreditor Agreement and the applicable Security Documents when permitted or required by the Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 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 Senior Secured Notes Indenture, (9) to add to the covenants of BP I, BP II or any Senior Secured 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 Senior

513

Table of Contents

Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 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 Senior Secured Notes, (13) to make certain changes to the Senior Secured Notes Indenture to provide for the issuance of Additional Senior Secured Notes or (14) to comply with any requirement of the SEC in connection with the qualification of the Senior Secured Notes Indenture under the Trust Indenture Act, if such qualification is required.

The consent of the noteholders is not necessary under the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Note Guarantor, will have any liability for any obligations of the Issuers under the Senior Secured Notes, the Senior Secured Notes Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Senior Secured Notes by accepting a Senior Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Senior Secured Notes in accordance with the Senior Secured Notes 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 Senior Secured Notes Indenture. The Issuers are not required to transfer or exchange any Senior Secured Note selected for redemption or to transfer or exchange any Senior Secured Note for a period of 15 days prior to a selection of Senior Secured Notes to be redeemed. The Senior Secured Notes will be issued in registered form and the registered holder of a Senior Secured Note will be treated as the owner of such Note for all purposes.

Satisfaction and Discharge

The Senior Secured Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of Senior Secured Notes, as expressly provided for in the Senior Secured Notes Indenture) as to all outstanding Senior Secured Notes when:

(1) either (a) all the Senior Secured Notes theretofore authenticated and delivered (except lost, stolen or destroyed Senior Secured Notes which have been replaced or paid and Senior Secured 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 Senior Secured 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 Senior Secured Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Senior Secured 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 Senior Secured Note Guarantors have paid all other sums payable under the Senior Secured Notes 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 Senior Secured Notes Indenture relating to the satisfaction and discharge of the Senior Secured Notes 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 Senior Secured Notes and the Senior Secured Notes 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 Senior Secured Notes, to replace mutilated, destroyed, lost or stolen Senior Secured Notes and to maintain a registrar and paying agent in respect of the Senior Secured 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 Senior Secured Note Guarantor will be released from all of its obligations with respect to its Senior Secured Note Guarantee and the Issuers and each Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes to redemption or maturity, as the case may be, and must comply with certain other conditions set out in the Senior Secured Notes Indenture, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Senior Secured 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 Senior Secured Notes Indenture.

If the Trustee becomes a creditor of the Issuers or any Senior Secured Note Guarantor, the Senior Secured Notes 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.

Table of Contents

The Senior Secured Notes 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 Senior Secured Notes Indenture at the request of any Holder of Senior Secured 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 secured noteholders will be validly given if mailed to them at their respective addresses in the register of the Holders of the Senior Secured Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable DTC procedures). In addition, for so long as any Senior Secured Notes are represented by Global Senior Notes, all notices to Holders of the Senior Secured 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 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 Senior Secured Note Guarantor under or in connection with the Senior Secured Notes, including damages. Any amount with respect to the Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantor will only constitute a discharge to the Issuers or any Senior Secured 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 Senior Secured Note, BP I, BP II, the Issuers and any Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured 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, (a) for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a

516

Table of Contents

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, and (b) for purposes of determining compliance with any U.S. Dollar-denominated restriction herein, the U.S. Dollar Equivalent amount for purposes hereof that is denominated in a non-U.S. Dollar currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-U.S. Dollar 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 Senior Secured Note Guarantors has irrevocably and unconditionally: (1) submitted itself and its property in any legal action or proceeding relating to the Senior Secured Notes 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 U.S. 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 Senior Secured Notes 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 U.S. Issuer II, with written notice of said service to such Person at the address of the U.S. Issuer II set forth in the Senior Secured Notes 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 Senior Secured Note Guarantors are outside the United States, any judgment obtained in the United States against BP I, BP II, the Issuers or any Senior Secured 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 Senior Secured Notes, may not be collectable within the United States.

Governing Law

The Senior Secured Notes Indenture provides that it and the Senior Secured 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 Senior Secured Notes.

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 2007 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 Senior Secured Notes will be represented by one or more global Senior Secured Notes in registered form without interest coupons attached (collectively, the *Global Senior Secured Notes*). The Global Senior Secured 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 Senior Secured Notes are issued pursuant to the terms of the Senior Secured Notes Indenture, the Issuers may, in their sole discretion, cause some or all of such Additional Senior Secured Notes, if any, to be issued in the form of one or more global Senior Secured Notes (the *Additional Global Senior Secured Notes*) and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Global Senior Secured Note and ownership of interests in each Additional Global Senior Secured 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 Senior Secured Notes and the Additional Global Senior Secured 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 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 Senior Secured Notes are in global form, holders of Book-Entry Interests may not be considered the owners or holders of Senior Secured Notes for purposes of the Senior Secured Notes Indenture.

So long as the Senior Secured Notes and any Additional Senior Secured Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global Senior Secured Notes for all purposes under the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes

Under the terms of the Senior Secured Notes Indenture, owners of Book-Entry Interests will not receive definitive Senior Secured Notes in registered form (*Definitive Registered Senior Secured 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 Senior Secured Notes Indenture. Subject to applicable provisions of the Senior Secured Notes Indenture, Definitive Registered Senior

Secured Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global Senior Secured 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;

Table of Contents

(ii) the Depositary so requests if an event of default under the Senior Secured Notes 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 Senior Secured Notes under the Senior Secured Notes Indenture.

In such an event, Definitive Registered Senior Secured 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 Senior Secured Notes will bear the restrictive legend referred to in Transfer Restrictions, unless that legend is not required by the Senior Secured Notes Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the Senior Secured Notes shall be payable at the place of payment designated by the Issuers pursuant to the Senior Secured Notes Indenture; *provided*, *however*, that at the Issuers option, payment of interest on a Senior Secured Note may be made by check mailed to the person entitled thereto to such address as shall appear on the Senior Secured Note register.

Redemption of the Global Senior Secured Notes

In the event any Global Senior Secured Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global Senior Secured Note so redeemed to the holders of the Book-Entry Interests in such Global Senior Secured 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 Senior Secured Note (or any portion thereof).

We understand that under existing practices of DTC, if fewer than all of the Senior Secured 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 Senior Secured Notes

Payments of any amounts owing in respect of the Global Senior Secured Notes for the Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes Indenture, the Issuers, the Trustee and the paying agents will treat the registered holder of the Global Senior Secured Notes as the owner thereof for the purpose of receiving payments and other purposes under the Senior Secured Notes 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.

519

Table of Contents

Action by Owners of Book-Entry Interests

We understand that the Depositary will take any action permitted to be taken by a holder of Senior Secured Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Senior Secured Notes are credited and only in respect of such portion of the aggregate principal amount of Senior Secured 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 Senior Secured Notes. However, if there is an Event of Default under the Senior Secured Notes, the Depositary reserves the right to exchange the Global Senior Secured Notes for Definitive Registered Senior Secured Notes in certificated form, and to distribute such Definitive Registered Senior Secured Notes to its respective participants.

Transfers

Transfers of any Global Senior Secured Note shall be limited to transfers of such Global Senior Secured Note in whole, but (subject to the provisions described above under Book-Entry, Delivery and Form Issuance of Definitive Registered Senior Secured Notes, to provisions described below in the section Book-Entry, Delivery and Form Transfers and the applicable provisions of the Senior Secured Notes 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 Senior Secured Notes Indenture. Any Book-Entry Interest in one of the Global Senior Secured Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Senior Secured Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Senior Secured Note and become a Book-Entry Interest in the relevant Global Senior Secured 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 Senior Secured Note for as long as that person retains such Book-Entry Interests.

Definitive Registered Senior Secured Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global Senior Secured Note only pursuant to the terms of the Senior Secured Notes Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Senior Secured Notes Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Senior Secured Notes. See Plan of Distribution.

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the Senior Secured 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 Senior Secured 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 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 means the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

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

521

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 Note Documents means (a) the 2009 Notes, the guarantees with respect to the 2009 Notes, the 2009 Indenture, the 2009 Security Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any 2009 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

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 Senior Secured 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) 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 Senior Secured 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 Senior Secured Note Guarantors. However, it is acknowledged that to the extent the Security Principles conflict with the specific provisions of the Senior Secured Notes Indenture or any Security Document (other than those explicitly qualified by these Security Principles), the provisions of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Note Guarantor if the relevant asset is material and if seeking such consent will not adversely affect the business of the Issuer or Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantee or security being granted by that member of the Group;

(f) the Issuers and Senior Secured 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 Senior Secured Note Guarantor shall be required to give a Senior Secured 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 Senior Secured Notes 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 Senior Secured Note Guarantor to conduct its operations and business in the ordinary course as otherwise permitted by the Senior Secured 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 Senior Secured Note Guarantors, to the extent that such restrictions can be removed under relevant law, (ii) any of the Issuers and Senior Secured 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 Senior Secured 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 Senior Secured 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

524

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 Senior Secured Note Guarantor or New York law, all security (other than share security over subsidiaries of the Issuers or a Senior Secured 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 Senior Secured 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) Senior Secured Note Guarantors and Security

Each Senior Secured Note Guarantee will be an upstream, cross-stream and downstream guarantee of all the Obligations with respect to the Senior Secured Notes and the Senior Secured 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 Senior Secured Notes and the Senior Secured Note Guarantees.

Subject to these Security Principles, the security package shall include stock and other membership interests issued by the Issuers and Senior Secured 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 Senior Secured 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 Senior Secured Notes Indenture and Security Documents, be given by the Issuers and Senior Secured 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 Senior Secured 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 Senior Secured Notes to another party.

The Issuers and Senior Secured 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 Senior Secured Notes is complete. Otherwise the cost or fee shall be for the account of the transferee Holder.

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 Senior Secured 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 Senior Secured 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;

Table of Contents

(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 Senior Secured 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 Senior Secured Note Guarantor that the Collateral Agent shall not give any instructions or withhold any withdrawal rights from such Issuer or Senior Secured 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 any Senior Secured Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Senior Secured Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Senior Secured Note on October 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 Senior Secured Note through October 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 Senior Secured Note on such redemption date.

Applicable Representative has the meaning given to such term under Security Brief Summary of Security Documents and Intercreditor Agreements.

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;

527

(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 $15.0 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 Senior Secured Notes 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 (which may include First Lien Obligations, including Additional Senior Secured 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 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.

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

530

Table of Contents

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 Senior Secured Notes 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document 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;

531

(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 Senior Secured 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.

533

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 Senior Secured 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 Senior Secured Notes or the date the Senior Secured 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.

534

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 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 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 Senior Secured First Lien Leverage Ratio, as the case may be.

Equity Contribution means the cash contributed by Rank Group Limited to RGHL as contemplated in the Pactiv Acquisition Document.

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

535

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 May 2010 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 Senior Secured Notes 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 party 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 Senior Secured Note Guarantor due to applicable financial assistance laws; *provided* that such Restricted Subsidiary shall become a Senior Secured 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 Senior Secured Note Guarantor if it would otherwise be required to be a Senior Secured Note Guarantor pursuant to Certain Covenants Future Senior Secured Note Guarantors.

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.

537

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 Senior Secured 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 which is omitted from the pro forma calculation pursuant to the foregoing clause (a).

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

538

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 Senior Secured Notes 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 Senior Secured Notes Indenture, all ratios and calculations based on GAAP contained in the Senior Secured Notes 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 Senior Secured Notes 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, the Reynolds Acquisition

Documents, the Evergreen Acquisition Documents, the Pactiv Acquisition Document or the Reynolds Foodservice Acquisition Document; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the Senior Secured Notes Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of Statement of Financial Accounting

540

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 Senior Secured Notes 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 Senior Secured Notes Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the Senior Secured Notes 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, HSBC Securities (USA) Inc., ANZ Securities, Inc. and Rabo 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.

541

Issue Date means October 15, 2010, the date on which the Senior Secured 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 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 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.

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.

Notes means the Senior Notes and the Senior Secured Notes.

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 Senior Secured Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Senior Secured Notes.

Obligor means any Issuer or a Senior Secured Note Guarantor.

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 October 6, 2010, with respect to the original issuance of the Senior Notes and the Senior Secured 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 Senior Secured Notes 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.

Pactiv means Pactiv Corporation.

Pactiv 2012 Notes refers to the 5.785% Notes due July 15, 2012 of Pactiv Corporation, which were repaid in connection with the 2012 Refinancing Transactions.

Pactiv 2018 Notes refers to the 6.400% Notes due January 15, 2018 of Pactiv Corporation, with an outstanding principal amount of $15.7 million (net of $1 million of unamortized discount) as of March 31, 2012.

Pactiv Acquisition means the acquisition by RGHL, through its wholly owned subsidiary Reynolds Acquisition Corporation, of all of the outstanding stock of Pactiv pursuant to the Pactiv Acquisition Document.

Pactiv Acquisition Document means the Agreement and Plan of Merger, dated as of August 16, 2010, among Rank Group Limited, RGHL, Reynolds Acquisition Corporation and Pactiv.

Pactiv Base Indenture means the Indenture dated as of September 29, 1999, between Tenneco Packaging Inc. and The Chase Manhattan Bank as Trustee, as supplemented, amended and modified from time to time thereafter.

Pactiv Change of Control Offers refers to Pactiv s offers to purchase the Pactiv 2012 Notes and the Pactiv 2018 Notes, as currently required by the applicable indentures.

Pactiv Tender Offers refers to Pactiv s offers to purchase and consent solicitations with respect to the Pactiv 2012 Notes and the Pactiv 2018 Notes.

Pactiv Transactions refers to: (i) the offering of the Senior Secured Notes and Senior Notes, (ii) the incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition, (iii) the repayment of certain Pactiv indebtedness including the Pactiv 2012 Notes and Pactiv 2018 Notes in connection with the Pactiv Tender Offers and Pactiv Change of Control Offers, (iv) the Pactiv Acquisition, (v) the Equity Contribution, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

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 Senior Secured Notes 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 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 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 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); *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;

Table of Contents

(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 Senior Secured 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;

546

Table of Contents

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 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 $500.0 million, (iii) 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; (iv) Liens securing the 2009 Notes (or any guarantees thereof), (v) Liens securing the Senior Secured Notes (or any guarantees thereof), (vi) 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; (vii) 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; and (viii) 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 Senior Secured Notes pursuant to an Additional Intercreditor Agreement on terms not less favorable to the noteholders, the Collateral Agent and the Trustee than in the 2007 Intercreditor Agreement;

(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 Senior Secured Notes 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 Senior Secured Notes or any Senior Secured Note Guarantees;

(15) Liens in favor of BP I, BP II or any Senior Secured 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)(vii)), (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)(vii)),

(7), (8), (9), (10), (15) and (20) at the time the original Lien became a Permitted Lien under the Senior Secured Notes 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

548

Table of Contents

referred to in any of clauses (6) (other than clause (6)(vii)), (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 $30.0 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 Senior Secured Notes (or any Additional Senior Secured 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 10 Persons (*provided* that multiple managed accounts and affiliates of any such

549

Table of Contents

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 Senior Secured Notes or any Refinancing Indebtedness with respect to the Senior Secured 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 Senior Secured 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

550

Table of Contents

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.

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 Senior Secured Notes 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 October 2010 Senior Secured Notes, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of each of BP I and BP II.

Table of Contents

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 Foodservice Acquisition means, collectively, (a) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging Inc., (b) the acquisition by Closure Systems International B.V., an indirect wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging International B.V., together with a minority interest in Reynolds Metals Company de Mexico S. de R.L. de C.V., from an affiliated entity, that along with Reynolds Group Holdings Inc. and Closure Systems International B.V,. is beneficially owned by Mr. Graeme Richard Hart.

Reynolds Foodservice Acquisition Document means the Stock Purchase Agreement, dated as of September 1, 2010, among BP III, Reynolds Group Holdings Inc., Closure Systems International B.V. and Reynolds Packaging (NZ) Limited.

Reynolds Foodservice Transactions means the Reynolds Foodservice Acquisition and the transactions related thereto.

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.

Table of Contents

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 Senior Secured 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 Senior Secured 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 Senior Secured Note Documents, and (c) the due and punctual payment and performance of all the obligations of each other Obligor under or pursuant to the Senior Secured 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 Senior Secured 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 Senior Secured Notes or the Senior Secured 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 Senior Secured Notes Indenture.

Senior Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Notes Indenture and the Senior Notes by any Person in accordance with the provisions of the Senior Notes Indenture.

Senior Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that granted a guarantee with respect to the indebtedness Incurred as incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition as of November 16, 2010 (other than the

553

Issuers) and (y) any Person that subsequently becomes a Senior Note Guarantor in accordance with the terms of the Senior Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Note Guarantee in accordance with the Senior Notes Indenture, such Person shall cease to be a Senior Note Guarantor.

Senior Notes means the $1,500,000,000 aggregate principal amount of 9.000% Senior Notes due 2019 pursuant to the Senior Notes Indenture.

Senior Notes Indenture means the Senior Notes Indenture dated as of the Issue Date, among U.S. LLC Escrow Issuer, U.S. Corporate Escrow Issuer, Lux Escrow Issuer and The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent and Registrar, as supplemented, amended and modified from time to time thereafter.

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 Senior Secured 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 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

554

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 Secured Note Documents means (a) the Senior Secured Notes, the Senior Secured Notes Guarantees, the Senior Secured Notes Indenture, the Security Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any Senior Secured Note Document described in clause (a) evidencing or governing any Secured Obligations thereunder.

Senior Secured Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Secured Notes Indenture and the Senior Secured Notes by any Person in accordance with the provisions of the Senior Secured Notes Indenture.

Senior Secured Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that granted a guarantee with respect to the indebtedness Incurred as incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition as of November 16, 2010 (other than the Issuers) and (y) any Person that subsequently becomes a Senior Secured Note Guarantor in accordance with the terms of the Senior Secured Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Secured Note Guarantee in accordance with the Senior Secured Notes Indenture, such Person shall cease to be a Senior Secured Note Guarantor.

Senior Secured Notes means the $1,500,000,000 aggregate principal amount of 7.125% Senior Secured Notes due 2019 pursuant to the Senior Secured Notes Indenture.

Senior Secured Notes Indenture means the Senior Secured Notes Indenture dated as of the Issue Date, among U.S. LLC Escrow Issuer, U.S. Corporate Escrow Issuer, Lux Escrow Issuer, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent, Registrar and Collateral Agent and Wilmington Trust (London) Limited, as Additional Collateral Agent, as supplemented, amended and modified from time to time thereafter.

Senior Secured Notes Registration Rights Agreement means the Senior Secured Notes Registration Rights Agreement related to the Senior Secured Notes, dated as of the Issue Date, among the Escrow Issuers and the Initial Purchasers, as such agreement may be amended, modified or supplemented from time to time; *provided* that, as of the Escrow Release Date the Issuers shall assume all of the obligations of the Escrow Issuers under, and the Senior Secured Note Guarantors shall execute a joinder to, the Senior Secured Notes Registration Rights Agreement, and, with respect to any Additional Senior Secured 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 Senior Secured Notes to register such Additional Senior Secured

Notes under the Securities Act.

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 Senior Secured Notes and (b) with respect to any Senior Secured Note Guarantor, any Indebtedness of such Senior Secured Note Guarantor which is by its terms subordinated in right of payment to its Senior Secured 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 Senior

Secured 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 Senior Secured Notes is restricted by the 2007 Intercreditor Agreement, any Additional Intercreditor Agreement or another intercreditor agreement;

Table of Contents

(2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Senior Secured 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 Senior Secured Notes is restricted by the 2007 Intercreditor Agreement, any 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 Senior Secured 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 Senior Secured Notes) is restricted by the 2007 Intercreditor Agreement, any 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 2007 Intercreditor Agreement, any Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Senior Secured 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.

557

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, the Evergreen Transactions, the Pactiv Transactions and the Reynolds Foodservice Transactions.

Treasury Rate (as determined by the Issuers) means, with respect to the Senior Secured 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, 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 Senior Secured Notes Indenture.

Trustee means the party named as such in the Senior Secured Notes 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

558

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.

U.S. Dollar Equivalent means with respect to any monetary amount in a currency other than U.S. Dollars, at any time for determination thereof by BP I, BP II or the Trustee, the amount of U.S. Dollars obtained by converting such currency other than U.S. Dollars involved in such computation into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as published in The Wall Street Journal in the Exchange Rates column under the heading Currency Trading (or, if *The Wall Street Journal* is no longer published, or if such information is no longer available in *The Wall Street Journal*, such source as may be selected in good faith by BP I or BP II) on the date of such determination.

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 May 2010 Notes and (d) the intercompany loan from the .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 Senior Notes and the Senior Secured Notes and (e) the intercompany loan from the US Issuer I to Pactiv, 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.

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.

559

DESCRIPTION OF THE OCTOBER 2010 SENIOR 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 Notes (the *Senior Notes*) pursuant to a Senior Notes Indenture (the *Senior Notes Indenture*), among themselves and 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. Proceeds of the offering were held in escrow until November 16, 2010. Upon the initial issuance of the Senior Notes, the Senior 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 (a public limited liability company) under the laws of Luxembourg (the *Luxembourg Issuer* and, together with the US Issuers, the *Issuers*) or the Senior Note Guarantors (as defined below). On November 16, 2010 (i) the US LLC 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 US LLC Escrow Issuer under the Senior Notes Indenture, the Senior Notes and the other applicable documents, (ii) the US Corporate Escrow Issuer merged with and into the US Issuer II, with the US Issuer II surviving the merger and assuming by operation of law the obligations of the US Corporate Escrow Issuer under the Senior Notes Indenture, the Senior 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 Notes Indenture, the Senior Notes and the other applicable documents.

The terms of the new Senior Notes are substantially identical to the terms of the old Senior Notes, except that the new Senior 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 Notes and will not entitle their holders to registration rights. The new Senior Notes will otherwise be treated as the old Senior Notes for purposes of the Senior Notes Indenture.

The Senior Notes Indenture contains provisions that define your rights and govern the obligations of the Issuers under the Senior Notes. Copies of the Senior Notes Indenture and the Senior 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 Notes upon request. See Where You Can Find More Information.

Terms used in this Description of the October 2010 Senior 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 Notes section, (1) *we* , *us* and *our* mean Beverage Packaging Holdings (Luxembourg) I S.A. (including any successor in interest thereto, *BPI*) 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 Notes Indenture and this Description of the October 2010 Senior Notes, references to an entity shall be to it and to any successor in interest thereto. Any reference to Senior Notes in this Description of the October 2010 Senior Notes refers to the new Senior Notes and any old Senior Notes that are not exchanged in the exchange offer.

The Senior Notes, the Senior Secured Notes, and the Indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition 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 as incremental term loan borrowings under the Senior Secured Credit Facilities, the 2009 Notes, the Senior Secured Notes, the 7.875% senior secured notes due 2019 and the

Table of Contents

6.875% senior secured notes due 2021 is classified as First Lien Obligations under the 2009 Indenture, the Senior Secured 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 Secured Notes Indenture, the February 2011 Senior Secured Indenture, the August 2011 Secured Indenture and the February 2012 Senior Indenture. The Senior Notes are classified as Senior Indebtedness under the Senior Notes Indenture, the Senior Secured Notes Indenture, the August 2011 Secured Indenture, the August 2011 Senior Indenture, the February 2011 Secured Indenture, the February 2011 Senior Indenture, the May 2010 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 Senior Notes and the Senior Note Guarantees

The Senior 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 May 2010 Notes, the Senior Secured Notes, the February 2011 Notes, the August 2011 Notes and the February 2012 Notes);

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 August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes, the Senior Secured Notes, the 2009 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 Senior 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 Senior Note Guarantor.

The Senior Note Guarantees are general senior obligations of each Senior Note Guarantor and:

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of such Senior Note Guarantor;

are effectively subordinated to any Secured Indebtedness of such Senior Note Guarantor (including Indebtedness of such Senior Note Guarantor outstanding under, or with respect to its guarantee of, the Senior Secured Credit Facilities, the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes, the Senior Secured Notes, the 2009 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 Senior Note Guarantor, including, subject to the discussion below (see Ranking), such Senior Note Guarantor s guarantee of the 2007 Senior Subordinated Notes.

Principal, Maturity and Interest

The Issuers issued an aggregate principal amount of $1,500,000,000 of Senior Notes. The Issuers may issue additional Senior Notes, from time to time (*Additional Senior Notes*). Any offering of Additional Senior 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 Notes and any Additional Senior Notes subsequently issued under the Senior Notes Indenture will be treated as a single class for all purposes under the Senior Notes Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Senior Notes Indenture and this Description of the October 2010 Senior Notes, references to the Senior Notes include any Additional Senior Notes actually issued.

The Senior Notes will mature on April 15, 2019. Each Senior Note bears interest at 9.000% 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 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 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 Notes will be payable, and the Senior 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 Notes

The Issuers maintain a paying agent for the Senior Notes in New York, NY. The Issuers have undertaken under the Senior 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 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 Notes outstanding from time to time and the transfer agent in New York facilitates transfers of Definitive Registered Senior 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 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 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 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 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 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	104.500%
2015	102.250%
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 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 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 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 Notes (calculated after giving effect to any issuance of any Additional Senior 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 109.000%, 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 Notes (calculated after giving effect to any issuance of any Additional Senior 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 Notes being redeemed and otherwise in accordance with the procedures set forth in the Senior 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 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 Notes are to be redeemed or are required to be repurchased at any time, the Trustee will select Senior 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 Notes are then admitted to trading; *provided, however,* that no Senior 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 Note is to be redeemed in part only, the notice of redemption that relates to that Senior Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Senior Note, a new Senior Note in currency and in principal amount equal to the unredeemed portion of the original Senior Note will be issued in the name of the noteholder thereof upon cancellation of the original Senior Note. In the case of a Global Senior Note, an appropriate notation will be made on such Senior 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 Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior 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 Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Senior 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 Notes in the open market or otherwise.

Redemption for Taxation Reasons

The Issuers may redeem the Senior 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 Senior Notes or a Senior Note Guarantee is, or on the next date on which any amount would be payable in respect of the Senior 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 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

564

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, Senior Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior 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 Notes Indenture.

Withholding Taxes

All payments made by any Issuer or any Senior Note Guarantor or any successor in interest to any of the foregoing (each, a *Payor*) on or with respect to the Senior Notes or any Senior 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 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 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 Notes or any Senior 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 Notes or its Senior 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 Notes or any Senior 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 Senior Notes or the Senior 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 Senior Note or the receipt of any payment in respect thereof;

565

(2) any Taxes that would not have been so imposed or levied if the holder of the Senior 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 Notes or any Senior 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 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 Senior 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 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 Senior Note been the holder of the Senior 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 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 Senior Notes Indenture, the Senior Notes, any Senior Note Guarantee or this Description of the October 2010 Senior 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 Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the Senior Notes or any Senior 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 Notes, the Senior Notes Indenture, or any other document or instrument in relation thereto (other than a transfer of the Senior 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 Senior 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 Notes each beneficial owner of a Senior Note agrees, to treat for U.S. federal income tax purposes (i) $725,000,000 in principal amount of the Senior Notes as debt of the Luxembourg Issuer (or the sole owner of the Luxembourg Issuer) and $775,000,000 in principal amount of the Senior Notes as debt of the sole owner of the US Issuer I and (ii) interest payments on the portion of the Senior 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 Senior Notes that is treated as debt of the sole owner of the US Issuers 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 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 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 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 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 Senior Note Guarantees is Senior Indebtedness of each Senior Note Guarantor, is equal in right of payment to all existing and future Senior Indebtedness of such Senior Note Guarantor and is senior in right of payment to all existing and future Subordinated Indebtedness of such Senior 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 Senior Notes.

As described in further detail below, in a liquidation, dissolution or bankruptcy of any of the Issuers or the Senior Note Guarantors, holders of Senior Notes and Senior Note Guarantees will be entitled to receive payment in full of the Senior Notes and Senior 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 Senior Notes and Senior 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.

Table of Contents

At March 31, 2012,:

(1) RGHL and its Subsidiaries had an aggregate principal amount of $11,573 million of Indebtedness secured by any Lien outstanding. RGHL and its Subsidiaries would have had $41 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 56 million of Secured Indebtedness under Local Facilities; and

(2) RGHL and its Subsidiaries had an aggregate principal amount of $17,554 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 March 31, 2012, RGHL and its Subsidiaries had an aggregate of $586 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 $32 million of indebtedness outstanding under Local Facilities.

Although the Senior 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 claim to the Senior 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 Senior Notes and Senior 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 Senior Note Guarantors, holders of Senior Notes and Senior Note Guarantees will be entitled to receive payment in full of the Senior Notes and Senior 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 Senior Notes and Senior Note Guarantees do not constitute Designated Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture, as do the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes, the 2009 Notes, the Senior Secured Credit Facilities, the 2007 Senior Notes and the Senior Secured Notes, and holders thereof have more rights than the holders of Senior Notes. Thus, holders of Senior Notes and Senior 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

568

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 Senior 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 Senior Notes do not have a contractual right to stop payments by the Issuers and Senior Note Guarantors in respect of the 2007 Senior Subordinated Notes and holders of Senior Notes may recover less than holders of Designated Senior Indebtedness as a result thereof.

The Senior Notes and Senior Note Guarantees rank *pari passu* in right of payment with the guarantees of the 2007 Senior Notes, the 2009 Notes (and related guarantees), the May 2010 Notes (and related guarantees), the Senior Secured Notes (and related guarantees), the February 2011 Senior Secured Notes (and related guarantees), the February 2011 Senior Notes (and related guarantees), the August 2011 Senior Secured Notes (and related guarantees), the August 2011 Senior Notes (and related guarantees), the February 2012 Notes (and related guarantees) and the Senior Secured Credit Facilities (and related guarantees). However, due to a contractual subordination agreement between holders of the 2007 Senior Notes on the one hand, and holders of the 2009 Notes, and the Senior Secured Credit Facilities on the other hand, which the holders of the Senior Secured Notes, the holders of the February 2011 Senior Secured Notes and the holders of the August 2011 Senior Notes also joined, the guarantees of the 2007 Senior Notes rank junior in right of payment to the 2009 Notes and the Senior Secured Credit Facilities (and their respective guarantees) and rank junior in right of payment to the Senior Secured Notes (and their guarantees), the February 2011 Senior Secured Notes (and their guarantees) and the August 2011 Senior Secured Notes (and their guarantees).

Therefore, in the event that the Issuer or a Senior Note Guarantor becomes a debtor in a United States bankruptcy case and claims under the 2007 Senior Notes, the 2009 Notes, the 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 Senior Notes and Senior 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 (and related guarantees), the Senior Secured Notes (and related guarantees), the February 2011 Senior Secured Notes (and related guarantees), the August 2011 Senior Secured Notes (and related guarantees) and the Senior Secured Credit Facilities (and related guarantees), 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 Senior Secured Notes, the February 2011 Senior Secured Notes (and related guarantees), the August 2011 Senior Secured Notes (and related guarantees) and the Senior Secured Credit Facilities (and their respective guarantees). In addition, in such an event, we expect that claims of holders of Senior Notes and Senior 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 Senior Notes and Senior 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 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 Subordinated Notes in favor of the 2007 Senior Notes, the 2009 Notes, the 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 Senior Notes and Senior 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 Senior 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 Note Guarantors, including holders of the Senior Notes. The Senior 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 Note Guarantors (including BP II, which is a finance company). As of March 31, 2012, 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 $20 million of long-term debt (on a consolidated basis and excluding intercompany loan transactions) and $2,095 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 Note Guarantees

Each of the Senior 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 Notes Indenture and the Senior Notes, whether for payment of principal of, premium, if any, or interest on the Senior Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Senior Note Guarantors and by any of RGHL s Subsidiaries that subsequently become Senior 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 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 Senior Note Guarantees are subject to a variety of local laws that may limit or void the Senior Note Guarantees and certain other limits imposed under the terms of such Senior Note Guarantees. For a description of such limitations and the risks associated with the Senior 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;

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.

570

Such Senior Note Guarantors have agreed, and any of RGHL s Subsidiaries that subsequently become Senior 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 Senior 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 Senior Note Guarantees as required by the covenant under Certain Covenants Future Senior 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 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 Notes. See Ranking.

Each Senior 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 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 Note Guarantees

A Senior Note Guarantee of a Senior Note Guarantor will be automatically released upon (a) receipt by the Trustee of a notification from BP I that such Senior Note Guarantee be released and (b) the occurrence of any of the following:

(1) the consummation of any transaction permitted by the Senior Notes Indenture as a result of which such Senior Note Guarantor ceases to be a Restricted Subsidiary;

(2) the release or discharge of the guarantee or other obligation by such Senior Note Guarantor (other than RGHL) of the Senior Secured Credit Facilities or such other guarantee or other obligation that resulted in the creation of such Senior Note Guarantee, except a release or discharge by or as a result of payment under such guarantee;

(3) BP I designating such Senior 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 Notes Indenture are discharged in accordance with the terms of the Senior Notes Indenture; or

(5) the transfer or sale of the equity interests of such Senior Note Guarantor pursuant to an enforcement action, in accordance with the terms of the First Lien Intercreditor Agreement.

The Senior Note Guarantor will be required to deliver to the Trustee an Officers Certificate stating that all conditions precedent provided for in the Senior Notes Indenture relating to the release have been complied with. A Senior Note Guarantee of a Senior Note Guarantor also will be released as provided under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets.
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.

571

Table of Contents

Addition of Senior Note Guarantors

Under certain circumstances, additional Restricted Subsidiaries may be added as Senior Note Guarantors (see Certain Covenants Future Senior 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 Senior 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 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

(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 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 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 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 Senior 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

572

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 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 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 Notes Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Senior 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 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 Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers Certificate stating the Senior Notes or portions of the Senior Notes being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Senior Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Senior Notes in order to reflect thereon the portion of such Senior Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Senior Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Senior 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 Senior Notes so tendered the Change of Control Payment for such Senior Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder of Senior Notes a new Senior

Note equal in principal amount to the unpurchased portion of the Senior Notes surrendered, if any; *provided, however,* that each such new Senior Note will be in a principal amount that is at least $100,000 and integral multiples of $1,000 in excess thereof.

573

Senior Notes repurchased by the Issuers or an Affiliate pursuant to a Change of Control Offer will have the status of Senior Notes issued but not outstanding or will be retired and canceled at the option of the Issuers. Senior Notes purchased by an unaffiliated third party pursuant to the procedure described above will have the status of Senior 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 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 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 Secured Notes, the February 2012 Notes, the August 2011 Notes, the February 2011 Notes, the May 2010 Notes, the 2009 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 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 Notes Indenture relating to the Issuers obligation to make an offer to repurchase the Senior 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 Notes.

Certain Covenants

Set forth below are summaries of certain covenants that are contained in the Senior Notes Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The Senior 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 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 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 Note Guarantors of Indebtedness represented by the Senior Notes (not including any Additional Senior Notes) and the Senior Note Guarantees;

(c) (i) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (a) and (b)) and (ii) 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;

(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 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 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 Notes or the obligations of BP I under its Senior 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 Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not one of the Issuers or a Senior 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 Note Guarantee of such Senior 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 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 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 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

576

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 Notes then outstanding were instead due on such date one year following the last date of maturity of the Senior 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 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 Notes;

(3) refinances (a) Indebtedness junior to the Senior Notes or any Senior Note Guarantee, such Refinancing Indebtedness is junior to the Senior Notes or the Senior Note Guarantee of such Senior 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 Note Guarantor that refinances, refunds or defeases Indebtedness of BP I, BP II, any Issuer or any Senior 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;

Table of Contents

(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 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 Note Guarantor unless such Indebtedness shall be subordinated to the Senior Notes or the applicable Senior 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.

For purposes of determining compliance with this covenant, (i) 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 and (ii) the U.S. Dollar 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 U.S. Dollars, and such refinancing would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-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 U.S. Dollar 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 Senior Notes 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 Senior Notes 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

580

Table of Contents

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 Senior 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 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

581

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), 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 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); *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 $30.0 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).

Table of Contents

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 Senior Notes 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 Senior 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 Senior 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 Senior Notes or the related Senior 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 Senior 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 Senior Notes then outstanding were instead due on such date one year following the last date of maturity of the Senior 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 Senior 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 $5.0 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 $10.0 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 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 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, the Evergreen Acquisition Documents, the Pactiv Acquisition Document or the Reynolds Foodservice Acquisition

585

Table of Contents

Document, 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 Senior Notes tendered by holders of the Senior 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 Senior Notes 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 Senior Notes Indenture) and that all Senior 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.

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 Senior Notes 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 Secured Notes Indenture, the May 2010 Indenture, the 2009 Indenture, 2007 Senior Note Indenture, the 2007 Senior Subordinated Notes Indenture, the 2007 Intercreditor Agreement, the First Lien Intercreditor Agreement, the Senior Secured Notes Security Documents, the 2009 Security Documents and the 2007 Notes Security Documents;

(2) the Senior Notes Indenture, the Senior Notes (and Senior 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;

587

(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 Senior 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 Senior 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 Senior 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 Senior Notes 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 Senior Notes or any Senior 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 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 Senior Notes are repaid with the Net Proceeds of any Asset Sale, the Issuers will equally and ratably reduce Obligations under the Senior 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 Senior Notes or (c) Obligations constituting Indebtedness of a Restricted Subsidiary of BP I that is not an Issuer or a Senior 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 Senior Notes 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 Senior 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 Senior Notes (and, at the option of the Issuers, to holders of any Senior Indebtedness of an Issuer or Senior 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 Senior 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 Senior Notes 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 Senior Notes Indenture, with a copy to the Trustee. To the extent that the aggregate amount of Senior 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 Senior Notes (and such Senior Indebtedness or other Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Senior 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 Senior 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 Senior Notes 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 Senior Notes Indenture by virtue thereof.

If more Senior 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 Senior 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 Senior Notes are then admitted to trading; *provided* that no Senior 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 Senior 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 Senior 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 Senior Notes is denominated in a currency other than the currency in which the relevant Senior Notes are denominated, the amount payable in respect of such Senior Notes shall not exceed the net amount of funds in the currency in which such Senior 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 Senior Notes at such holder s registered address. If any Senior Note is to be purchased in part only, any notice of purchase that relates to such Senior Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Senior Notes 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 Senior Notes.

In the event that an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Senior Notes, the Issuers could seek the consent of their lenders to purchase the Senior 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 Senior Notes. In such case, the Issuers failure to purchase tendered Senior Notes would constitute an Event of Default under the Senior Notes Indenture that is likely, in turn, to constitute a default under the Issuers other Indebtedness.

Transactions with Affiliates. The Senior Notes 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 $15.0 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 $30.0 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 Senior Notes Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Senior Notes 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 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 Senior 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 Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, 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 Senior 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document 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 Senior Notes 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

592

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 Senior Notes Indenture.

Liens. The Senior Notes 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 Senior Notes and Senior 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 Senior Notes or the Senior 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 Senior Notes 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 Senior Notes Indenture, (d) following an Event of Default under the Senior Notes 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 Senior Notes as specified in the Senior Notes 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 Senior 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 Senior Notes Exchange Offer Registration Statement or the Senior Notes 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 Senior Notes Exchange Offer Registration Statement or the Senior Notes 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 Senior Notes, in addition to providing such information to the Trustee and the holders of the Senior 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 Senior Notes Exchange Offer Registration Statement, or if the Senior Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Notes Registration Rights Agreement, the Senior Notes 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 Senior Notes Exchange Offer Registration Statement, or if the Senior Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Notes Registration Rights Agreement, the Senior Notes Shelf Registration Statement, but prior to the effectiveness of the Senior Notes Exchange Offer Registration Statement or Senior Notes Shelf Registration Statement, by publicly filing with the SEC the Senior Notes Exchange Offer Registration Statement or Senior Notes 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 Senior Notes if RGHL has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

The Senior Notes Indenture also provides that, so long as any of the Senior 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 Senior Notes and to prospective investors, upon their request, the information required to be delivered by Rule 144A(d)(4) under the Securities Act.

Future Senior Note Guarantors. The Senior Notes Indenture provides that each Restricted Subsidiary (unless such Subsidiary is an Issuer, a Senior 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 Senior 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 Senior Notes; *provided* that notwithstanding the foregoing:

(a) the Thai Guarantor (as defined below) shall only be required to enter into its Senior Note Guarantee as described below under the caption Certain Covenants Bank of Thailand Approval and Thai Business Permit;

(b) to the extent the foregoing obligation is triggered by Indebtedness or Public Debt existing as of the Issue Date, the relevant Restricted Subsidiary shall only be required to enter into its respective Senior Note Guarantee at such time as it grants its guarantee with respect to the Indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities with respect to the Pactiv Acquisition;

(c) no Senior 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;

595

(d) if such Indebtedness is by its terms expressly subordinated to the Senior Notes or any Senior 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 Senior Note Guarantee of the Senior Notes at least to the same extent as such Indebtedness is subordinated to the Senior Notes or any other senior guarantee;

(e) no Senior 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 Senior Notes 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;

(f) no Senior Note Guarantee shall be required from a US Controlled Foreign Subsidiary or a Financial Assistance Restricted Subsidiary;

(g) no Senior Note Guarantee shall be required if such Senior 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 Senior Note Guarantee, which cannot be avoided through measures reasonably available to BP I, BP II or any such Restricted Subsidiary; and

(h) each such Senior 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 Senior Note Guarantees shall be released in accordance with the provisions of the Senior Notes Indenture described under Senior Note Guarantees.

Bank of Thailand Approval and Thai Business Permit. The Senior Notes Indenture provides that, within 30 days after November 16, 2010 (or 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 efforts 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 Senior 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 Senior Notes (the *Thai Senior Note Guarantee*).

Notwithstanding the provisions set forth under Certain Covenants Future Senior Note Guarantors, but subject to the exceptions to the requirement to provide a Senior Note Guarantee contained therein, the

596

Table of Contents

Thai Guarantor shall execute and deliver to the Trustee a supplemental indenture pursuant to which it will guarantee payment of the Senior 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 in connection with the Pactiv Acquisition, provided that at such time it would, but for the provisions of this section, be required to grant a Senior Note Guarantee under the terms of the section Certain Covenants Future Senior 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 Senior 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 Senior 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 Senior Note Guarantee.

Limitation on the US Issuers. Notwithstanding anything contained in the Senior Notes 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 Senior 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 Senior Notes Indenture under Certain Covenants Future Senior Note Guarantors, any Restricted Subsidiary other than a Senior 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 Senior 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 Senior Notes Indenture, then, beginning on that day,

597

Table of Contents

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 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 Senior 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 Senior Notes Indenture for any period of time as a result of the foregoing, and on any subsequent date one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Senior 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 Senior 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 Senior Notes 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 Senior Notes will ever achieve or maintain Investment Grade Ratings.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Senior Notes 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

598

Table of Contents

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 Senior 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 Senior Note Guarantee (if applicable) and the Senior Notes 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 Senior Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its obligations under the Senior Notes Indenture, Senior Notes and Senior Note Guarantee, as applicable, shall apply to such Person s obligations under the Senior Notes Indenture, the Senior Notes and Senior 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 Senior Notes 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 Senior Note Guarantee (if applicable) and the Senior Notes 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 Senior Note Guarantee and the Senior Notes 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 Senior Notes Indenture further provides that, subject to certain limitations in the Senior Notes Indenture governing release of a Senior Note Guarantee upon the sale or disposition of a Restricted Subsidiary that is a Senior Note Guarantor, no Senior Note Guarantor (other than RGHL) will, and BP I and BP II will not permit any Senior Note Guarantor (other than RGHL) to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Senior 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 Senior Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Senior 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 Senior Note Guarantor or such Person, as the case may be, being herein called the *Successor Senior Note Guarantor*), and the Successor Senior Note Guarantor (if other than such Senior Note Guarantor) expressly assumes all the obligations of such Senior Note Guarantor under the Senior Notes Indenture and such Senior Note Guarantor s Senior 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 Senior Note Guarantor (if other than such Senior 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 Senior Notes Indenture.

Subject to certain limitations described in the Senior Notes Indenture, in a transaction to which the immediately preceding paragraph 1(a) applies, the Successor Senior Note Guarantor (if other than such Senior Note Guarantor) will succeed to, and be substituted for, such Senior Note Guarantor under the Senior Notes Indenture and such Senior Note Guarantor s Senior Note Guarantee, and such Senior Note Guarantor will automatically be released and discharged from its obligations under the Senior Notes Indenture and such Senior Note Guarantor s Senior Note Guarantee. Notwithstanding the foregoing, (1) a Senior Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Senior 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 Senior Note Guarantor is not increased thereby, and (2) a Senior Note Guarantor may merge, amalgamate or consolidate with another Senior Note Guarantor, an Issuer, BP I or BP II.

In addition, notwithstanding the foregoing, any Senior 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

600

Table of Contents

Substantially All of its properties or assets (collectively, a *Transfer*) to (x) BP I, an Issuer or any Senior Note Guarantor or (y) any Restricted Subsidiary that is not a Senior 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 Senior 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 Senior Notes 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 Senior Notes Indenture as:

(1) a default in any payment of interest on any Senior Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Senior 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 Senior Notes or the Senior Notes Indenture (other than a failure to purchase Senior 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 $30.0 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 $50.0 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 Senior Note Guarantee of RGHL, BP I or a Significant Subsidiary (or any Senior Note Guarantee of one or more Senior 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 Senior Notes Indenture) or BP I, BP II or any Senior Note Guarantor that qualifies as a Significant Subsidiary (or one or more Senior Note Guarantors that collectively would represent a Significant Subsidiary) denies or disaffirms its obligations under the Senior Notes

Indenture or any Senior Note Guarantee and such Default continues for 20 days.

Table of Contents

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 Senior Notes) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Senior 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 Senior 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 Senior 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 Senior 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 Senior Notes may rescind any such acceleration with respect to the Senior 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 Senior 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 Senior Notes as described above be annulled, waived or rescinded upon the happening of any such events.

Subject to the provisions of the Senior Notes 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 Senior Notes 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 Senior Notes Indenture or the Senior 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 Senior 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 Senior Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Table of Contents

Subject to certain restrictions, the Holders of a majority in principal amount of outstanding Senior 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 Senior Notes 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 Senior Notes 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 Senior Notes such that an agreement will be reached and the Trustee will act on behalf of the noteholders.

The Senior Notes 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 Senior 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 Senior Notes Indenture and the Senior Notes may be amended with the consent of the holders of a majority in principal amount of the Senior 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 Senior Notes then outstanding; *provided, however,* that without the consent of each holder of an outstanding Senior Note affected, no amendment may, among other things:

(1) reduce the amount of Senior Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any Senior Note,

(3) reduce the principal of or extend the Stated Maturity of any Senior Note,

(4) reduce the premium or amount payable upon the redemption of any Senior Note, change the time at which any Senior Note may be redeemed as described under Optional Redemption, or Redemption for Changes in Withholding Taxes,

(5) make any Senior Note payable in money other than that stated in such Senior Note,

(6) expressly subordinate the Senior Notes or any Senior Note Guarantee to any other Indebtedness of any Issuer, BP I or any Senior Note Guarantor not otherwise permitted by the Senior Notes Indenture,

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s Senior 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 Senior 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 Senior Notes Indenture described under Withholding Taxes that adversely affects the rights of any Holder to receive payments of Additional

603

Amounts pursuant to such provisions or amend the terms of the Senior Notes or the Senior Notes 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 Senior Note or any Senior 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 Senior Notes Indenture and the Senior Notes (1) to cure any ambiguity, omission, mistake, defect or inconsistency, (2) to give effect to any provision of the Senior Notes Indenture (including the release of any Senior Note Guarantees in accordance with the terms of the Senior Notes 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 Senior Notes Indenture and the Senior Notes or to provide for the assumption by a Successor Senior Note Guarantor of the obligations of a Senior Note Guarantor under the Senior Notes Indenture and its Senior Note Guarantee, (4) to provide for uncertificated Senior Notes in addition to or in place of certificated Senior Notes (*provided* that the uncertificated Senior Notes are issued in registered form for purposes of Section 163(f) of the Code), (5) to add a Senior Note Guarantee with respect to the Senior Notes, (6) to add to the covenants of BP I, BP II or any Senior 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 Senior Notes Indenture of a successor Trustee, (9) to provide for the accession of the Trustee to any instrument in connection with the Senior Notes, (10) to make certain changes to the Senior Notes Indenture to provide for the issuance of Additional Senior Notes or (11) to comply with any requirement of the SEC in connection with the qualification of the Senior Notes Indenture under 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 Senior Notes 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 Senior Notes 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 Senior Note Guarantor, will have any liability for any obligations of the Issuers under the Senior Notes, the Senior Notes Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Senior Notes by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Senior Notes in accordance with the Senior Notes 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 Senior Notes Indenture. The Issuers are not required to transfer or

exchange any Senior Note selected for redemption or to transfer or exchange any Senior Note for a period of 15 days prior to a selection of Senior Notes to be redeemed. The Senior Notes will be issued in registered form and the registered holder of a Senior Note will be treated as the owner of such Senior Note for all purposes.

Satisfaction and Discharge

The Senior Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of Senior Notes, as expressly provided for in the Senior Notes Indenture) as to all outstanding Senior Notes when:

(1) either (a) all the Senior Notes theretofore authenticated and delivered (except lost, stolen or destroyed Senior Notes which have been replaced or paid and Senior 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 Senior 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 Senior Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Senior 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 Senior Note Guarantors have paid all other sums payable under the Senior Notes 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 Senior Notes Indenture relating to the satisfaction and discharge of the Senior Notes 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 Senior Notes and the Senior Notes 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 Senior Notes, to replace mutilated, destroyed, lost or stolen Senior Notes and to maintain a registrar and paying agent in respect of the Senior 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 Senior Note Guarantor will be released from all of its obligations with respect to its Senior 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 Senior 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 Senior 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

Table of Contents

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 Senior Notes to redemption or maturity, as the case may be, and must comply with certain other conditions set out in the Senior Notes Indenture, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Senior 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 Senior Notes Indenture.

If the Trustee becomes a creditor of the Issuers or any Senior Note Guarantor, the Senior Notes 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 Senior Notes 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 Senior Notes Indenture at the request of any Holder of Senior 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 Senior Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable DTC procedures). In addition, for so long as any Senior Notes are represented by Global Senior Notes, all notices to Holders of the Senior 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 Senior Note Guarantor under or in connection with the Senior Notes, including damages. Any amount with respect to the Senior 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 Senior 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 Senior Note Guarantor will only constitute a discharge to the Issuers or any Senior 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 Senior Note, BP I, BP II, the Issuers and any Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior Note or to the Trustee.

Except as otherwise specifically set forth herein, (a) 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, and (b) for purposes of determining compliance with any U.S. Dollar-denominated restriction herein, the U.S. Dollar Equivalent amount for purposes hereof that is denominated in a non-U.S. Dollar currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-U.S. Dollar 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 Senior Note Guarantors has irrevocably and unconditionally: (1) submitted itself and its property in any legal action or proceeding relating to the Senior Notes 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 Senior Notes 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 Senior Notes Indenture shall be effective service of process for any action, suit or proceeding brought in any such court.

Table of Contents

Enforceability of Judgments

Since a significant portion of the assets of BP I, BP II, the Issuers and the Senior Note Guarantors are outside the United States, any judgment obtained in the United States against BP I, BP II, the Issuers or any Senior 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 Senior Notes, may not be collectable within the United States.

Governing Law

The Senior Notes Indenture provides that it and the Senior 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 Senior 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 Senior Notes will be represented by one or more global Senior Notes in registered form without interest coupons attached (collectively, the *Global Senior Notes*). The Global Senior 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 Senior Notes are issued pursuant to the terms of the Senior Notes Indenture, the Issuers may, in their sole discretion, cause some or all of such Additional Senior Notes, if any, to be issued in the form of one or more global Senior Notes (the *Additional Global Senior Notes*) and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Global Senior Note and ownership of interests in each Additional Global Senior 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 Senior Notes and the Additional Global Senior 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 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 Senior Notes are in global form, holders of Book-Entry Interests may not be considered the owners or holders of Senior Notes for purposes of the Senior Notes Indenture.

So long as the Senior Notes and any Additional Senior Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global Senior Notes for all purposes under the Senior Notes Indenture. As such, participants must rely on the procedures of DTC, and indirect participants must rely on the

608

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 Senior Notes 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 Senior Notes

Under the terms of the Senior Notes Indenture, owners of Book-Entry Interests will not receive definitive Senior Notes in registered form (*Definitive Registered Senior 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 Senior Notes Indenture. Subject to applicable provisions of the Senior Notes Indenture, Definitive Registered Senior Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global Senior 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 Senior Notes 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 Senior Notes under the Senior Notes Indenture.

In such an event, Definitive Registered Senior 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 Senior Notes will bear the restrictive legend referred to in Transfer Restrictions, unless that legend is not required by the Senior Notes Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the Senior Notes shall be payable at the place of payment designated by the Issuers pursuant to the Senior Notes Indenture; *provided, however,* that at the Issuers option, payment of interest on a Senior Note may be made by check mailed to the person entitled thereto to such address as shall appear on the Senior Note register.

Redemption of the Global Senior Notes

In the event any Global Senior Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global Senior Note so redeemed to the holders of the Book-Entry Interests in such Global Senior 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 Senior Note (or any portion thereof).

We understand that under existing practices of DTC, if fewer than all of the Senior 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 Senior Notes

Payments of any amounts owing in respect of the Global Senior Notes for the Senior 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 Senior Notes 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 Senior Notes Indenture, the Issuers, the Trustee and the paying agents will treat the registered holder of the Global Senior Notes as the owner thereof for the purpose of receiving payments and other purposes under the Senior Notes 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 Senior Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Senior Notes are credited and only in respect of such portion of the aggregate principal amount of Senior 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 Senior Notes. However, if there is an Event of Default under the Senior Notes, the Depositary reserves the right to exchange the Global Senior Notes for Definitive Registered Senior Notes in certificated form, and to distribute such Definitive Registered Senior Notes to its respective participants.

Transfers

Transfers of any Global Senior Note shall be limited to transfers of such Global Senior Note in whole, but (subject to the provisions described above under Book-Entry, Delivery and Form Issuance of Definitive Registered Senior Notes, to provisions described below in the section Book-Entry, Delivery and Form Transfers and the applicable provisions of the Senior Notes 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 Senior Notes Indenture. Any Book-Entry Interest in one of the Global Senior Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Senior Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Senior Note and become a Book-Entry Interest in the relevant Global Senior 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 Senior Note for as long as that person retains such Book-Entry Interests.

610

Definitive Registered Senior Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global Senior Note only pursuant to the terms of the Senior Notes Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Senior Notes Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Senior Notes. See Plan of Distribution.

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the Senior 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 Senior 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.

Table of Contents

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 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 means the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

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.

612

Table of Contents

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 Senior 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 Senior Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Senior Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Senior Note on October 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 Senior Note through October 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 Senior 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

613

Table of Contents

(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 $15.0 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

Table of Contents

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 Senior Notes 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.

615

Table of Contents

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

616

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 Senior Notes 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document 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 Senior 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

618

Table of Contents

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

620

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 Senior 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 Senior Notes or the date the Senior 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*

621

(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 Contribution means the cash contributed by Rank Group Limited to RGHL as contemplated in the Pactiv Acquisition Document.

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.

622

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 May 2010 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 Senior Notes 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 Senior Indenture means the Senior Notes Indenture dated as of February 15, 2012, among the Issuers, certain guarantors party 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.

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.

Financial Assistance Restricted Subsidiary means any Restricted Subsidiary that is prevented from being a Senior Note Guarantor due to applicable financial assistance laws; *provided* that such Restricted Subsidiary shall become a Senior 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 Senior Note Guarantor if it would otherwise be required to be a Senior Note Guarantor pursuant to Certain Covenants Future Senior Note Guarantors.

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

624

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 which is omitted from the pro forma calculation pursuant to the foregoing clause (a).

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 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 Senior Notes 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 Senior Notes Indenture, all ratios and calculations based on GAAP contained in the Senior Notes 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 Senior Notes 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.

626

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, the Evergreen Acquisition Documents, the Pactiv Acquisition Document or the Reynolds Foodservice Acquisition Document; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the Senior Notes 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 Senior Notes 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 Senior Notes Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the Senior Notes Indenture.

627

Table of Contents

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 HSBC 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 October 15, 2010, the date on which the Senior 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

Table of Contents

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 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 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

629

Table of Contents

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.

Notes means the Senior Notes and the Senior Secured Notes.

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 Senior Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Senior Notes.

Obligor means any Issuer or a Senior Note Guarantor.

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 October 6, 2010, with respect to the original issuance of the Senior Notes and the Senior Secured 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 Senior Notes 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.

Pactiv means Pactiv Corporation.

Pactiv 2012 Notes refers to the 5.785% Notes due July 15, 2012 of Pactiv Corporation, which were repaid in connection with the 2012 Refinancing Transactions.

Pactiv 2018 Notes refers to the 6.400% Notes due January 15, 2018 of Pactiv Corporation, with an outstanding principal amount of $15.7 million (net of $1 million of unamortized discount) as of March 31, 2012.

Pactiv Acquisition means the acquisition by RGHL, through its wholly owned subsidiary Reynolds Acquisition Corporation, of all of the outstanding stock of Pactiv pursuant to the Pactiv Acquisition Document.

Pactiv Acquisition Document means the Agreement and Plan of Merger, dated as of August 16, 2010, among Rank Group Limited, RGHL, Reynolds Acquisition Corporation and Pactiv.

Pactiv Base Indenture means the Indenture dated as of September 29, 1999, between Tenneco Packaging Inc. and The Chase Manhattan Bank as Trustee, as supplemented, amended and modified from time to time thereafter.

Pactiv Change of Control Offers refers to Pactiv s offers to purchase the Pactiv 2012 Notes and the Pactiv 2018 Notes, as currently required by the applicable indentures.

Pactiv Tender Offers refers to Pactiv s offers to purchase and consent solicitations with respect to the Pactiv 2012 Notes and the Pactiv 2018 Notes.

Pactiv Transactions refers to: (i) the offering of the Senior Secured Notes and Senior Notes, (ii) the incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition, (iii) the repayment of certain Pactiv indebtedness including the Pactiv 2012 Notes and Pactiv 2018 Notes in connection with the Pactiv Tender Offers and Pactiv Change of Control Offers, (iv) the Pactiv Acquisition, (v) the Equity Contribution, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

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 Senior Notes Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

631

Table of Contents

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 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 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 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); *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 Senior 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

633

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 Indebtedness Incurred pursuant to clause (c)(ii) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; (iv) Liens securing the 2009 Notes (or any guarantees thereof); (v) 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

634

(vi) 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 Senior Notes 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 Senior Notes or any Senior Note Guarantees;

(15) Liens in favor of BP I, BP II or any Senior 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)(vi)), (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

635

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)(vi)), (7), (8), (9), (10), (15) and (20) at the time the original Lien became a Permitted Lien under the Senior Notes 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)(vi)), (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 $30.0 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 Senior Notes (or any Additional Senior 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 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 Senior Notes or any Refinancing Indebtedness with respect to the Senior 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.

637

Rating Agency means (1) each of Moody s and S&P and (2) if Moody s or S&P ceases to rate the Senior 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

Table of Contents

giving effect to such designation and an Officers Certificate certifying that such designation complied with the foregoing conditions.

Reference Date means June 29, 2007.

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 Senior Notes 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 October 2010 Senior 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 Foodservice Acquisition means, collectively, (a) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging Inc., (b) the acquisition by Closure Systems International B.V., an indirect wholly owned subsidiary of BP III, of all of the Equity Interests of

Reynolds Packaging International B.V., together with a minority interest in Reynolds

639

Metals Company de Mexico S. de R.L. de C.V., from an affiliated entity, that along with Reynolds Group Holdings Inc. and Closure Systems International B.V., is beneficially owned by Mr. Graeme Richard Hart.

Reynolds Foodservice Acquisition Document means the Stock Purchase Agreement, dated as of September 1, 2010, among BP III, Reynolds Group Holdings Inc., Closure Systems International B.V. and Reynolds Packaging (NZ) Limited.

Reynolds Foodservice Transactions means the Reynolds Foodservice Acquisition and the transactions related thereto.

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

640

Table of Contents

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 Senior Notes or the Senior 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 Senior Notes Indenture.

Senior Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Notes Indenture and the Senior Notes by any Person in accordance with the provisions of the Senior Notes Indenture.

Senior Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries granted a guarantee with respect to the indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition (other than the Issuers) and (y) any Person that subsequently becomes a Senior Note Guarantor in accordance with the terms of the Senior Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Note Guarantee in accordance with the Senior Notes Indenture, such Person shall cease to be a Senior Note Guarantor.

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.

Senior Secured Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Secured Notes Indenture and the Senior Secured Notes by any Person in accordance with the provisions of the Senior Secured Notes Indenture.

Senior Secured Notes Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the Senior Secured Notes Indenture) are granted to secure the Senior Secured Notes and the guarantees thereof.

Senior Secured Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries granted a guarantee with respect to the indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition as of November 16, 2010 (other than the Issuers) and (y) any Person that subsequently becomes a Senior Secured Note Guarantor in accordance with the terms of the Senior Secured Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Secured Note Guarantee in accordance with the Senior Secured Notes Indenture, such Person shall cease to be a Senior Secured Note Guarantor.

Senior Secured Notes means the $1,500,000,000 aggregate principal amount of 7.125% Senior Secured Notes due 2019 pursuant to the Senior Secured Notes Indenture.

Senior Secured Notes Indenture means the Senior Secured Notes Indenture dated as of the Issue Date, among US LLC Escrow Issuer, US Corporate Escrow Issuer, Lux Escrow Issuer, The Bank of New York Mellon, as Trustee, Principal Paying Agent, Transfer Agent, Registrar and Collateral Agent and Wilmington Trust (London) Limited, as Additional Collateral Agent, as supplemented, amended and modified from time to time thereafter.

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

642

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 Senior Notes and (b) with respect to any Senior Note Guarantor, any Indebtedness of such Senior Note Guarantor which is by its terms subordinated in right of payment to its Senior 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 Senior 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 Senior 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 Senior 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 Senior 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

Table of Contents

payment (in each case, prior to the first anniversary of the Stated Maturity of the Senior 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 Senior 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 Senior 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, the Evergreen Transactions, the Pactiv Transactions and the Reynolds Foodservice Transactions.

Treasury Rate (as determined by the Issuers) means, with respect to the Senior 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, 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 Senior Notes Indenture.

Trustee means the party named as such in the Senior Notes 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.

645

Table of Contents

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.

U.S. Dollar Equivalent means with respect to any monetary amount in a currency other than U.S. Dollars, at any time for determination thereof by BP I, BP II or the Trustee, the amount of U.S. Dollars obtained by converting such currency other than U.S. Dollars involved in such computation into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as published in *The Wall Street Journal* in the Exchange Rates column under the heading Currency Trading (or, if *The Wall Street Journal* is no longer published, or if such information is no longer available in *The Wall Street Journal,* such source as may be selected in good faith by BP I or BP II) on the date of such determination.

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 May 2010 Notes and (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 Senior Notes and the Senior Secured Notes and (e) the intercompany loan from the US Issuer I to Pactiv, 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.

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.

Table of Contents

DESCRIPTION OF THE FEBRUARY 2011 SENIOR SECURED NOTES

General

On February 1, 2011, 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 Secured Notes (the *Senior Secured Notes*) pursuant to a Senior Secured Notes Indenture (the *Senior Secured Notes Indenture*), among themselves, certain Senior Secured Note Guarantors, 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.

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 February 2011 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 February 2011 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 February 2011 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 February 2011 Senior Secured Notes refers to the new Senior Secured Notes and any old Senior Secured Notes that are not exchanged in the exchange offer.

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 October 2010 Senior Indenture, the October 2010 Senior Secured Indenture, 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, the October 2010 Senior Secured Notes, the August 2011 Senior Secured Notes and the Senior Secured Notes are classified as First Lien Obligations under the 2009 Indenture, the October 2010 Senior Secured Indenture, the August 2011 Secured Indenture and the Senior Secured Notes Indenture, First Priority Lien Obligations under the 2007 Senior Note Indenture and the 2007 Senior Subordinated Note Indenture and Secured Indebtedness under the Senior Notes Indenture, the August 2011 Secured Indenture, the October 2010 Senior Indenture and the May 2010 Indenture. The Senior Notes are classified as Senior Indebtedness under the Senior Secured Notes Indenture, the Senior Notes Indenture, the August 2011 Secured Indenture, the August 2011 Senior Indenture, the October 2010 Senior Secured Indenture, the October 2010 Senior Indenture, the May 2010 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. In addition, the Senior Secured

Table of Contents

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 August 2011 Secured Indenture, the October 2010 Senior Secured Indenture and the 2009 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 February 2012 Notes, the August 2011 Notes, the October 2010 Senior Secured Notes, the October 2010 Senior Notes, the May 2010 Notes, the 2009 Notes, the Senior 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 October 2010 Senior Secured Notes and 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 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 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 October 2010 Senior Secured Notes and 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 $1,000,000,000 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 February 2011 Senior Secured Notes, references to the Senior Secured Notes include any Additional Senior Secured Notes actually issued.

The Senior Secured Notes will mature on February 15, 2021. Each Senior Secured Note bears interest at 6.875% per annum, payable semi-annually in arrears to holders of record at the close of business on February 1 or August 1 immediately preceding the interest payment date on February 15 and August 15 of each year, commencing August 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).

649

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 February 15, 2016, 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 February 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**
2016	103.438%
2017	102.292%
2018	101.146%
2019 and thereafter	100.000%

In addition, at any time and from time to time prior to February 15, 2016, 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 February 15, 2014, 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 106.875%, 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 Senior Secured 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

651

Table of Contents

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.

Table of Contents

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);

653

Table of Contents

(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 February 2011 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 March 31, 2012:

(1) RGHL and its Subsidiaries had an aggregate principal amount of $11,573 million of Indebtedness secured by any Lien outstanding. RGHL and its Subsidiaries would have had $41 million

655

and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 56 million of Secured Indebtedness under Local Facilities;

(2) RGHL and its Subsidiaries had an aggregate principal amount of $11,012 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, $41 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 56 million of Secured Indebtedness under Local Facilities); and

(3) RGHL and its Subsidiaries had an aggregate principal amount of $17,554 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 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 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 March 31, 2012, RGHL and its Subsidiaries had an aggregate of $1,227 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 $32 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 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 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 March 31, 2012, 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 $20 million of long-term debt (on a consolidated basis and excluding intercompany loan transactions) and $2,095 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

656

Table of Contents

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, 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 Senior Notes, the February 2012 Notes, the August 2011 Notes, the October 2010 Senior Secured Notes, the October 2010 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 (other than RGHL) 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

658

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.

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 October 2010 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 Brazil, British Virgin Islands, Canada, Germany, Guernsey, Hong Kong, Hungary, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, the United States and the United Kingdom. Due to applicable law in certain jurisdictions and other factors, Holders currently do not have a security interest in certain of the Collateral. Security interests in such Collateral will be obtained as soon as reasonably practicable. Currently, Holders of the Senior Secured Notes do not have the benefit of enforceable guarantees from, and security interests in the stock and assets to be pledged by, our subsidiaries organized in Austria and Thailand.

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 5.0 million threshold for real property, a 250,000 threshold for manufacturing equipment in some jurisdictions and a 1.0 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 $10,371 million, as of March 31, 2012 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 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 and the holders of the August 2011 Senior Secured Notes and the holders of the October 2010 Senior Secured Notes and the 2009 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 August 2011 Senior Secured Notes, the October 2010 Senior Secured Notes or the 2009 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 August 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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 August 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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 security arrangements or enter into Security Documents with respect to Collateral owned or acquired by us, if, in the

660

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 August 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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 Senior Secured Notes 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 Senior Secured Notes 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 October 2010 Senior Secured Notes, the holders of the 2009 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 and the holders of the 2009 Notes, the October 2010 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 an accession deed to the 2007 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 Senior Secured Note Documents, the October 2010 Note Documents, the 2009 Note Documents 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 October 2010 Senior 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

663

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 October 2010 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 holders of the October 2010 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.

Table of Contents

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 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 Senior Secured Notes 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 Senior Secured Notes 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 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 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

(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.

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.

669

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.

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 October 2010 Senior Notes, the October 2010 Senior Secured Notes, the May 2010 Notes, the 2009 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

670

Table of Contents

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

672

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;

673

(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

674

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

675

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, (i) 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 and (ii) the U.S. Dollar 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 U.S. Dollars, and such refinancing would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-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 U.S. Dollar 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

676

Table of Contents

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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured 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 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

677

(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), 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 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); *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*

Table of Contents

(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 $30.0 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 Senior Secured Notes 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 Senior Secured 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 Senior Secured Note Guarantor which is Incurred in accordance with the

679

Table of Contents

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 Senior Secured Notes or the related Senior Secured 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 Senior Secured 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 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 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 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);

(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 $5.0 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 $10.0 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;

680

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 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 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, the Evergreen Acquisition Documents, the Pactiv Acquisition Document or the Reynolds Foodservice Acquisition Document, 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 Senior Secured Notes tendered by holders of the Senior Secured Notes in connection with a Change of Control or Asset

682

Sale Offer, as applicable, have been repurchased, redeemed or acquired for value in accordance with the terms of the Senior Secured Notes 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 Senior Secured Notes Indenture) and that all Senior Secured 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.

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 Senior Secured Notes 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 October 2010 Senior Indenture, the October 2010 Senior Secured Indenture, the May 2010 Indenture, the 2009 Indenture, 2007 Senior Note Indenture, the 2007 Senior Subordinated Notes Indenture, and the 2007 Intercreditor Agreement, the October 2010 Security Documents, the 2009 Security Documents, the 2007 Notes Security Documents and the security documents with respect to the Senior Secured Credit Facilities and the Local Facilities;

(2) the Senior Secured Notes Indenture, the Senior Secured Notes (and guarantees thereof), the Security Documents and 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, 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes or any Senior Secured 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 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 Senior Secured Notes are repaid with the Net Proceeds of any Asset Sale, the Issuers will equally and ratably reduce Obligations under the Senior Secured 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

685

Senior Secured Notes or (b) Obligations constituting Indebtedness of a Restricted Subsidiary of BP I that is not an Issuer or a Senior Secured 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 Senior Secured Notes Indenture. The Holders may not have control of, or a perfected security interest in, Net Proceeds of any Collateral, which could have the effect of 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 Senior Secured 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 Senior Secured Notes (and, at the option of the Issuers, to holders of any First Lien Obligations of an Issuer or Senior Secured 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 Senior Secured Notes (and such First Lien Obligations 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 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 Senior Secured Notes 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 Senior Secured Notes Indenture, with a copy to the Trustee. To the extent that the aggregate amount of Senior Secured 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 Senior Secured Notes (and such First Lien Obligations or other Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Senior Secured 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

686

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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes Indenture by virtue thereof.

If more Senior Secured 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 Senior Secured 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 Senior Secured Notes are then admitted to trading; *provided* that no Senior Secured Notes of $100,000 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 Senior Secured 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 Senior Secured 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.

To the extent that any portion of the Net Proceeds payable in respect of the Senior Secured Notes is denominated in a currency other than the currency in which the relevant Senior Secured Notes are denominated, the amount payable in respect of such Senior Secured Notes shall not exceed the net amount of funds in the currency in which such Senior Secured 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 Senior Secured Notes at such holder s registered address. If any Senior Secured Note is to be purchased in part only, any notice of purchase that relates to such Senior Secured Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Senior Secured Notes 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 Senior Secured Notes.

In the event that an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Senior Secured Notes, the Issuers could seek the consent of their lenders to purchase the Senior Secured 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 Senior Secured Notes. In such case, the Issuers failure to purchase tendered Senior Secured Notes would constitute an Event of Default under the Senior Secured Notes Indenture that is likely, in turn, to constitute a default under the Issuers other Indebtedness.

Transactions with Affiliates. The Senior Secured Notes 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,

687

Table of Contents

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 $15.0 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 $30.0 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 Senior Secured Notes Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Senior Secured Notes 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 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;

688

(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 Senior Secured 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 Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Credit Agreement Documents, the First Lien Intercreditor Agreement, the 2007 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 Senior Secured 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document 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 Senior Secured Notes 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;

689

Table of Contents

(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 Senior Secured Notes Indenture.

Liens. The Senior Secured Notes 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 Senior Secured Notes Indenture provides that at any time the First Lien Obligations consist solely of the Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes Exchange Offer Registration Statement or the Senior Secured Notes 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

Table of Contents

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 Senior Secured Notes Exchange Offer Registration Statement or the Senior Secured Notes 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 Senior Secured Notes, in addition to providing such information to the Trustee and the holders of the Senior Secured 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 Senior Secured Notes Exchange Offer Registration Statement, or if the Senior Secured Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Secured Notes Registration Rights Agreement, the Senior Secured Notes 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 Senior Secured Notes Exchange Offer Registration Statement, or if the Senior Secured Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Secured Notes Registration Rights Agreement, the Senior Secured Notes Shelf Registration Statement, but prior to the effectiveness of the Senior Secured Notes Exchange Offer Registration Statement or Senior Secured Notes Shelf Registration Statement, by publicly filing with the SEC the Senior Secured Notes Exchange Offer Registration Statement or Senior Secured Notes 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 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 secured 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 Senior Secured Notes if RGHL has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

The Senior Secured Notes Indenture also provides that, so long as any of the Senior Secured 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 Senior Secured Notes and to prospective investors, upon their request, the information required to be delivered by Rule 144A(d)(4) under the Securities Act.

Future Senior Secured Note Guarantors. The Senior Secured Notes Indenture provides that each Restricted Subsidiary (unless such Subsidiary is an Issuer, a Senior Secured 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 Senior Secured 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 Senior Secured Notes; *provided* that notwithstanding the foregoing:

(a) each Restricted Subsidiary incorporated or otherwise organized under the laws of Austria shall only be required to enter into its respective Senior Secured Note Guarantee within 135 days following the Issue Date (or on such later date as may be permitted by the Applicable Representative in its sole discretion);

(b) the Thai Guarantor (as defined below) shall only be required to enter into its Senior Secured Note Guarantee as described below under the caption Certain Covenants Bank of Thailand Approval and Thai Business Permit;

(c) with respect to any Restricted Subsidiary not referred to in clauses (a) or (b) above, to the extent the foregoing obligation is triggered by Indebtedness or Public Debt existing as of the Issue Date, the relevant Restricted Subsidiary shall only be required to enter into its respective Senior Secured Note Guarantee as soon as reasonably practicable following the Issue Date;

(d) no Senior Secured 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;

(e) no such Senior Secured Note Guarantee need be secured unless required pursuant to the Future Collateral covenant;

(f) if such Indebtedness is by its terms expressly subordinated to the Senior Secured Notes or any Senior Secured 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 Senior Secured Note Guarantee of the Senior Secured Notes at least to the same extent as such Indebtedness is subordinated to the Senior Secured Notes or any other senior guarantee;

(g) no Senior Secured 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 Senior Secured Notes 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;

(h) no Senior Secured Note Guarantee shall be required if such Senior Secured Note Guarantee would not be required pursuant to the applicable provisions of the Agreed Security Principles;

692

Table of Contents

(i) no Senior Secured Note Guarantee shall be required from a US Controlled Foreign Subsidiary or a Financial Assistance Restricted Subsidiary;

(j) no Senior Secured Note Guarantee shall be required if such Senior Secured 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 Senior Secured Note Guarantee, which cannot be avoided through measures reasonably available to BP I, BP II or any such Restricted Subsidiary; and

(k) each such Senior Secured 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 Senior Secured Note Guarantees shall be released in accordance with the provisions of the Senior Secured Notes Indenture described under Senior Secured Note Guarantees.

Bank of Thailand Approval and Thai Business Permit. The Senior Secured Notes Indenture provides that, within 45 days after the Issue Date (or on such later date as may be permitted by the Applicable Representative in its sole discretion) SIG Combibloc Limited (Thailand) (the Thai Guarantor) shall apply to the Bank of Thailand for, and use commercially reasonable efforts 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 Senior Secured 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 Senior Secured Notes (the Thai Senior Secured Note Guarantee) and to provide security in favor of the Senior Secured Notes.

Notwithstanding the provisions set forth under Certain Covenants Future Senior Secured Note Guarantors, but subject to the exceptions to the requirement to provide a Senior Secured 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 Senior Secured Notes, and shall enter into the relevant Security Documents pursuant to which security interests in the relevant Collateral will be reaffirmed and extended to secure the Senior Secured Notes, within 60 days of obtaining its Thai Business Permit (or on such later date as may be permitted by the Applicable Representative in its sole discretion), provided that at such time it would, but for the provisions of this section, be required to grant a Senior Secured Note Guarantee under the terms of the section Certain Covenants Future Senior Secured 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 Senior Secured 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

693

extension of such approval prior to the expiry date of such approval, so long as any of the obligations under the Thai Senior Secured 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 Senior Secured Note Guarantee.

Limitation on the US Issuers. Notwithstanding anything contained in the Senior Secured Notes 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, CSI Mexico LLC, Pactiv Corporation or Pactiv International Holdings, Inc. 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.

Limitation on Restricted Subsidiaries. RGHL will not, and will not permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take any action which action or omission could reasonably be expected to or would have the result of any Subsidiary of Pactiv being a Restricted Subsidiary within the meaning of the Pactiv Base Indenture.

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 Senior Secured 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) (x) except as may be otherwise permitted under the Senior Secured Notes Indenture under Certain Covenants Future Senior Secured Note Guarantors, any Restricted Subsidiary other than a Senior Secured Note Guarantor or an Issuer guaranteeing the 2007 Senior Notes or the 2007 Senior Subordinated Notes or (y) such guarantees not being subordinated to the Senior Secured Notes and Senior Secured Note Guarantees pursuant to the 2007 Intercreditor Agreement; or

(c) the terms of the 2007 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 Senior Secured Notes (including materially impairing the lien priority of the Senior Secured 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.

694

Table of Contents

The Senior Secured Notes 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 Senior Secured 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 Senior Secured Note Guarantor of any After-Acquired Collateral, the Issuers or such Senior Secured 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 Senior Secured Notes 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 Senior Secured 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 Senior Secured 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 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.

Covenant Suspension. If (i) the Senior Secured 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 Senior Secured Notes Indenture, 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;

695

Table of Contents

(2) Limitation on Restricted Payments;

(3) Dividend and Other Payment Restrictions Affecting Subsidiaries;

(4) Asset Sales;

(5) Transactions with Affiliates;

(6) Future Senior Secured 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 Senior Secured Notes Indenture for any period of time as a result of the foregoing, and on any subsequent date one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes will ever achieve or maintain Investment Grade Ratings.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Senior Secured Notes 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

696

Table of Contents

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 Senior Secured 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 Senior Secured Note Guarantee (if applicable) and the Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 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 Senior Secured Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its obligations under the Senior Secured Notes Indenture, Senior Secured Notes and Senior Secured Note Guarantee, the Security Documents, First Lien Intercreditor Agreement and 2007 Intercreditor Agreement, as applicable, shall apply to such Person s obligations under the Senior Secured Notes Indenture, the Senior Secured Notes, the Security Documents, the First Lien Intercreditor Agreement and 2007 Intercreditor Agreement and Senior Secured 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 Senior Secured Notes 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 Senior Secured Note Guarantee (if applicable), the Senior Secured Notes Indenture, the applicable Security Documents, the First Lien Intercreditor Agreement and 2007 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 Senior Secured Note Guarantee and the Senior Secured Notes Indenture, the applicable Security Documents, the First Lien Intercreditor Agreement and 2007 Intercreditor Agreement. Notwithstanding the

697

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 Senior Secured Notes Indenture further provides that, subject to certain limitations in the Senior Secured Notes Indenture governing release of a Senior Secured Note Guarantee upon the sale or disposition of a Restricted Subsidiary that is a Senior Secured Note Guarantor, no Senior Secured Note Guarantor (other than RGHL) will, and BP I and BP II will not permit any Senior Secured Note Guarantor (other than RGHL) to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Senior Secured 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 Senior Secured Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Senior Secured 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 Senior Secured Note Guarantor or such Person, as the case may be, being herein called the *Successor Senior Secured Note Guarantor*), and the Successor Senior Secured Note Guarantor (if other than such Senior Secured Note Guarantor) expressly assumes all the obligations of such Senior Secured Note Guarantor under the Senior Secured Notes Indenture, the relevant Security Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement and such Senior Secured Note Guarantor s Senior Secured 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 Senior Secured Note Guarantor (if other than such Senior Secured 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 Senior Secured Notes Indenture.

Subject to certain limitations described in the Senior Secured Notes Indenture, in a transaction to which the immediately preceding paragraph 1(a) applies, the Successor Senior Secured Note Guarantor (if other than such Senior Secured Note Guarantor) will succeed to, and be substituted for, such Senior Secured Note Guarantor under the Senior Secured Notes Indenture and such Senior Secured Note Guarantor s Senior Secured Note Guarantee, and such Senior Secured Note Guarantor will automatically be released and discharged from its obligations under the Senior Secured Notes Indenture and such Senior Secured Note Guarantor s Senior Secured Note Guarantee. Notwithstanding the foregoing, (1) a Senior Secured Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Senior Secured 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, or New Zealand so long as the amount of Indebtedness of the

Senior Secured

698

Note Guarantor is not increased thereby, and (2) a Senior Secured Note Guarantor may merge, amalgamate or consolidate with another Senior Secured Note Guarantor, an Issuer, BP I or BP II.

In addition, notwithstanding the foregoing, any Senior Secured 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 Senior Secured Note Guarantor or (y) any Restricted Subsidiary that is not a Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantor, any Collateral subject to security interests in favor of the Senior Secured Notes will be automatically released from such security interests and the Senior Secured Notes will no longer have the benefit of such Collateral.

Additional Covenants. The Senior Secured Notes 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 Senior Secured Notes Indenture as:

(1) a default in any payment of interest on any Senior Secured Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Senior Secured 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, the Issuers or any Restricted Subsidiaries to comply with the covenants described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets or 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 Senior Secured Notes or the Senior Secured Notes Indenture (other than a failure to purchase Senior Secured 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 $30.0 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 $50.0 million or its foreign currency equivalent (net of any amounts which are

Table of Contents

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 Senior Secured Note Guarantee of RGHL, BP I or a Significant Subsidiary (or any Senior Secured Note Guarantee of one or more Senior Secured 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 Senior Secured Notes Indenture or the First Lien Intercreditor Agreement) or BP I, BP II or any Senior Secured Note Guarantor that qualifies as a Significant Subsidiary (or one or more Senior Secured Note Guarantors that collectively would represent a Significant Subsidiary) denies or disaffirms its obligations under the Senior Secured Notes Indenture or any Senior Secured Note Guarantee and such Default continues for 20 days; or

(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 Senior Secured Notes Indenture for any reason other than the satisfaction in full of all obligations under the Senior Secured Notes Indenture and discharge of the Senior Secured Notes Indenture or in accordance with the terms of the First Lien Intercreditor Agreement, the 2007 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Senior Secured 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 U.S. Issuers) occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of outstanding Senior Secured 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 Senior Secured 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 U.S. Issuers occurs, the principal of, premium, if any, and interest on all the Senior Secured 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 Senior Secured Notes may rescind any such acceleration with respect to the Senior Secured 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 Senior Secured 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 Senior Secured Notes as described above be annulled, waived or rescinded upon the happening of any such events.

Subject to the provisions of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Indenture or the Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes such that an agreement will be reached and the Trustee will act on behalf of the secured noteholders.

The Senior Secured Notes 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 Senior Secured 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

701

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 Senior Secured Notes 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 Senior Secured 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 2007 Intercreditor Agreement (or, in each case, on terms not materially less favorable to the holders of the Senior Secured Notes), including containing substantially the same terms with respect to enforcement and release of Senior Secured 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 Senior Secured Notes Indenture, the First Lien Intercreditor Agreement or the 2007 Intercreditor Agreement.

The Senior Secured Notes 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 2007 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 the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement or any Additional Intercreditor Agreement the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Senior Secured Notes), (3) add parties to the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement or an Additional Intercreditor Agreement, including Senior Secured Note Guarantors, or successors, including successor trustees or other Representatives, (4) secure the Senior Secured Notes (including Additional Senior Secured 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 Senior Secured Notes (including any Additional Senior Secured 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 Senior Secured 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 2007 Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders representing a majority in aggregate principal amount of the Senior Secured 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 Senior Secured Notes Indenture or the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement or any Additional Intercreditor Agreement.

The Senior Secured Notes Indenture also provides that each secured noteholder, by accepting a Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of the First Lien Intercreditor Agreement, the 2007 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

702

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 2007 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 Senior Secured Notes Indenture, the Senior Secured Notes, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement, Additional Intercreditor Agreements, the Security Documents and the Senior Secured Notes may be amended with the consent of the holders of a majority in principal amount of the Senior Secured 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 Senior Secured Notes then outstanding; *provided, however*, that without the consent of each holder of an outstanding Senior Secured Note affected, no amendment may, among other things:

(1) reduce the amount of Senior Secured Notes whose holders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest on any Senior Secured Note;

(3) reduce the principal of or extend the Stated Maturity of any Senior Secured Note;

(4) reduce the premium or amount payable upon the redemption of any Senior Secured Note, change the time at which any Senior Secured Note may be redeemed as described under Optional Redemption, or Redemption for Changes in Withholding Taxes;

(5) make any Senior Secured Note payable in money other than that stated in such Senior Secured Note:

(6) expressly subordinate the Senior Secured Notes or any Senior Secured Note Guarantee to any other Indebtedness of any Issuer, BP I or any Senior Secured Note Guarantor not otherwise permitted by the Senior Secured Notes Indenture;

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s Senior Secured 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 Senior Secured 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 2007 Intercreditor Agreement or any Additional Intercreditor Agreement in any manner adverse to the interests of the Holders in any material respect; or

(10) make any change in the provisions of the Senior Secured Notes 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 Senior Secured Notes or the Senior Secured Notes 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 Senior Secured Note or any Senior Secured 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.

703

Without the consent of the holders of the requisite percentage of the aggregate principal amount of the Senior Secured 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 Senior Secured Notes), no amendment or waiver may release from the Lien of the Senior Secured Notes 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 Senior Secured 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 Senior Secured Notes required by the Trust Indenture Act (which consents may be obtained in connection with a tender offer or exchange offer for the Senior Secured Notes).

Without the consent of any Holder, BP I, the Issuers, the Trustee and the Collateral Agent may amend the Senior Secured Notes Indenture, the Senior Secured Notes, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement, 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 Senior Secured Notes Indenture (including the release of any Senior Secured Note Guarantees or security interest in any Collateral in accordance with the terms of the Senior Secured Notes 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 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, (4) to provide for uncertificated Senior Secured Notes in addition to or in place of certificated Senior Secured Notes (*provided* that the uncertificated Senior Secured Notes are issued in registered form for purposes of Section 163(f) of the Code), (5) to add a Senior Secured Note Guarantee with respect to the Senior Secured Notes, (6) to add assets to the Collateral, (7) to release Collateral from any Lien pursuant to the Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement, any Additional Intercreditor Agreement and the applicable Security Documents when permitted or required by the Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 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 Senior Secured Notes Indenture, (9) to add to the covenants of BP I, BP II or any Senior Secured 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 Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 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 Senior Secured Notes, (13) to make certain changes to the Senior Secured Notes Indenture to provide for the issuance of Additional Senior Secured Notes or (14) to comply with any requirement of the SEC in connection with the qualification of the Senior Secured Notes Indenture under the Trust Indenture Act, if such qualification is required.

The consent of the noteholders is not necessary under the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Note Guarantor, will have any liability for any obligations of the Issuers under the Senior Secured Notes, the Senior Secured Notes Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Senior Secured Notes by accepting a Senior Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Senior Secured Notes in accordance with the Senior Secured Notes 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 Senior Secured Notes Indenture. The Issuers are not required to transfer or exchange any Senior Secured Note selected for redemption or to transfer or exchange any Senior Secured Note for a period of 15 days prior to a selection of Senior Secured Notes to be redeemed. The Senior Secured Notes will be issued in registered form and the registered holder of a Senior Secured Note will be treated as the owner of such Note for all purposes.

Satisfaction and Discharge

The Senior Secured Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of Senior Secured Notes, as expressly provided for in the Senior Secured Notes Indenture) as to all outstanding Senior Secured Notes when:

(1) either (a) all the Senior Secured Notes theretofore authenticated and delivered (except lost, stolen or destroyed Senior Secured Notes which have been replaced or paid and Senior Secured 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 Senior Secured 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 Senior Secured Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Senior Secured 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 Senior Secured Note Guarantors have paid all other sums payable under the Senior Secured Notes 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 Senior Secured Notes Indenture relating to the satisfaction and discharge of the Senior Secured Notes 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 Senior Secured Notes and the Senior Secured Notes 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 Senior Secured Notes, to replace mutilated, destroyed, lost or stolen Senior Secured Notes and to maintain a registrar and paying agent in respect of the Senior Secured 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 Senior Secured Note Guarantor will be released from all of its obligations with respect to its Senior Secured Note Guarantee and the Issuers and each Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes to redemption or maturity, as the case may be, and must comply with certain other conditions set out in the Senior Secured Notes Indenture, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Senior Secured 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 Senior Secured Notes Indenture.

If the Trustee becomes a creditor of the Issuers or any Senior Secured Note Guarantor, the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Indenture at the request of any Holder of Senior Secured 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 secured noteholders will be validly given if mailed to them at their respective addresses in the register of the Holders of the Senior Secured Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable DTC procedures). In addition, for so long as any Senior Secured Notes are represented by Global Senior Notes, all notices to Holders of the Senior Secured 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 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 Senior Secured Note Guarantor under or in connection with the Senior Secured Notes, including damages. Any amount with respect to the Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantor will only constitute a discharge to the Issuers or any Senior Secured 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 Senior Secured Note, BP I, BP II, the Issuers and any Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Note or to the Trustee.

Except as otherwise specifically set forth herein, (a) 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, and (b) for purposes of determining compliance with any

U.S. Dollar-denominated restriction herein, the U.S. Dollar Equivalent amount for purposes hereof that is denominated in a non-U.S. Dollar currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-U.S. Dollar 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 Senior Secured Note Guarantors has irrevocably and unconditionally: (1) submitted itself and its property in any legal action or proceeding relating to the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Note Guarantors are outside the United States, any judgment obtained in the United States against BP I, BP II, the Issuers or any Senior Secured 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 Senior Secured Notes, may not be collectable within the United States.

Governing Law

The Senior Secured Notes Indenture provides that it and the Senior Secured 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 Senior Secured Notes.

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 2007 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

708

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 Senior Secured Notes will be represented by one or more global Senior Secured Notes in registered form without interest coupons attached (collectively, the *Global Senior Secured Notes*). The Global Senior Secured 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 Senior Secured Notes are issued pursuant to the terms of the Senior Secured Notes Indenture, the Issuers may, in their sole discretion, cause some or all of such Additional Senior Secured Notes, if any, to be issued in the form of one or more global Senior Secured Notes (the *Additional Global Senior Secured Notes*) and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Global Senior Secured Note and ownership of interests in each Additional Global Senior Secured 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 Senior Secured Notes and the Additional Global Senior Secured 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 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 Senior Secured Notes are in global form, holders of Book-Entry Interests may not be considered the owners or holders of Senior Secured Notes for purposes of the Senior Secured Notes Indenture.

So long as the Senior Secured Notes and any Additional Senior Secured Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global Senior Secured Notes for all purposes under the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes

Under the terms of the Senior Secured Notes Indenture, owners of Book-Entry Interests will not receive definitive Senior Secured Notes in registered form (*Definitive Registered Senior Secured 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 Senior Secured Notes Indenture. Subject to applicable provisions of the Senior Secured

709

Notes Indenture, Definitive Registered Senior Secured Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes under the Senior Secured Notes Indenture.

In such an event, Definitive Registered Senior Secured 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 Senior Secured Notes will bear the restrictive legend referred to in Transfer Restrictions, unless that legend is not required by the Senior Secured Notes Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the Senior Secured Notes shall be payable at the place of payment designated by the Issuers pursuant to the Senior Secured Notes Indenture; *provided*, *however*, that at the Issuers option, payment of interest on a Senior Secured Note may be made by check mailed to the person entitled thereto to such address as shall appear on the Senior Secured Note register.

Redemption of the Global Senior Secured Notes

In the event any Global Senior Secured Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global Senior Secured Note so redeemed to the holders of the Book-Entry Interests in such Global Senior Secured 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 Senior Secured Note (or any portion thereof).

We understand that under existing practices of DTC, if fewer than all of the Senior Secured 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 Senior Secured Notes

Payments of any amounts owing in respect of the Global Senior Secured Notes for the Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes Indenture, the Issuers, the Trustee and the paying agents will treat the registered holder of the Global Senior Secured Notes as the owner thereof for the purpose of receiving payments and other purposes under the Senior Secured Notes 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 Senior Secured Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Senior Secured Notes are credited and only in respect of such portion of the aggregate principal amount of Senior Secured 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 Senior Secured Notes. However, if there is an Event of Default under the Senior Secured Notes, the Depositary reserves the right to exchange the Global Senior Secured Notes for Definitive Registered Senior Secured Notes in certificated form, and to distribute such Definitive Registered Senior Secured Notes to its respective participants.

Transfers

Transfers of any Global Senior Secured Note shall be limited to transfers of such Global Senior Secured Note in whole, but (subject to the provisions described above under Book-Entry, Delivery and Form Issuance of Definitive Registered Senior Secured Notes, to provisions described below in the section Book-Entry, Delivery and Form Transfers and the applicable provisions of the Senior Secured Notes 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 Senior Secured Notes Indenture. Any Book-Entry Interest in one of the Global Senior Secured Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Senior Secured Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Senior Secured Note and become a Book-Entry Interest in the relevant Global Senior Secured 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 Senior Secured Note for as long as that person retains such Book-Entry Interests.

Definitive Registered Senior Secured Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global Senior Secured Note only pursuant to the terms of the Senior Secured Notes Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Senior Secured Notes Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Senior Secured Notes. See Plan of Distribution.

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the Senior Secured 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 Senior Secured 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

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 means the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

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 Note Documents means (a) the 2009 Notes, the guarantees with respect to the 2009 Notes, the 2009 Indenture, the 2009 Security Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any 2009 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

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.

Table of Contents

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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantors. However, it is acknowledged that to the extent the Security Principles conflict with the specific provisions of the Senior Secured Notes Indenture or any Security Document (other than those explicitly qualified by these Security Principles), the provisions of the Senior Secured Notes 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.

714

Table of Contents

(4) For purposes of the covenants set forth in the Senior Secured Notes 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Note Guarantor if the relevant asset is material and if seeking such consent will not adversely affect the business of the Issuer or Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantee or security being granted by that member of the Group;

(f) the Issuers and Senior Secured 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 Senior Secured Note Guarantor shall be required to give a Senior Secured 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 Senior Secured Notes Indenture and Security Documents therefor or (if earlier or to the extent no such time periods are specified in the Senior Secured Notes 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 Senior Secured Note Guarantor to conduct its operations and business in the ordinary course as otherwise permitted by the Senior Secured 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 Senior Secured Note Guarantors, to the extent that such restrictions can be removed under relevant law, (ii) any of the Issuers and Senior Secured 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 Senior Secured 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 Senior Secured 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 Issue 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 Issue 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 Senior Secured Note Guarantor or New York law, all security (other than share security over subsidiaries of the Issuers or a Senior Secured 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;

Table of Contents

(n) security interests will be taken over only those insurance policies of the Issuers and Senior Secured 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) Senior Secured Note Guarantors and Security

Each Senior Secured Note Guarantee will be an upstream, cross-stream and downstream guarantee of all the Obligations with respect to the Senior Secured Notes and the Senior Secured 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 Senior Secured Notes and the Senior Secured Note Guarantees.

Subject to these Security Principles, the security package shall include stock and other membership interests issued by the Issuers and Senior Secured 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 Senior Secured 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 Senior Secured Notes Indenture and Security Documents, be given by the Issuers and Senior Secured 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 Senior Secured Notes to another party. To the extent such action is required, the Applicable

717

Table of Contents

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 Senior Secured Notes to another party.

The Issuers and Senior Secured 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 Senior Secured Notes is complete. Otherwise the cost or fee shall be for the account of the transferee Holder.

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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantor that the Collateral Agent shall not give any instructions or withhold any withdrawal rights from such Issuer or Senior Secured 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 any Senior Secured Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Senior Secured Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Senior Secured Note on February 15, 2016 (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 Senior Secured Note through February 15, 2016 (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 Senior Secured Note on such redemption date.

Applicable Representative has the meaning given to such term under Security Brief Summary of Security Documents and Intercreditor Agreements.

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 $15.0 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 Senior Secured Notes 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

720

Table of Contents

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 (which may include First Lien Obligations, including Additional Senior Secured 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 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;

Table of Contents

(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

722

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.

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 Senior Secured Notes 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document 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 Senior Secured 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

Table of Contents

(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 Senior Secured 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 Senior Secured Notes or the date the Senior Secured 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 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*

727

(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 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.

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 May 2010 Notes.

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Table of Contents

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 Senior Secured Notes 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 party 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 Senior Secured Note Guarantor due to applicable financial assistance laws; *provided* that such Restricted Subsidiary shall become a Senior Secured 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 Senior Secured Note Guarantor if it would otherwise be required to be a Senior Secured Note Guarantor pursuant to Certain Covenants Future Senior Secured Note Guarantors.

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.

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 Senior Secured 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 which is omitted from the pro forma calculation pursuant to the foregoing clause (a).

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

730

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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 Senior Secured Notes 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 Senior Secured Notes Indenture, all ratios and calculations based on GAAP contained in the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured 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, the Evergreen Acquisition Documents or the Pactiv Acquisition Document; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the Senior Secured Notes 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 HSBC 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 February 1, 2011, the date on which the Senior Secured 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 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.

734

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.

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

735

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.

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 Senior Secured Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Senior Secured Notes.

Obligor means any Issuer or a Senior Secured Note Guarantor.

October 2010 Note Documents means (a) the October 2010 Senior Secured Notes, the guarantees with respect to the October 2010 Senior Secured Notes, the October 2010 Senior Secured Indenture, the October 2010 Security Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any October 2010 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

October 2010 Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the October 2010 Senior Secured Indenture) are granted to secure the October 2010 Senior Secured Notes and the guarantees thereof.

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 January 27, 2011, with respect to the original issuance of the Senior Notes and the Senior Secured 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 Senior Secured Notes 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.

Pactiv means Pactiv Corporation.

Pactiv 2012 Notes refers to the 5.785% Notes due July 15, 2012 of Pactiv Corporation, which were repaid in connection with the 2012 Refinancing Transactions.

Pactiv 2018 Notes refers to the 6.400% Notes due January 15, 2018 of Pactiv Corporation, with an outstanding principal amount of $15.7 million (net of $1 million of unamortized discount) as of March 31, 2012.

Pactiv Acquisition means the acquisition by RGHL, through its wholly owned subsidiary Reynolds Acquisition Corporation, of all of the outstanding stock of Pactiv pursuant to the Pactiv Acquisition Document.

Pactiv Acquisition Document means the Agreement and Plan of Merger, dated as of August 16, 2010, among Rank Group Limited, RGHL, Reynolds Acquisition Corporation and Pactiv.

Pactiv Base Indenture means the Indenture dated as of September 29, 1999, between Tenneco Packaging Inc. and The Bank of New York Mellon, N.A. (as successor in interest to The Chase Manhattan Bank), as Trustee, as supplemented, amended and modified from time to time thereafter.

Pactiv Change of Control Offer refers to Pactiv s offer to purchase the Pactiv 2012 Notes, as required by the applicable indenture. The Pactiv Change of Control Offer commenced on October 20, 2010 and expired on December 7, 2010. Pursuant to the Pactiv Change of Control Offer, Pactiv purchased for cash approximately $698,000 in aggregate principal amount of tendered Pactiv 2012 Notes, with approximately $249.3 million in aggregate principal amount remaining outstanding.

Pactiv Equity Contribution means the cash contributed by Rank Group Limited to RGHL as part of the Pactiv Acquisition.

Pactiv Tender Offer refers to Pactiv s offer to purchase and consent solicitations with respect to the Pactiv 2018 Notes. The Pactiv Tender Offer was consummated on November 16, 2010. Pursuant to the Pactiv Tender Offer, Pactiv purchased for cash approximately $234.3 million in aggregate principal amount of tendered Pactiv 2018 Notes, with approximately $15.7 million in aggregate principal amount remaining outstanding. Pursuant to the Pactiv 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 Pactiv indenture.

Pactiv Transactions refers to: (i) the offering of the October 2010 Senior Secured Notes and the October 2010 Senior Notes, (ii) the incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition, (iii) the repayment of certain Pactiv indebtedness including the partial repayment of Pactiv 2012 Notes and Pactiv 2018 Notes in connection with the Pactiv Tender Offer and Pactiv Change of Control Offer, (iv) the Pactiv Acquisition, (v) the Pactiv Equity Contribution, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

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 Senior Secured Notes 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 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 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 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); *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 Senior Secured 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;

Table of Contents

(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 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

740

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 $500.0 million, (iii) 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; (iv) Liens securing the 2009 Notes (or any guarantees thereof), (v) Liens securing the October 2010 Senior Secured Notes (or any guarantees thereof), (vi) Liens securing the Senior Secured Notes (or any guarantees thereof), (vii) 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; (viii) 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; and (ix) 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 Senior Secured Notes pursuant to an Additional Intercreditor Agreement on terms not less favorable to the noteholders, the Collateral Agent and the Trustee than in the 2007 Intercreditor Agreement;

(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 Senior Secured Notes 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 Senior Secured Notes or any Senior Secured Note Guarantees;

(15) Liens in favor of BP I, BP II or any Senior Secured 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

741

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)(viii)), (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)(viii)), (7), (8), (9), (10), (15) and (20) at the time the original Lien became a Permitted Lien under the Senior Secured Notes 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)(viii)), (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;

742

(28) other Liens securing obligations Incurred in the ordinary course of business which obligations do not exceed $30.0 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 Senior Secured Notes (or any Additional Senior Secured 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 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.

743

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 Senior Secured Notes or any Refinancing Indebtedness with respect to the Senior Secured 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 Senior Secured 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

744

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.

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 Senior Secured Notes 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 Senior Secured 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

745

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 Foodservice Acquisition means, collectively, (a) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging Inc., (b) the acquisition by Closure Systems International B.V., an indirect wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging International B.V., together with a minority interest in Reynolds Metals Company de Mexico S. de R.L. de C.V., from an affiliated entity, that along with Reynolds Group Holdings Inc. and Closure Systems International B.V., is beneficially owned by Mr. Graeme Richard Hart.

Reynolds Foodservice Acquisition Document means the Stock Purchase Agreement, dated as of September 1, 2010, among BP III, Reynolds Group Holdings Inc., Closure Systems International B.V. and Reynolds Packaging (NZ) Limited.

Reynolds Foodservice Transactions means the Reynolds Foodservice Acquisition and the transactions related thereto.

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 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 Senior Secured 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 Senior Secured 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 Senior Secured Note Documents, and (c) the due and punctual payment and performance of all the obligations of each other Obligor under or pursuant to the Senior Secured 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 Senior Secured 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 Senior Secured Notes or the Senior Secured 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 Senior Secured Notes Indenture.

Senior Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Notes Indenture and the Senior Notes by any Person in accordance with the provisions of the Senior Notes Indenture.

Senior Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that entered into the Senior Notes Indenture on the Issue Date (other than the Issuers) and (y) any Person that subsequently becomes a Senior Note Guarantor in accordance with the terms of the Senior Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Note Guarantee in accordance with the Senior Notes Indenture, such Person shall cease to be a Senior Note Guarantor.

Senior Notes means the $1,000,000,000 aggregate principal amount of 8.250% Senior Notes due 2021 pursuant to the Senior Notes Indenture.

Senior Notes Indenture means the Senior Notes Indenture dated as of the Issue Date, among the Issuers, certain guarantors, 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.

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 Senior Secured 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 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 Secured Note Documents means (a) the Senior Secured Notes, the Senior Secured Notes Guarantees, the Senior Secured Notes Indenture, the Security Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any Senior Secured Note Document described in clause (a) evidencing or governing any Secured Obligations thereunder.

Senior Secured Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Secured Notes Indenture and the Senior Secured Notes by any Person in accordance with the provisions of the Senior Secured Notes Indenture.

Senior Secured Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that entered into the Senior Secured Notes Indenture on the Issue Date (other than the Issuers) and (y) any Person that subsequently becomes a Senior Secured Note Guarantor in accordance with the terms of the Senior Secured Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Secured Note Guarantee in accordance with the Senior Secured Notes Indenture, such Person shall cease to be a Senior Secured Note Guarantor.

Senior Secured Notes Registration Rights Agreement means the Senior Secured Notes Registration Rights Agreement related to the Senior Secured Notes, dated as of the Issue Date, among the Issuers, the Senior Secured Note Guarantors and the Initial Purchasers, as such agreement may be amended, modified or supplemented from time to time.

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.

749

Table of Contents

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 Senior Secured Notes and (b) with respect to any Senior Secured Note Guarantor, any Indebtedness of such Senior Secured Note Guarantor which is by its terms subordinated in right of payment to its Senior Secured 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 Senior Secured 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 Senior Secured Notes is restricted by the 2007 Intercreditor Agreement, any 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 Senior Secured 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 Senior Secured Notes is restricted by the 2007 Intercreditor Agreement, any 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 Senior Secured 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 Senior Secured Notes) is restricted by the 2007 Intercreditor Agreement, any 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 2007 Intercreditor Agreement, any Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Senior Secured 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, the Evergreen Transactions, the Pactiv Transactions and the Reynolds Foodservice Transactions.

Treasury Rate (as determined by the Issuers) means, with respect to the Senior Secured 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 February 15, 2016; *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 Senior Secured Notes Indenture.

Trustee means the party named as such in the Senior Secured Notes 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.

752

U.S. Dollar Equivalent means with respect to any monetary amount in a currency other than U.S. Dollars, at any time for determination thereof by BP I, BP II or the Trustee, the amount of U.S. Dollars obtained by converting such currency other than U.S. Dollars involved in such computation into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as published in The Wall Street Journal in the Exchange Rates column under the heading Currency Trading (or, if *The Wall Street Journal* is no longer published, or if such information is no longer available in *The Wall Street Journal*, such source as may be selected in good faith by BP I or BP II) on the date of such determination.

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 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 of the proceeds of the October 2010 Senior Notes and the October 2010 Senior Secured 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 Senior Secured Notes and/or the Senior 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 FEBRUARY 2011 SENIOR NOTES

General

On February 1, 2011, 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 *Senior Notes*) pursuant to a Senior Notes Indenture (the *Senior Notes Indenture*), among themselves, certain Senior Note Guarantors, 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.

The terms of the new Senior Notes are substantially identical to the terms of the old Senior Notes, except that the new Senior 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 Notes and will not entitle their holders to registration rights. The new Senior Notes will otherwise be treated as the old Senior Notes for purposes of the Senior Notes Indenture.

The Senior Notes Indenture contains provisions that define your rights and govern the obligations of the Issuers under the Senior Notes. Copies of the Senior Notes Indenture and the Senior 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 Notes upon request. See Where You Can Find More Information.

Terms used in this Description of the February 2011 Senior Notes section and not otherwise defined have the meanings set forth in the section Certain Definitions. As used in this Description of the February 2011 Senior 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 Notes Indenture and this Description of the February 2011 Senior Notes, references to an entity shall be to it and to any successor in interest thereto. Any reference to Senior Notes in this Description of the February 2011 Senior Notes refers to the new Senior Notes and any old Senior Notes that are not exchanged in the exchange offer.

The Senior Notes and the Senior Secured Notes were incurred pursuant to the fixed charge coverage ratio incurrence test, or applicable baskets provided for, under the August 2011 Secured Indenture, the August 2011 Senior Indenture, the October 2010 Senior Indenture, the October 2010 Senior Secured Indenture, 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, the October 2010 Senior Secured Notes, the August 2011 Senior Secured Notes, and the Senior Secured Notes is classified as First Lien Obligations under the 2009 Indenture, the October 2010 Senior Secured Indenture, the August 2011 Secured Indenture and the Senior Secured Notes Indenture, First Priority Lien Obligations under the 2007 Senior Note Indenture and the 2007 Senior Subordinated Note Indenture and Secured Indebtedness under the August 2011 Secured Indenture, the October 2010 Senior Indenture, the May 2010 Indenture and the Senior Notes Indenture. The Senior Notes are classified as Senior Indebtedness under the Senior Notes Indenture, the Senior Secured Notes Indenture, the August 2011 Secured Indenture, the August 2011 Senior Indenture, the October 2010 Senior Secured Indenture, the October 2010 Senior Indenture, the May 2010 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.

754

Brief Description of the Senior Notes and the Senior Note Guarantees

The Senior 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 February 2012 Notes, the August 2011 Notes, the October 2010 Senior Secured Notes, the October 2010 Senior Notes, the May 2010 Notes, the 2009 Notes, the 2007 Senior Notes, the Senior Secured 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 Senior Secured Notes, the August 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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 Senior 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 Senior Note Guarantor.

The Senior Note Guarantees are general senior obligations of each Senior Note Guarantor and:

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of such Senior Note Guarantor;

are effectively subordinated to any Secured Indebtedness of such Senior Note Guarantor (including Indebtedness of such Senior Note Guarantor outstanding under, or with respect to its guarantee of, the Senior Secured Credit Facilities, the Senior Secured Notes, the August 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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 Senior Note Guarantor, including, subject to the discussion below (see Ranking), such Senior 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 Senior Notes. The Issuers may issue additional Senior Notes, from time to time (*Additional Senior Notes*). Any offering of Additional Senior 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 Notes and any Additional Senior Notes subsequently issued under the Senior Notes Indenture will be treated as a single class for all purposes under the Senior Notes Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the

Senior Notes Indenture and this Description of the February 2011 Senior Notes, references to the Senior Notes include any Additional Senior Notes actually issued.

The Senior Notes will mature on February 15, 2021. Each Senior Note bears interest at 8.250% per annum, payable semi-annually in arrears to holders of record at the close of business on February 1 or August 1 immediately preceding the interest payment date on February 15 and August 15 of each year, commencing August 15, 2011. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

The Senior 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 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 Notes will be payable, and the Senior 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 Notes

The Issuers maintain a paying agent for the Senior Notes in New York, NY. The Issuers have undertaken under the Senior 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 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 Notes outstanding from time to time and the transfer agent in New York facilitates transfers of Definitive Registered Senior 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 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 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 Notes at its registered office.

Optional Redemption

In addition to the optional redemption for taxation reasons, as described below, on or after February 15, 2016, the Issuers may redeem the Senior 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 February 15 of the years set forth below.

Without limiting the Issuers   obligations under the Senior Notes Indenture, the Issuers may provide in such notice that payment of the redemption price

756

and the performance of the Issuers obligations with respect to such redemption may be performed by another Person.

Period	Redemption Price
2016	104.125%
2017	102.750%
2018	101.375%
2019 and thereafter	100.000%

In addition, at any time and from time to time prior to February 15, 2016, the Issuers may redeem the Senior 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 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 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 February 15, 2014, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the Senior Notes (calculated after giving effect to any issuance of any Additional Senior 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 108.250%, 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 Notes (calculated after giving effect to any issuance of any Additional Senior 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 Notes being redeemed and otherwise in accordance with the procedures set forth in the Senior 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 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 Notes are to be redeemed or are required to be repurchased at any time, the Trustee will select Senior 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 Notes are then admitted to trading; *provided, however,* that no Senior 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 Note is to be redeemed in part only, the notice of redemption that relates to that Senior Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Senior Note, a new Senior Note in currency and in principal amount equal to the unredeemed portion of the original Senior Note will be issued in the name of the noteholder thereof upon cancellation of the original Senior Note. In the case of a Global Senior Note, an appropriate notation will be made on such Senior 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 Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior 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 Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Senior 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 Notes in the open market or otherwise.

Redemption for Taxation Reasons

The Issuers may redeem the Senior 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 Senior Notes or a Senior Note Guarantee is, or on the next date on which any amount would be payable in respect of the Senior 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 Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officers Certificate stating that

758

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, Senior Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior 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 Notes Indenture.

Withholding Taxes

All payments made by any Issuer or any Senior Note Guarantor or any successor in interest to any of the foregoing (each, a *Payor*) on or with respect to the Senior Notes or any Senior 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 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 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 Notes or any Senior 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 Notes or its Senior 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 Notes or any Senior 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 Senior Notes or the Senior 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,

759

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 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 Senior 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 Notes or any Senior 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 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 Senior 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 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 Senior Note been the holder of the Senior 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 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).

760

Wherever in the Senior Notes Indenture, the Senior Notes, any Senior Note Guarantee or this Description of the February 2011 Senior 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 Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the Senior Notes or any Senior 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 Notes, the Senior Notes Indenture, or any other document or instrument in relation thereto (other than a transfer of the Senior 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 Senior 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 Notes each beneficial owner of a Senior Note agrees, to treat for U.S. federal income tax purposes the Senior Notes as debt of the sole owner of the US Issuer I and interest payments on the Senior 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 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 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 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 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 Senior Note Guarantees is Senior Indebtedness of each Senior Note Guarantor, is equal in right of payment to all existing and future Senior Indebtedness of such Senior Note Guarantor and is senior in right of payment to all existing and future Subordinated Indebtedness of such

Table of Contents

Senior 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 Senior Notes.

As described in further detail below, in a liquidation, dissolution or bankruptcy of any of the Issuers or the Senior Note Guarantors, holders of Senior Notes and Senior Note Guarantees will be entitled to receive payment in full of the Senior Notes and Senior 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 Senior Notes and Senior 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 March 31, 2012:

(1) RGHL and its Subsidiaries had an aggregate principal amount of $11,573 million of Indebtedness secured by any Lien outstanding. RGHL and its Subsidiaries would have had $41 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 56 million of Secured Indebtedness under Local Facilities; and

(2) RGHL and its Subsidiaries had an aggregate principal amount of $17,554 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 2011 Senior Secured Notes (including the guarantees with respect thereto), the February 2011 Senior Notes (including the 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 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 March 31, 2012, RGHL and its Subsidiaries had an aggregate of $586 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 $32 million of indebtedness outstanding under Local Facilities.

Although the Senior 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 claim to the Senior 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 Senior Notes and Senior 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 Senior Note Guarantors, holders of Senior Notes and Senior Note Guarantees will be entitled to receive payment in full of the Senior Notes and Senior 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)

762

in respect of such guarantees. However, the Senior Notes and Senior Note Guarantees do not constitute Designated Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture, as do the August 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 Notes, the Senior Secured Credit Facilities, the 2007 Senior Notes and the Senior Secured Notes, and holders thereof have more rights than the holders of Senior Notes. Thus, holders of Senior Notes and Senior 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 Senior 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 Senior Notes do not have a contractual right to stop payments by the Issuers and Senior Note Guarantors in respect of the 2007 Senior Subordinated Notes, and holders of Senior Notes may recover less than holders of Designated Senior Indebtedness as a result thereof.

The Senior Notes and Senior Note Guarantees rank *pari passu* in right of payment with the guarantees of the 2007 Senior Notes, the 2009 Notes (and related guarantees), the May 2010 Notes (and related guarantees), the October 2010 Senior Secured Notes (and related guarantees), the October 2010 Senior Notes (and related guarantees), the August 2011 Senior Secured Notes (and related guarantees), the August 2011 Senior Notes (and related guarantees), the February 2012 Notes (and related guarantees), the Senior Secured Notes (and related guarantees) and the Senior Secured Credit Facilities (and related guarantees). 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 August 2011 Senior Secured Notes, the Senior Secured Credit Facilities and the Senior Secured Notes, 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 August 2011 Senior Secured Notes, the Senior Secured Credit Facilities and the Senior Secured Notes (and their respective guarantees).

Therefore, in the event that the Issuer or a Senior 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 August 2011 Senior Secured Notes, the Senior Secured Notes and the Senior Secured Credit Facilities are not fully secured, claims of holders of Senior Notes and Senior 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 (and related guarantees), the October 2010 Senior Secured Notes (and related guarantees), the August 2011 Senior Secured Notes (and related guarantees), the Senior Secured Notes (and related guarantees) and the Senior Secured Credit Facilities (and related guarantees), 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 August 2011 Senior Secured Notes, the 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 Senior Notes and Senior 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 Senior Notes and Senior 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 Senior Notes and the holders of Designated Senior Indebtedness,

763

Table of Contents

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 Subordinated Notes in favor of the 2007 Senior Notes, the 2009 Notes, the October 2010 Senior Secured Notes, the August 2011 Senior Secured Notes, the Senior Secured Notes and the Senior Secured Credit Facilities under such circumstances, and you may therefore recover less in a bankruptcy than if the Senior Notes and Senior 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 Senior 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 Note Guarantors, including holders of the Senior Notes. The Senior 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 Note Guarantors (including BP II, which is a finance company). As of March 31, 2012, 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 $20 million of long-term debt (on a consolidated basis and excluding intercompany loan transactions) and $2,095 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 Note Guarantees

Each of the Senior 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 Notes Indenture and the Senior Notes, whether for payment of principal of, premium, if any, or interest on the Senior Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Senior Note Guarantors and by any of RGHL s Subsidiaries that subsequently become Senior 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 Note Guarantors include entities organized in the following jurisdictions: Australia, 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 Note Guarantees are subject to a variety of local laws that may limit or void the Senior Note Guarantees and certain other limits imposed under the terms of such Senior Note Guarantees. For a description of such limitations and the risks associated with the Senior 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;

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 Note Guarantors have agreed, and any of RGHL s Subsidiaries that subsequently become Senior 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 Senior 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 Senior Note Guarantees as required by the covenant under Certain Covenants Future Senior Note Guarantors. Accordingly, in the future, other Indebtedness, including the Senior Secured Credit Facilities, the Senior Notes, the February 2012 Notes, the August 2011 Notes, the October 2010 Senior Secured Notes, the October 2010 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 Notes. See Ranking.

Each Senior 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 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 Note Guarantees

A Senior Note Guarantee of a Senior Note Guarantor will be automatically released upon (a) receipt by the Trustee of a notification from BP I that such Senior Note Guarantee be released and (b) the occurrence of any of the following:

(1) the consummation of any transaction permitted by the Senior Notes Indenture as a result of which such Senior Note Guarantor ceases to be a Restricted Subsidiary;

(2) the release or discharge of the guarantee or other obligation by such Senior Note Guarantor (other than RGHL) of the Senior Secured Credit Facilities or such other guarantee or other obligation that

765

resulted in the creation of such Senior Note Guarantee, except a release or discharge by or as a result of payment under such guarantee;

(3) BP I designating such Senior 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 Notes Indenture are discharged in accordance with the terms of the Senior Notes Indenture; or

(5) the transfer or sale of the equity interests of such Senior Note Guarantor pursuant to an enforcement action, in accordance with the terms of the First Lien Intercreditor Agreement.

The Senior Note Guarantor will be required to deliver to the Trustee an Officers Certificate stating that all conditions precedent provided for in the Senior Notes Indenture relating to the release have been complied with. A Senior Note Guarantee of a Senior Note Guarantor also will be released as provided under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets.

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 Note Guarantors

Under certain circumstances, additional Restricted Subsidiaries may be added as Senior Note Guarantors (see Certain Covenants Future Senior 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 Senior 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 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

(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 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 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 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 Senior 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 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 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 Notes Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Senior 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 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 Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers Certificate stating the Senior Notes or portions of the Senior Notes being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Senior Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Senior Notes in order to reflect thereon the portion of such Senior Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Senior Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Senior 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 Senior Notes so tendered the Change of Control Payment for such Senior Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder of Senior Notes a new Senior Note equal in principal amount to the unpurchased portion of the Senior Notes surrendered, if any; *provided, however,* that each such new Senior Note will be in a principal amount that is at least $100,000 and integral multiples of $1,000 in excess thereof.

Senior Notes repurchased by the Issuers or an Affiliate pursuant to a Change of Control Offer will have the status of Senior Notes issued but not outstanding or will be retired and canceled at the option of the Issuers. Senior Notes purchased by an unaffiliated third party pursuant to the procedure described above will have the status of Senior 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 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 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 Secured Notes, the August 2011 Notes, the October 2010 Senior Notes, the October 2010 Senior Secured Notes, the May 2010 Notes, the 2009 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 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 Notes Indenture relating to the Issuers obligation to make an offer to repurchase the Senior 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 Notes.

Certain Covenants

Set forth below are summaries of certain covenants that are contained in the Senior Notes Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The Senior 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 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 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 Note Guarantors of Indebtedness represented by the Senior Notes (not including any Additional Senior Notes) and the Senior Note Guarantees;

(c) (i) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (a) and (b)) and (ii) 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;

(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 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 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 Notes or the obligations of BP I under its Senior 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 Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not one of the Issuers or a Senior 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 Note Guarantee of such Senior Note

770

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 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 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 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 Notes then outstanding were instead due on such date one year following the last date of maturity of the Senior 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 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 Notes;

(3) refinances (a) Indebtedness junior to the Senior Notes or any Senior Note Guarantee, such Refinancing Indebtedness is junior to the Senior Notes or the Senior Note Guarantee of such Senior 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 Note Guarantor that refinances, refunds or defeases Indebtedness of BP I, BP II, any Issuer or any Senior 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

772

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 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 Note Guarantor unless such Indebtedness shall be subordinated to the Senior Notes or the applicable Senior 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 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, (i) 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 and (ii) the U.S. Dollar 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 U.S. Dollars, and such refinancing would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-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 U.S. Dollar 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 Senior Notes 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 Senior Notes 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 Senior 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 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;

775

(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), 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 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); *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

776

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 $30.0 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 Senior Notes 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 Senior 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 Senior 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);

777

(b) such Indebtedness is subordinated to the Senior Notes or the related Senior 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 Senior 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 Senior Notes then outstanding were instead due on such date one year following the last date of maturity of the Senior 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 Senior 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 $5.0 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 $10.0 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;

Table of Contents

(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 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

779

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, the Evergreen Acquisition Documents, the Pactiv Acquisition Document or the Reynolds Foodservice Acquisition Document, 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 Senior Notes tendered by holders of the Senior 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 Senior Notes 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 Senior Notes Indenture) and that all Senior 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.

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 Senior Notes 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 Secured Notes Indenture, the October 2010 Senior Indenture, the October 2010 Senior Secured Indenture, the May 2010 Indenture, the 2009 Indenture, 2007 Senior Note Indenture, the 2007 Senior Subordinated Notes Indenture, the 2007 Intercreditor Agreement, the First Lien Intercreditor Agreement, the Senior Secured Notes Security Documents, the October 2010 Security Documents, the 2009 Security Documents, the 2007 Notes Security Documents and the security documents with respect to the Senior Secured Credit Facilities and the Local Facilities;

(2) the Senior Notes Indenture, the Senior Notes (and Senior 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 Senior 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 Senior 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 Senior 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 Senior Notes 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 Senior Notes or any Senior 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 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 Senior Notes are repaid with the Net Proceeds of any Asset Sale, the Issuers will equally and ratably reduce Obligations under the Senior 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 Senior Notes or (c) Obligations constituting Indebtedness of a Restricted Subsidiary of BP I that is not an Issuer or a Senior 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 Senior Notes 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 Senior 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 Senior Notes (and, at the option of the Issuers, to holders of any Senior Indebtedness of an Issuer or Senior 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 Senior 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 Senior Notes 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 Senior Notes Indenture, with a copy to the Trustee. To the extent that the aggregate amount of Senior 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 Senior Notes (and such Senior Indebtedness or other Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Senior 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 Senior 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 Senior Notes 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 Senior Notes Indenture by virtue thereof.

If more Senior 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 Senior 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

Table of Contents

DTC, and any stock exchange on which the Senior Notes are then admitted to trading; *provided* that no Senior 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 Senior 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 Senior 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 Senior Notes is denominated in a currency other than the currency in which the relevant Senior Notes are denominated, the amount payable in respect of such Senior Notes shall not exceed the net amount of funds in the currency in which such Senior 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 Senior Notes at such holder s registered address. If any Senior Note is to be purchased in part only, any notice of purchase that relates to such Senior Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Senior Notes 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 Senior Notes.

In the event that an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Senior Notes, the Issuers could seek the consent of their lenders to purchase the Senior 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 Senior Notes. In such case, the Issuers failure to purchase tendered Senior Notes would constitute an Event of Default under the Senior Notes Indenture that is likely, in turn, to constitute a default under the Issuers other Indebtedness.

Transactions with Affiliates. The Senior Notes 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 $15.0 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 $30.0 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.

Table of Contents

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 Senior Notes Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Senior Notes 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 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 Senior 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 Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, 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

786

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 Senior 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document 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 Senior Notes 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

Table of Contents

(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 Senior Notes Indenture.

Liens. The Senior Notes 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 Senior Notes and Senior 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 Senior Notes or the Senior 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 Senior Notes 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 Senior Notes Indenture, (d) following an Event of Default under the Senior Notes 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 Senior Notes as specified in the Senior Notes 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 Senior 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 Senior Notes Exchange Offer Registration Statement or the Senior Notes 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 Senior Notes Exchange Offer Registration Statement or the Senior Notes 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 Senior Notes, in addition to providing such information to the Trustee and the holders of the Senior 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 Senior Notes Exchange Offer Registration Statement, or if the Senior Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Notes Registration Rights Agreement, the Senior Notes 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 Senior Notes Exchange Offer Registration Statement, or if the Senior Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Notes Registration Rights Agreement, the Senior Notes Shelf Registration Statement, but prior to the effectiveness of the Senior Notes Exchange Offer Registration Statement or Senior Notes Shelf Registration Statement, by publicly filing with the SEC the Senior Notes Exchange Offer Registration Statement or Senior Notes 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 Senior Notes if RGHL has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

The Senior Notes Indenture also provides that, so long as any of the Senior 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 Senior Notes and to prospective investors, upon their request, the information required to be delivered by Rule 144A(d)(4) under the Securities Act.

Future Senior Note Guarantors. The Senior Notes Indenture provides that each Restricted Subsidiary (unless such Subsidiary is an Issuer, a Senior 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 Senior 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 Senior Notes; *provided* that notwithstanding the foregoing:

(a) each Restricted Subsidiary incorporated or otherwise organized under the laws of Austria shall only be required to enter into its respective Senior Note Guarantee within 135 days following the Issue Date (or on such later date as may be permitted by the Applicable Representative in its sole discretion);

(b) the Thai Guarantor (as defined below) shall only be required to enter into its Senior Note Guarantee as described below under the caption Certain Covenants Bank of Thailand Approval and Thai Business Permit;

(c) with respect to any Restricted Subsidiary not referred to in clauses (a) or (b) above, to the extent the foregoing obligation is triggered by Indebtedness or Public Debt existing as of the Issue Date, the relevant Restricted Subsidiary shall only be required to enter into its respective Senior Note Guarantee as soon as reasonably practicable following the Issue Date;

(d) no Senior 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;

(e) if such Indebtedness is by its terms expressly subordinated to the Senior Notes or any Senior 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 Senior Note Guarantee of the Senior Notes at least to the same extent as such Indebtedness is subordinated to the Senior Notes or any other senior guarantee;

(f) no Senior 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 Senior Notes 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;

(g) no Senior Note Guarantee shall be required from a US Controlled Foreign Subsidiary or a Financial Assistance Restricted Subsidiary;

(h) no Senior Note Guarantee shall be required if such Senior 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 Senior Note Guarantee, which cannot be avoided through measures reasonably available to BP I, BP II or any such Restricted Subsidiary; and

(i) each such Senior 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 Senior Note Guarantees shall be released in accordance with the provisions of the Senior Notes Indenture described under Senior Note Guarantees.

Bank of Thailand Approval and Thai Business Permit. The Senior Notes Indenture provides that, within 45 days after February 1, 2011 (or on such later date as may be permitted by the Applicable Representative in its sole discretion) SIG Combibloc Limited (Thailand) (the *Thai Guarantor*) shall apply to the Bank of Thailand for, and use commercially reasonable efforts 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 Senior 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 Senior Notes (the *Thai Senior Note Guarantee*).

Notwithstanding the provisions set forth under Certain Covenants Future Senior Note Guarantors, but subject to the exceptions to the requirement to provide a Senior 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 Senior Notes within 60 days of obtaining its Thai Business Permit (or on such later date as may be permitted by the Applicable Representative in its sole discretion), but in any event not earlier than the date on which the Thai Guarantor enters into or confirms its guarantee with respect to the Indebtedness incurred as incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition, provided that at such time it would, but for the provisions of this section, be required to grant a Senior Note Guarantee under the terms of the section Certain Covenants Future Senior 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 Senior 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 Senior 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 Senior Note Guarantee.

Limitation on the US Issuers. Notwithstanding anything contained in the Senior Notes 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, CSI Mexico LLC, Pactiv Corporation or Pactiv International Holdings, Inc. 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.

Table of Contents

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 Senior 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 Senior Notes Indenture under Certain Covenants Future Senior Note Guarantors, any Restricted Subsidiary other than a Senior 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 Senior 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 Senior Notes Indenture, 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 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 Senior 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 Senior Notes Indenture for any period of time as a result of the foregoing, and on any subsequent date one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Senior 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 Senior 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 Senior Notes 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

792

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 Senior Notes will ever achieve or maintain Investment Grade Ratings.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Senior Notes 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 Senior 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 Senior Note Guarantee (if applicable) and the Senior Notes 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;

Table of Contents

(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 Senior Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its obligations under the Senior Notes Indenture, Senior Notes and Senior Note Guarantee, as applicable, shall apply to such Person s obligations under the Senior Notes Indenture, the Senior Notes and Senior 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 Senior Notes 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 Senior Note Guarantee (if applicable) and the Senior Notes 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 Senior Note Guarantee and the Senior Notes 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 Senior Notes Indenture further provides that, subject to certain limitations in the Senior Notes Indenture governing release of a Senior Note Guarantee upon the sale or disposition of a Restricted Subsidiary that is a Senior Note Guarantor, no Senior Note Guarantor (other than RGHL) will, and BP I and BP II will not permit any Senior Note Guarantor (other than RGHL) to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Senior 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 Senior Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Senior 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 Senior Note Guarantor or such Person, as the case may be, being herein called the *Successor Senior Note Guarantor*), and the Successor Senior Note Guarantor (if other than such Senior Note Guarantor) expressly assumes all the obligations of such Senior Note Guarantor under the Senior Notes Indenture and such Senior Note Guarantor s Senior 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 Senior Note Guarantor (if other than such Senior 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 Senior Notes Indenture.

Subject to certain limitations described in the Senior Notes Indenture, in a transaction to which the immediately preceding paragraph 1(a) applies, the Successor Senior Note Guarantor (if other than such Senior Note Guarantor) will succeed to, and be substituted for, such Senior Note Guarantor under the Senior Notes Indenture and such Senior Note Guarantor s Senior Note Guarantee, and such Senior Note Guarantor will automatically be released and discharged from its obligations under the Senior Notes Indenture and such Senior Note Guarantor s Senior Note Guarantee. Notwithstanding the foregoing, (1) a Senior Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Senior 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, or New Zealand so long as the amount of Indebtedness of the Senior Note Guarantor is not increased thereby, and (2) a Senior Note Guarantor may merge, amalgamate or consolidate with another Senior Note Guarantor, an Issuer, BP I or BP II.

In addition, notwithstanding the foregoing, any Senior 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 Senior Note Guarantor or (y) any Restricted Subsidiary that is not a Senior 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 Senior 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 Senior Notes 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 Senior Notes Indenture as:

(1) a default in any payment of interest on any Senior Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Senior 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, Issuers or any Restricted Subsidiaries to comply with the covenants described under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets or 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 Senior Notes or the Senior Notes Indenture (other than a failure to purchase Senior 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

795

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 $30.0 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 $50.0 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 Senior Note Guarantee of RGHL, BP I or a Significant Subsidiary (or any Senior Note Guarantee of one or more Senior 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 Senior Notes Indenture) or BP I, BP II or any Senior Note Guarantor that qualifies as a Significant Subsidiary (or one or more Senior Note Guarantors that collectively would represent a Significant Subsidiary) denies or disaffirms its obligations under the Senior Notes Indenture or any Senior 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.

However, a default under clause (4) (other than a failure to purchase Senior Notes) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Senior 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 Senior 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 Senior 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 Senior 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 Senior Notes may rescind any such acceleration with respect to the Senior 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 Senior 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 Senior Notes as described above be annulled, waived or rescinded upon the happening of any such events.

796

Subject to the provisions of the Senior Notes 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 Senior Notes 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 Senior Notes Indenture or the Senior 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 Senior 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 Senior 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 Senior 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 Senior Notes 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 Senior Notes 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 Senior Notes such that an agreement will be reached and the Trustee will act on behalf of the noteholders.

The Senior Notes 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 Senior 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 Senior Notes Indenture and the Senior Notes may be amended with the consent of the holders of a majority in principal amount of the Senior 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 Senior Notes then outstanding; *provided, however,* that without the consent of each holder of an outstanding Senior Note affected, no amendment may, among other things:

(1) reduce the amount of Senior Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any Senior Note,

(3) reduce the principal of or extend the Stated Maturity of any Senior Note,

(4) reduce the premium or amount payable upon the redemption of any Senior Note, change the time at which any Senior Note may be redeemed as described under Optional Redemption, or Redemption for Changes in Withholding Taxes,

(5) make any Senior Note payable in money other than that stated in such Senior Note,

(6) expressly subordinate the Senior Notes or any Senior Note Guarantee to any other Indebtedness of any Issuer, BP I or any Senior Note Guarantor not otherwise permitted by the Senior Notes Indenture,

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s Senior 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 Senior 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 Senior Notes 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 Senior Notes or the Senior Notes 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 Senior Note or any Senior 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 Senior Notes Indenture and the Senior Notes (1) to cure any ambiguity, omission, mistake, defect or inconsistency, (2) to give effect to any provision of the Senior Notes Indenture (including the release of any Senior Note Guarantees in accordance with the terms of the Senior Notes 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 Senior Notes Indenture and the Senior Notes or to provide for the assumption by a Successor Senior Note Guarantor of the obligations of a Senior Note Guarantor under the Senior Notes Indenture and its Senior Note Guarantee, (4) to provide for uncertificated Senior Notes in addition to or in place of certificated Senior Notes (*provided* that the uncertificated Senior Notes are issued in registered form for purposes of Section 163(f) of the Code), (5) to add a Senior Note Guarantee with respect to the Senior Notes, (6) to add to the covenants of BP I, BP II or any Senior 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 Senior Notes Indenture of a successor Trustee, (9) to provide for the accession of the Trustee to any instrument in connection with the Senior Notes, (10) to make certain changes to the Senior Notes Indenture to provide for the issuance of Additional Senior Notes or (11) to comply with any requirement of the SEC in connection with the qualification of the Senior Notes Indenture under 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 Senior Notes 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 Senior Notes Indenture becomes effective, the Issuers are required to mail (or otherwise deliver in accordance with applicable DTC procedures) to the respective noteholders a notice

798

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 Senior Note Guarantor, will have any liability for any obligations of the Issuers under the Senior Notes, the Senior Notes Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Senior Notes by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Senior Notes in accordance with the Senior Notes 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 Senior Notes Indenture. The Issuers are not required to transfer or exchange any Senior Note selected for redemption or to transfer or exchange any Senior Note for a period of 15 days prior to a selection of Senior Notes to be redeemed. The Senior Notes will be issued in registered form and the registered holder of a Senior Note will be treated as the owner of such Senior Note for all purposes.

Satisfaction and Discharge

The Senior Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of Senior Notes, as expressly provided for in the Senior Notes Indenture) as to all outstanding Senior Notes when:

(1) either (a) all the Senior Notes theretofore authenticated and delivered (except lost, stolen or destroyed Senior Notes which have been replaced or paid and Senior 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 Senior 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 Senior Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Senior 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 Senior Note Guarantors have paid all other sums payable under the Senior Notes 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 Senior Notes Indenture relating to the satisfaction and discharge of the Senior Notes Indenture have been complied with; *provided* that any counsel may rely on an Officers Certificate as to matters of fact.

Table of Contents

Defeasance

The Issuers at any time may terminate all their obligations under the Senior Notes and the Senior Notes 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 Senior Notes, to replace mutilated, destroyed, lost or stolen Senior Notes and to maintain a registrar and paying agent in respect of the Senior 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 Senior Note Guarantor will be released from all of its obligations with respect to its Senior 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 Senior 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 Senior 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 Senior Notes to redemption or maturity, as the case may be, and must comply with certain other conditions set out in the Senior Notes Indenture, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Senior 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 Senior Notes Indenture.

If the Trustee becomes a creditor of the Issuers or any Senior Note Guarantor, the Senior Notes 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 Senior Notes 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 Senior Notes Indenture at the request of any Holder of Senior 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 Senior Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable DTC procedures). In addition, for so long as any Senior Notes are represented by Global Senior Notes, all notices to Holders of the Senior 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 Senior Note Guarantor under or in connection with the Senior Notes, including damages. Any amount with respect to the Senior 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 Senior 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 Senior Note Guarantor will only constitute a discharge to the Issuers or any Senior 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 Senior Note, BP I, BP II, the Issuers and any Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior Note or to the Trustee.

Except as otherwise specifically set forth herein, (a) 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, and (b) for purposes of determining compliance with any U.S. Dollar-denominated restriction herein, the U.S. Dollar Equivalent amount for purposes hereof that is denominated in a non-U.S. Dollar currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-U.S. Dollar 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 Senior Note Guarantors has irrevocably and unconditionally: (1) submitted itself and its property in any legal action or proceeding relating to the Senior Notes 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 Senior Notes 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 Senior Notes 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 Senior Note Guarantors are outside the United States, any judgment obtained in the United States against BP I, BP II, the Issuers or any Senior 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 Senior Notes, may not be collectable within the United States.

Governing Law

The Senior Notes Indenture provides that it and the Senior 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 Senior 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 Senior Notes will be represented by one or more global Senior Notes in registered form without interest coupons attached (collectively, the *Global Senior Notes*). The Global Senior 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 Senior Notes are issued pursuant to the terms of the Senior Notes Indenture, the Issuers may, in their sole discretion, cause some or all of such Additional Senior Notes, if any, to be issued in the form of one or more global Senior Notes (the *Additional Global Senior Notes*) and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Global Senior Note and ownership of interests in each Additional Global Senior 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 Senior Notes and the Additional Global Senior 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 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 Senior Notes are in global form, holders of Book-Entry Interests may not be considered the owners or holders of Senior Notes for purposes of the Senior Notes Indenture.

So long as the Senior Notes and any Additional Senior Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global Senior Notes for all purposes under the Senior Notes 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 Senior Notes 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 Senior Notes

Under the terms of the Senior Notes Indenture, owners of Book-Entry Interests will not receive definitive Senior Notes in registered form (*Definitive Registered Senior 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 Senior Notes Indenture. Subject to applicable provisions of the Senior Notes Indenture, Definitive Registered Senior Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global Senior 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 Senior Notes 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 Senior Notes under the Senior Notes Indenture.

In such an event, Definitive Registered Senior 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 Senior Notes will bear the restrictive legend referred to in Transfer Restrictions, unless that legend is not required by the Senior Notes Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the Senior Notes shall be payable at the place of payment designated by the Issuers pursuant to the Senior Notes Indenture; *provided, however,* that at the Issuers option, payment of interest on a Senior Note may be made by check mailed to the person entitled thereto to such address as shall appear on the Senior Note register.

Table of Contents

Redemption of the Global Senior Notes

In the event any Global Senior Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global Senior Note so redeemed to the holders of the Book-Entry Interests in such Global Senior 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 Senior Note (or any portion thereof).

We understand that under existing practices of DTC, if fewer than all of the Senior 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 Senior Notes

Payments of any amounts owing in respect of the Global Senior Notes for the Senior 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 Senior Notes 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 Senior Notes Indenture, the Issuers, the Trustee and the paying agents will treat the registered holder of the Global Senior Notes as the owner thereof for the purpose of receiving payments and other purposes under the Senior Notes 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 Senior Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Senior Notes are credited and only in respect of such portion of the aggregate principal amount of Senior 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 Senior Notes. However, if there is an Event of Default under the Senior Notes, the Depositary reserves the right to exchange the Global Senior Notes for Definitive Registered Senior Notes in certificated form, and to distribute such Definitive Registered Senior Notes to its respective participants.

Transfers

Transfers of any Global Senior Note shall be limited to transfers of such Global Senior Note in whole, but (subject to the provisions described above under Book-Entry, Delivery and Form Issuance of Definitive Registered Senior Notes, to provisions described below in the section Book-Entry, Delivery and Form Transfers and the applicable provisions of the Senior Notes 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 Senior Notes Indenture. Any Book-Entry Interest in one of the Global Senior Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Senior Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Senior Note and become a Book-Entry Interest in the relevant Global Senior 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 Senior Note for as long as that person retains such Book-Entry Interests.

Definitive Registered Senior Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global Senior Note only pursuant to the terms of the Senior Notes Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Senior Notes Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Senior Notes. See Plan of Distribution.

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the Senior 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 Senior 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.

Table of Contents

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 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 means the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

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 Senior 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 Senior Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Senior Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Senior Note on February 15, 2016 (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 Senior Note through February 15, 2016 (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 Senior Note on such redemption date.

Applicable Representative means the administrative agent under the Senior Secured Credit Facilities, acting in its capacity as Applicable Representative under the First Lien Intercreditor Agreement.

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 $15.0 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 Senior Notes 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

810

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 Senior Notes 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document 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 Senior Note Guarantor) shall be excluded to the

extent that the declaration or payment of

812

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 Senior 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 Senior Notes or the date the Senior 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.

815

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 May 2010 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 Senior Notes 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 party thereto, The Bank of New York Mellon, as Trustee, Principal

817

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 Senior Note Guarantor due to applicable financial assistance laws; *provided* that such Restricted Subsidiary shall become a Senior 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 Senior Note Guarantor if it would otherwise be required to be a Senior Note Guarantor pursuant to Certain Covenants Future Senior Note Guarantors.

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 which is omitted from the pro forma calculation pursuant to the foregoing clause (a).

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 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

Table of Contents

(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 Senior Notes 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 Senior Notes Indenture, all ratios and calculations based on GAAP contained in the Senior Notes 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 Senior Notes 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.

820

Table of Contents

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, the Evergreen Acquisition Documents or the Pactiv Acquisition Document; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the Senior Notes 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 Senior Notes 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 Senior Notes Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the Senior Notes 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 HSBC Securities (USA) Inc.

821

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 February 1, 2011, the date on which the Senior 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.

822

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 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),

Table of Contents

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.

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 Senior Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Senior Notes.

Obligor means any Issuer or a Senior Note Guarantor.

October 2010 Note Documents means (a) the October 2010 Senior Secured Notes, the guarantees with respect to the October 2010 Senior Secured Notes, the October 2010 Senior Secured Indenture, the October 2010 Security Documents, the First Lien Intercreditor Agreement, the 2007 Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any October 2010 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

October 2010 Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the October 2010 Senior Secured Indenture) are granted to secure the October 2010 Senior Secured Notes and the guarantees thereof.

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 January 27, 2011, with respect to the original issuance of the Senior Notes and the Senior Secured 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 Senior Notes 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.

Pactiv means Pactiv Corporation.

Pactiv 2012 Notes refers to the 5.785% Notes due July 15, 2012 of Pactiv Corporation, which were repaid in connection with the 2012 Refinancing Transactions.

Pactiv 2018 Notes refers to the 6.400% Notes due January 15, 2018 of Pactiv Corporation, with an outstanding principal amount of $15.7 million (net of $1 million of unamortized discount) as of March 31, 2012.

Pactiv Acquisition means the acquisition by RGHL, through its wholly owned subsidiary Reynolds Acquisition Corporation, of all of the outstanding stock of Pactiv pursuant to the Pactiv Acquisition Document.

Pactiv Acquisition Document means the Agreement and Plan of Merger, dated as of August 16, 2010, among Rank Group Limited, RGHL, Reynolds Acquisition Corporation and Pactiv.

Pactiv Base Indenture means the Indenture dated as of September 29, 1999, between Tenneco Packaging Inc. and The Bank of New York Mellon, N.A. (as successor in interest to The Chase Manhattan Bank), as Trustee, as supplemented, amended and modified from time to time thereafter.

Pactiv Change of Control Offer refers to Pactiv s offer to purchase the Pactiv 2012 Notes, as required by the applicable indenture. The Pactiv Change of Control Offer commenced on October 20, 2010 and expired on December 7, 2010. Pursuant to the Pactiv Change of Control Offer, Pactiv purchased for cash approximately $698,000 in aggregate principal amount of tendered Pactiv 2012 Notes, with approximately $249.3 million in aggregate principal amount remaining outstanding.

Pactiv Equity Contribution means the cash contributed by Rank Group Limited to RGHL as part of the Pactiv Acquisition.

Pactiv Tender Offer refers to Pactiv s offer to purchase and consent solicitations with respect to the Pactiv 2018 Notes. The Pactiv Tender Offer was consummated on November 16, 2010. Pursuant to the Pactiv Tender Offer, Pactiv purchased for cash approximately $234.3 million in aggregate principal amount of tendered Pactiv 2018 Notes, with approximately $15.7 million in aggregate principal amount remaining outstanding. Pursuant to the Pactiv 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 Pactiv indenture.

Pactiv Transactions refers to: (i) the offering of the October 2010 Senior Secured Notes and the October 2010 Senior Notes, (ii) the incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition, (iii) the repayment of certain Pactiv indebtedness including the partial repayment of Pactiv 2012 Notes and Pactiv 2018 Notes in connection with the Pactiv Tender Offer and Pactiv Change of Control Offer, (iv) the Pactiv Acquisition, (v) the Pactiv Equity Contribution, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

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 Senior Notes 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 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 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 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); *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;

Table of Contents

(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 Senior 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 Indebtedness Incurred pursuant to clause (c)(ii) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; (iv) Liens securing the 2009 Notes (or any guarantees thereof); (v) Liens securing the October 2010 Senior Secured Notes (or any guarantees thereof), (vi) 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 (vii) 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;

829

(11) Liens securing Hedging Obligations not Incurred in violation of the Senior Notes 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 Senior Notes or any Senior Note Guarantees;

(15) Liens in favor of BP I, BP II or any Senior 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)(vii)), (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)(vii)), (7), (8), (9), (10), (15) and (20) at the time the original Lien became a Permitted Lien under the Senior Notes 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)(vii)), (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;

830

(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 $30.0 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 Senior Notes (or any Additional Senior 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 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 Senior Notes or any Refinancing Indebtedness with respect to the Senior 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 Senior 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.

Table of Contents

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.

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 Senior Notes 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 February 2011 Senior 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 Foodservice Acquisition means, collectively, (a) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging Inc., (b) the acquisition by Closure Systems International B.V., an indirect wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging International B.V., together with a minority interest in Reynolds Metals Company de Mexico S. de R.L. de C.V., from an affiliated entity, that along with Reynolds Group Holdings Inc. and Closure Systems International B.V., is beneficially owned by Mr. Graeme Richard Hart.

Reynolds Foodservice Acquisition Document means the Stock Purchase Agreement, dated as of September 1, 2010, among BP III, Reynolds Group Holdings Inc., Closure Systems International B.V. and Reynolds Packaging (NZ) Limited.

Reynolds Foodservice Transactions means the Reynolds Foodservice Acquisition and the transactions related thereto.

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.

835

Table of Contents

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 Senior Notes or the Senior 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 Senior Notes Indenture.

Senior Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Notes Indenture and the Senior Notes by any Person in accordance with the provisions of the Senior Notes Indenture.

Senior Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that entered into the Senior Notes Indenture on the Issue Date (other than the Issuers) and (y) any Person that subsequently becomes a Senior Note Guarantor in accordance with the terms of the Senior Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Note Guarantee in accordance with the Senior Notes Indenture, such Person shall cease to be a Senior Note Guarantor.

Senior Notes Registration Rights Agreement means the Senior Notes Registration Rights Agreement related to the Senior Notes, dated as of the Issue Date, among the Issuers, the Senior Note Guarantors and the Initial Purchasers, as such agreement may be amended, modified or supplemented from time to time.

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

836

Table of Contents

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 Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Secured Notes Indenture and the Senior Secured Notes by any Person in accordance with the provisions of the Senior Secured Notes Indenture.

Senior Secured Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that entered into the Senior Secured Notes Indenture on the Issue Date (other than the Issuers) and (y) any Person that subsequently becomes a Senior Secured Note Guarantor in accordance with the terms of the Senior Secured Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Secured Note Guarantee in accordance with the Senior Secured Notes Indenture, such Person shall cease to be a Senior Secured Note Guarantor.

Senior Secured Notes means the $1,000,000,000 aggregate principal amount of 6.875% Senior Secured Notes due 2021 pursuant to the Senior Secured Notes Indenture.

Senior Secured Notes Indenture means the Senior Secured Notes Indenture dated as of the Issue Date, among the Issuers, certain guarantors, 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, as supplemented, amended and modified from time to time thereafter.

Senior Secured Notes Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the Senior Secured Notes Indenture) are granted to secure the Senior Secured Notes and the guarantees 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 Senior Notes and (b) with respect to any Senior Note Guarantor, any Indebtedness of such Senior Note Guarantor which is by its terms subordinated in right of payment to its Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior 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);

838

Table of Contents

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, the Evergreen Transactions, the Pactiv Transactions and the Reynolds Foodservice Transactions.

Treasury Rate (as determined by the Issuers) means, with respect to the Senior 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 February 15, 2016; *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 Senior Notes Indenture.

Trustee means the party named as such in the Senior Notes 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.

U.S. Dollar Equivalent means with respect to any monetary amount in a currency other than U.S. Dollars, at any time for determination thereof by BP I, BP II or the Trustee, the amount of U.S. Dollars obtained by converting such currency other than U.S. Dollars involved in such computation into U.S. Dollars

840

at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as published in *The Wall Street Journal* in the Exchange Rates column under the heading Currency Trading (or, if *The Wall Street Journal* is no longer published, or if such information is no longer available in *The Wall Street Journal,* such source as may be selected in good faith by BP I or BP II) on the date of such determination.

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 May 2010 Notes, (d) the intercompany loan from 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 of the proceeds of the October 2010 Senior Notes and the October 2010 Senior Secured 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 Senior Secured Notes and/or the Senior 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.

Table of Contents

DESCRIPTION OF THE AUGUST 2011 SENIOR SECURED NOTES

General

On August 9, 2011, RGHL US Escrow II LLC, a Delaware limited liability company (the *US LLC Escrow Issuer*), and RGHL US Escrow II Inc., a Delaware corporation (the *US Corporate Escrow Issuer* and, together with the US LLC Escrow Issuer, 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 September 8, 2011. 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 September 8, 2011, 2011, (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 Luxembourg Issuer assumed, on a joint and several basis with the US Issuers, the obligations of the 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, 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 August 2011 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 August 2011 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 August 2011 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 August 2011 Senior Secured Notes refers to the new Senior Secured Notes and any old Senior Secured Notes that are not exchanged in the exchange offer.

The Senior Secured Notes, the Senior Notes, and the Indebtedness incurred under the Senior Secured Credit Facilities in connection with the Graham Packaging Acquisition were incurred pursuant to the fixed

842

charge coverage ratio incurrence test, or applicable baskets provided for, under the February 2011 Senior Indenture, the February 2011 Senior Secured Indenture, the October 2010 Senior Indenture, the October 2010 Senior Secured Indenture, 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, the October 2010 Senior Secured Notes and the February 2011 Senior Secured Notes and the Senior Secured Notes is classified as First Lien Obligations under the 2009 Indenture, the October 2010 Senior Secured Indenture and the February 2011 Senior Secured Indenture, 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 October 2010 Senior Indenture and the February 2011 Senior Indenture. The Senior Notes are classified as Senior Indebtedness under the February 2011 Senior Secured Indenture, the February 2011 Senior Indenture, October 2010 Senior Secured Indenture, the October 2010 Senior Indenture, the May 2010 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 and certain of our other indebtedness, see Description of Certain Other Indebtedness and Intercreditor Agreements and for a description of the Senior Notes, see Description of the August 2011 Senior Notes. 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 February 2011 Senior Secured Indenture, the October 2010 Senior Secured Indenture and the 2009 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 February 2012 Notes, the February 2011 Senior Secured Notes, the February 2011 Senior Notes, the October 2010 Senior Secured Notes, the October 2010 Senior Notes, the May 2010 Notes, the 2009 Notes, the Senior 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 October 2010 Senior Secured Notes and the February 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 certain 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 are therefore 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 will become effective on the Escrow Release Date and will be the 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 October 2010 Senior Secured Notes and the February 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 certain 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 August 2011 Senior Secured Notes, references to the Senior Secured Notes include any Additional Senior Secured Notes actually issued.

The Senior Secured Notes will mature on August 15, 2019. Each Senior Secured Note bears interest at 7.875% per annum, payable semi-annually in arrears to holders of record at the close of business on February

1 or August 1 immediately preceding the interest payment date on February 15 and August 15 of each year, commencing February 15, 2012. 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 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 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 performs 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 August 15, 2015, 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 August 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.

845

Period	Redemption Price
2015	103.938%
2016	101.969%
2017 and thereafter	100.000%

In addition at any time and from time to time prior to August 15, 2015, 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 August 15, 2014, 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 107.875%, 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 Senior Secured 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

846

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, 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 Prospectus. 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

847

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

848

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

849

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 August 2011 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

850

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 March 31, 2012:

(1) RGHL and its Subsidiaries had an aggregate principal amount of $11,573 million of Indebtedness secured by any Lien outstanding. RGHL and its Subsidiaries would have had $41 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 56 million of Secured Indebtedness under Local Facilities;

(2) RGHL and its Subsidiaries had an aggregate principal amount of $11,012 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, $41 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 56 million of Secured Indebtedness under Local Facilities); and

(3) RGHL and its Subsidiaries had an aggregate principal amount of $17,554 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 February 2012 Notes, the Senior Notes (including the Senior Note 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 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 March 31, 2012, RGHL and its Subsidiaries had an aggregate of $1,227 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 $32 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.

851

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 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 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 March 31, 2012, 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 $20 million of long-term debt (on a consolidated basis and excluding intercompany loan transactions) and $2,095 million of total assets. See Risk Factors Risks Related to Our Structure, the Collateral, the Guarantees 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 based on the guarantees provided with respect to the Senior Secured Credit Facilities, the 2007 Notes, the 2009 Notes, the May 2010 Notes, the October 2010 Senior Secured Notes, the October 2010 Senior Notes, the February 2011 Senior Secured Notes and the February 2011 Senior Notes 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, including a pledge of the senior secured intercompany notes. 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 Collateral, the Guarantees 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 Collateral, the Guarantees 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 Collateral, the Guarantees 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 Collateral, the Guarantees 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 and the Notes Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee 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.

In addition, 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 will only be 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 under the Senior Secured Credit Facilities, the Senior Notes, the February 2011 Senior Secured Notes, the February 2011 Senior Notes, the October 2010 Senior Secured Notes, the October 2010 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.

Such Senior Secured Note Guarantors and any of RGHL s Subsidiaries that subsequently become Senior Secured Note Guarantors have agreed 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 UK Intercreditor Agreement. For a description of the Collateral and lien priority and intercreditor agreements, see Security below.

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 UK Intercreditor Agreement, a Senior Secured Note Guarantee of a Senior Secured Note Guarantor will be automatically released upon (a) receipt

853

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 (other than RGHL) 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.

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 February 2011 Senior Secured Notes, the October 2010 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

854

Table of Contents

Secured Note Guarantors located in Austria, Brazil, British Virgin Islands, Canada, Germany, Guernsey, Hong Kong, Hungary, Luxembourg, Mexico, the Netherlands, New Zealand, Switzerland, Thailand, 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 5.0 million threshold for real property, a 250,000 threshold for manufacturing equipment in some jurisdictions and a 1.0 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 $10,371 million, as of March 31, 2012 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 Senior Secured Notes.

There are other potential impediments to Holders realizing upon the full value of the Collateral. See Risk Factors Risks Related to the Our Structure, 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 and the holders of the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes and the 2009 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 representative of the holders of the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes and the 2009 Notes, in certain cases, 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

855

Table of Contents

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 February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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 February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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. Under the commercially reasonable efforts standard, perfection of the security interests is not 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 February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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 Senior Secured Notes 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 Senior Secured Notes 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 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 the holders of Senior Secured Notes may be adversely affected by bankruptcy proceedings in the United States.

856

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, 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, except that the foregoing limitation will not apply to shares of Capital Stock of BP I at any time and will not apply to shares of Capital Stock of Graham Holdings or any of its subsidiaries (other than the general partner of Graham Packaging Company, L.P. so long as its principal assets consist solely of a 1% interest in Graham Packaging Company, L.P.) at any time Graham Holdings (or its successors and assigns) and Graham Packaging Company, L.P. (or its successors and assigns) are not Senior Secured Note Guarantors. 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

857

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 UK 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 UK 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 UK Intercreditor Agreement which sets forth the relative rights and obligations with respect to 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 February 2011 Senior Secured Notes, the holders of the February 2011 Senior Notes, the holders of the October 2010 Senior Secured Notes, the holders of the October 2010 Senior Notes, the holders of the May 2010 Notes, the holders of the 2009 Notes, the holders of the 2007 Senior Notes, the holders of the 2007 Senior Subordinated Notes and the Senior Secured Notes and the Senior 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 and the holders of the 2009 Notes, the October 2010 Senior Secured Notes, the February 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 an accession deed to the 2007 UK Intercreditor Agreement and took other steps required to make the obligations 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 Senior Secured Note Documents, the February 2011 Note Documents, the October 2010 Note Documents, the 2009

Note Documents 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

858

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, the trustee under the October 2010 Senior Secured Indenture and the trustee under the February 2011 Senior 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 October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes, the 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

859

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 holders of the February 2011 Senior Secured Notes, the holders of the October 2010 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 UK 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.

860

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 written 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

861

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 Guarantors, 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 Amendments 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 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 Senior Secured Notes 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 UK 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 Senior Secured Notes 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 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 UK 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

863

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 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

(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.

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;

864

Table of Contents

(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.

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 February 2011 Senior Notes, the February 2011 Senior Secured Notes, the October 2010 Senior Notes, the October 2010 Senior Secured Notes, the May 2010 Notes, the 2009 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 indenture 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 do 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) $4,325.0 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)), 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 and any Indebtedness and Preferred Stock of a Disqualified Subsidiary existing upon consummation of the Graham Packaging Acquisition;

(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;

Table of Contents

(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; *provided*, *however*, that any such guarantee by a Disqualified Subsidiary is limited to Indebtedness or other obligations of Disqualified Subsidiaries; 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

868

Table of Contents

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, (y) Indebtedness of BP I, BP II or a Restricted Subsidiary that refinances, refunds or defeases Indebtedness of an Unrestricted Subsidiary, or (z) Indebtedness of a Disqualified Subsidiary that refinances, refunds or defeases Indebtedness of a Disqualified 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.

Notwithstanding the foregoing, a Disqualified Subsidiary may not Incur any Indebtedness or issue any shares of Preferred Stock unless such Indebtedness or Preferred Stock is Incurred or issued as Permitted Debt pursuant to clause (c), (d), (e), (f), (h), (i), (j), (k), (l), (m), (p), (q), (r), (s), (u), (v), (w) or (z) of the definition thereof; provided, however, that the aggregate amount of such Indebtedness and Preferred Stock of all Disqualified Subsidiaries outstanding at any time pursuant to such clauses (u) and (v) shall not exceed $25.0 million.

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.

For purposes of determining compliance with this covenant, (i) 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 and (ii) the U.S. Dollar 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 U.S. Dollars, and such refinancing would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-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 U.S. Dollar 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 Senior Secured Notes 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

872

(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 Senior Secured Notes 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 Senior Secured 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 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

Table of Contents

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), 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 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); *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*

874

Table of Contents

(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 $30.0 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 Senior Secured Notes 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes or the related Senior Secured 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 Senior Secured 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 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 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 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);

(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 $5.0 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 $10.0 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 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 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

Table of Contents

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, the Evergreen Acquisition Documents, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Dopaco Acquisition Document or the Graham Packaging Acquisition Document, 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 Senior Secured Notes tendered by holders of the Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes Indenture) and that all Senior Secured 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.

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 Senior Secured Notes 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 February 2011 Senior Indenture, the February 2011 Senior Secured Indenture, the October 2010 Senior Indenture, the October 2010 Senior Secured Indenture, the May 2010 Indenture, the 2009 Indenture, 2007 Senior Note Indenture, the 2007 Senior Subordinated Notes Indenture, and the 2007 UK Intercreditor Agreement, the February 2011 Security Documents, the October 2010 Security Documents, the 2009 Security Documents, the 2007 Notes Security Documents and the security documents with respect to the Senior Secured Credit Facilities and the Local Facilities;

(2) the Senior Secured Notes Indenture, the Senior Secured Notes (and guarantees thereof), the Security Documents and 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;

Table of Contents

(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 Senior Secured 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 Senior Secured 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 Senior Secured 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.

880

Asset Sales. The Senior Secured Notes 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 Senior Secured Notes or any Senior Secured 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 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 Senior Secured Notes are repaid with the Net Proceeds of any Asset Sale, the Issuers will equally and ratably reduce Obligations under the Senior Secured 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 Senior Secured Notes or (b) Obligations constituting Indebtedness of a Restricted Subsidiary of BP I that is not an Issuer or a Senior Secured 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

881

Table of Contents

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 Senior Secured Notes Indenture. The Holders may not have control of, or a perfected security interest in, Net Proceeds of any Collateral, which could have the effect of 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 Senior Secured 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 Senior Secured Notes (and, at the option of the Issuers, to holders of any First Lien Obligations of an Issuer or Senior Secured 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 Senior Secured Notes (and such First Lien Obligations 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 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 Senior Secured Notes 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 Senior Secured Notes Indenture, with a copy to the Trustee. To the extent that the aggregate amount of Senior Secured 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 Senior Secured Notes (and such First Lien Obligations or other Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes Indenture by virtue thereof.

If more Senior Secured 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 Senior Secured 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 Senior Secured Notes are then admitted to trading; *provided* that no Senior Secured Notes of $100,000 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 Senior Secured 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 Senior Secured 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.

To the extent that any portion of the Net Proceeds payable in respect of the Senior Secured Notes is denominated in a currency other than the currency in which the relevant Senior Secured Notes are denominated, the amount payable in respect of such Senior Secured Notes shall not exceed the net amount of funds in the currency in which such Senior Secured 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 Senior Secured Notes at such holder s registered address. If any Senior Secured Note is to be purchased in part only, any notice of purchase that relates to such Senior Secured Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Senior Secured Notes 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 Senior Secured Notes.

In the event that an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Senior Secured Notes, the Issuers could seek the consent of their lenders to purchase the Senior Secured 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 Senior Secured Notes. In such case, the Issuers failure to purchase tendered Senior Secured Notes would constitute an Event of Default under the Senior Secured Notes Indenture that is likely, in turn, to constitute a default under the Issuers other Indebtedness.

Transactions with Affiliates. The Senior Secured Notes 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 $15.0 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 $30.0 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.

883

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 Senior Secured Notes Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Senior Secured Notes 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 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 Part I Item 7. Major Shareholders and Related Party Transactions in the RGHL Group s Annual Report for the year ended December 31, 2010 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 Senior Secured 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 Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Dopaco Acquisition Document, the Graham Packaging Acquisition Document, the Credit Agreement Documents, the First Lien Intercreditor Agreement, the 2007 UK 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

884

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 Senior Secured 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Dopaco Acquisition Document, the Graham Packaging Acquisition Document 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 Senior Secured Notes 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 Senior Secured Notes Indenture.

Liens. The Senior Secured Notes 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 Senior Secured Notes Indenture provides that at any time the First Lien Obligations consist solely of the Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes Exchange Offer Registration Statement or the Senior Secured Notes 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 Senior Secured Notes Exchange Offer Registration Statement or the Senior Secured Notes 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 Senior Secured

Notes, in addition to providing such information to the Trustee and the holders of the Senior Secured 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 Senior Secured Notes Exchange Offer Registration Statement, or if the Senior Secured Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Secured Notes Registration Rights Agreement, the Senior Secured Notes 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 Senior Secured Notes Exchange Offer Registration Statement, or if the Senior Secured Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Secured Notes Registration Rights Agreement, the Senior Secured Notes Shelf Registration Statement, but prior to the effectiveness of the Senior Secured Notes Exchange Offer Registration Statement or Senior Secured Notes Shelf Registration Statement, by publicly filing with the SEC the Senior Secured Notes Exchange Offer Registration Statement or Senior Secured Notes 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 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 secured 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 Senior Secured Notes if RGHL has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

The Senior Secured Notes Indenture also provides that, so long as any of the Senior Secured 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 Senior Secured Notes and to prospective investors, upon their request, the information required to be delivered by Rule 144A(d)(4) under the Securities Act.

Future Senior Secured Note Guarantors. The Senior Secured Notes Indenture provides that each Restricted Subsidiary (unless such Subsidiary is an Issuer, a Senior Secured 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 Senior Secured 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 Senior Secured Notes; *provided* that notwithstanding the foregoing:

(a) [reserved];

887

(b) [reserved];

(c) with respect to any Restricted Subsidiary not referred to in clause (a) above, to the extent the foregoing obligation is triggered by Indebtedness or Public Debt existing as of the Escrow Release Date, the relevant Restricted Subsidiary shall only be required to enter into its respective Senior Secured Note Guarantee as soon as reasonably practicable;

(d) no Senior Secured 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;

(e) no such Senior Secured Note Guarantee need be secured unless required pursuant to the Future Collateral covenant;

(f) if such Indebtedness is by its terms expressly subordinated to the Senior Secured Notes or any Senior Secured 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 Senior Secured Note Guarantee of the Senior Secured Notes at least to the same extent as such Indebtedness is subordinated to the Senior Secured Notes or any other senior guarantee;

(g) no Senior Secured 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 Senior Secured Notes 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;

(h) no Senior Secured Note Guarantee shall be required if such Senior Secured Note Guarantee would not be required pursuant to the applicable provisions of the Agreed Security Principles;

(i) no Senior Secured Note Guarantee shall be required from a US Controlled Foreign Subsidiary or a Financial Assistance Restricted Subsidiary;

(j) no Senior Secured Note Guarantee shall be required if such Senior Secured 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 Senior Secured Note Guarantee, which cannot be avoided through measures reasonably available to BP I, BP II or any such Restricted Subsidiary; and

(k) each such Senior Secured 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.

888

Table of Contents

The Senior Secured Note Guarantees shall be released in accordance with the provisions of the Senior Secured Notes Indenture described under Senior Secured Note Guarantees.

Bank of Thailand Approval. The Senior Secured Notes Indenture provides that within 90 days after the Escrow Release Date (or on such later date as may be permitted by the Applicable Representative in its sole discretion) SIG Combibloc Ltd. (Thailand) (the *Thai Guarantor*) shall apply to the Bank of Thailand for, and use commercially reasonable efforts 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 its guarantee of the Senior Secured Notes (the *Thai Senior Secured Notes Guarantee*).

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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantee.

Limitation on the US Issuers. Notwithstanding anything contained in the Senior Secured Notes 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, CSI Mexico LLC, Pactiv Corporation or Pactiv International Holdings, Inc. 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.

Limitation on Restricted Subsidiaries. RGHL will not, and will not permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take any action which action or omission could reasonably be expected to or would have the result of any Subsidiary of Pactiv being a Restricted Subsidiary within the meaning of the Pactiv Base Indenture.

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 Senior Secured 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) (x) except as may be otherwise permitted under the Senior Secured Notes Indenture under Certain Covenants Future Senior Secured Note Guarantors, any Restricted Subsidiary other than a Senior Secured Note Guarantor or an Issuer guaranteeing the 2007 Senior Notes or the 2007 Senior

Subordinated Notes or (y) such guarantees not being subordinated to the Senior Secured Notes and Senior Secured Note Guarantees pursuant to the 2007 UK Intercreditor Agreement; or

(c) the terms of the 2007 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 Senior Secured Notes (including materially impairing the lien priority of the Senior Secured 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 Senior Secured Notes 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 Senior Secured 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 Senior Secured Note Guarantor of any After-Acquired Collateral, the Issuers or such Senior Secured 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 Senior Secured Notes 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 Senior Secured 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

890

Table of Contents

Senior Secured 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 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.

Covenant Suspension. If (i) the Senior Secured 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 Senior Secured Notes Indenture, 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 August 2011 Senior Secured Notes section of the Prospectus (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 Senior Secured 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 Senior Secured Notes Indenture for any period of time as a result of the foregoing, and on any subsequent date one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes will ever achieve or maintain Investment Grade Ratings.

Table of Contents

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Senior Secured Notes 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 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 Senior Secured 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 Senior Secured Note Guarantee (if applicable) and the Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 UK 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 Senior Secured Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its obligations under the Senior Secured Notes Indenture, Senior Secured Notes and Senior Secured Note Guarantee, the Security Documents, First Lien Intercreditor Agreement and 2007 UK Intercreditor Agreement, as applicable, shall apply to such Person s obligations under the Senior Secured Notes Indenture, the Senior Secured Notes, the Security Documents, the First Lien Intercreditor Agreement and 2007 UK Intercreditor Agreement and Senior Secured Note Guarantee; and

892

(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 Senior Secured Notes 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 Senior Secured Note Guarantee (if applicable), the Senior Secured Notes Indenture, the applicable Security Documents, the First Lien Intercreditor Agreement and 2007 UK 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 Senior Secured Note Guarantee and the Senior Secured Notes Indenture, the applicable Security Documents, the First Lien Intercreditor Agreement and 2007 UK 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 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 Senior Secured Notes Indenture further provides that, subject to certain limitations in the Senior Secured Notes Indenture governing release of a Senior Secured Note Guarantee upon the sale or disposition of a Restricted Subsidiary that is a Senior Secured Note Guarantor, no Senior Secured Note Guarantor (other than RGHL) will, and BP I and BP II will not permit any Senior Secured Note Guarantor (other than RGHL) to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Senior Secured 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 Senior Secured Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Senior Secured 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 Senior Secured Note Guarantor or such Person, as the case may be, being herein called the *Successor Senior Secured Note Guarantor*), and the Successor Senior Secured Note Guarantor (if other than such Senior Secured Note Guarantor) expressly assumes all the obligations of such Senior Secured Note Guarantor under the Senior Secured Notes Indenture, the relevant Security Documents, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement and such Senior Secured Note Guarantor s Senior Secured 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 Senior Secured Note Guarantor (if other than such Senior Secured Note Guarantor) shall have delivered or caused to be delivered to the Trustee an Officers Certificate and an

893

Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indenture (if any) comply with the Senior Secured Notes Indenture.

Subject to certain limitations described in the Senior Secured Notes Indenture, in a transaction to which the immediately preceding paragraph 1(a) applies, the Successor Senior Secured Note Guarantor (if other than such Senior Secured Note Guarantor) will succeed to, and be substituted for, such Senior Secured Note Guarantor under the Senior Secured Notes Indenture and such Senior Secured Note Guarantor s Senior Secured Note Guarantee, and such Senior Secured Note Guarantor will automatically be released and discharged from its obligations under the Senior Secured Notes Indenture and such Senior Secured Note Guarantor s Senior Secured Note Guarantee. Notwithstanding the foregoing, (1) a Senior Secured Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Senior Secured 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, or New Zealand so long as the amount of Indebtedness of the Senior Secured Note Guarantor is not increased thereby, and (2) a Senior Secured Note Guarantor may merge, amalgamate or consolidate with another Senior Secured Note Guarantor, an Issuer, BP I or BP II.

In addition, notwithstanding the foregoing, any Senior Secured 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 Senior Secured Note Guarantor or (y) any Restricted Subsidiary that is not a Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantor, any Collateral subject to security interests in favor of the Senior Secured Notes will be automatically released from such security interests and the Senior Secured Notes will no longer have the benefit of such Collateral.

Additional Covenants. The Senior Secured Notes 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 Senior Secured Notes Indenture as:

(1) a default in any payment of interest on any Senior Secured Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Senior Secured 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, or Limitation on the US Issuers ;

Table of Contents

(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 Senior Secured Notes or the Senior Secured Notes Indenture (other than a failure to purchase Senior Secured 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 $30.0 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 $50.0 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 Senior Secured Note Guarantee of RGHL, BP I or a Significant Subsidiary (or any Senior Secured Note Guarantee of one or more Senior Secured 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 Senior Secured Notes Indenture or the First Lien Intercreditor Agreement) or BP I, BP II or any Senior Secured Note Guarantor that qualifies as a Significant Subsidiary (or one or more Senior Secured Note Guarantors that collectively would represent a Significant Subsidiary) denies or disaffirms its obligations under the Senior Secured Notes Indenture or any Senior Secured Note Guarantee and such Default continues for 20 days; or

(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 Senior Secured Notes Indenture for any reason other than the satisfaction in full of all obligations under the Senior Secured Notes Indenture and discharge of the Senior Secured Notes Indenture or in accordance with the terms of the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement or any Additional Intercreditor Agreement or as provided under Security Release of Collateral 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 Senior Secured Notes 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 Senior Secured Notes 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*).

895

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 Senior Secured Notes) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes may rescind any such acceleration with respect to the Senior Secured 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 Senior Secured 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 Senior Secured Notes as described above be annulled, waived or rescinded upon the happening of any such events.

Subject to the provisions of the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Indenture or the Senior Secured 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 Senior Secured 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

896

(5) the Holders of a majority in principal amount of the outstanding Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes such that an agreement will be reached and the Trustee will act on behalf of the secured noteholders.

The Senior Secured Notes 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured 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 2007 UK Intercreditor Agreement (or, in each case, on terms not materially less favorable to the holders of the Senior Secured Notes), including containing substantially the same terms with respect to enforcement and release of Senior Secured 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 Senior Secured Notes Indenture, the First Lien Intercreditor Agreement or the 2007 UK Intercreditor Agreement.

The Senior Secured Notes 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 2007 UK 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 the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement or any Additional Intercreditor Agreement the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Senior Secured Notes), (3) add parties to the First Lien Intercreditor Agreement, the 2007 UK

Intercreditor Agreement or an Additional Intercreditor Agreement, including Senior Secured Note Guarantors, or successors, including successor trustees or other

Representatives, (4) secure the Senior Secured Notes (including Additional Senior Secured 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 Senior Secured Notes (including any Additional Senior Secured 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 Senior Secured 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 2007 UK Intercreditor Agreement or any Additional Intercreditor Agreement without the consent of the holders representing a majority in aggregate principal amount of the Senior Secured 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 Senior Secured Notes Indenture or the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement or any Additional Intercreditor Agreement.

The Senior Secured Notes Indenture also provides that each secured noteholder, by accepting a Senior Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of the First Lien Intercreditor Agreement, the 2007 UK 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 2007 UK 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 Senior Secured Notes Indenture, the Senior Secured Notes, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement, Additional Intercreditor Agreements, the Security Documents and the Senior Secured Notes may be amended with the consent of the holders of a majority in principal amount of the Senior Secured 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 Senior Secured Notes then outstanding; *provided, however*, that without the consent of each holder of an outstanding Senior Secured Note affected, no amendment may, among other things:

(1) reduce the amount of Senior Secured Notes whose holders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest on any Senior Secured Note;

(3) reduce the principal of or extend the Stated Maturity of any Senior Secured Note;

(4) reduce the premium or amount payable upon the redemption of any Senior Secured Note, change the time at which any Senior Secured Note may be redeemed as described under Optional Redemption, or Redemption for Taxation Reasons;

(5) make any Senior Secured Note payable in money other than that stated in such Senior Secured Note:

(6) expressly subordinate the Senior Secured Notes or any Senior Secured Note Guarantee to any other Indebtedness of any Issuer, BP I or any Senior Secured Note Guarantor not otherwise permitted by the Senior Secured Notes Indenture;

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s Senior Secured 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 Senior Secured 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 2007 UK Intercreditor Agreement or any Additional Intercreditor Agreement in any manner adverse to the interests of the Holders in any material respect; or

(10) make any change in the provisions of the Senior Secured Notes 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 Senior Secured Notes or the Senior Secured Notes 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 Senior Secured Note or any Senior Secured 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 Senior Secured 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 Senior Secured Notes), no amendment or waiver may release from the Lien of the Senior Secured Notes 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 Senior Secured 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 Senior Secured Notes required by the Trust Indenture Act (which consents may be obtained in connection with a tender offer or exchange offer for the Senior Secured Notes).

Without the consent of any Holder, BP I, the Issuers, the Trustee and the Collateral Agent may amend the Senior Secured Notes Indenture, the Senior Secured Notes, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement, 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 Senior Secured Notes Indenture (including the release of any Senior Secured Note Guarantees or security interest in any Collateral in accordance with the terms of the Senior Secured Notes 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 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, (4) to provide for uncertificated Senior Secured Notes in addition to or in place of certificated Senior Secured Notes (*provided* that the uncertificated Senior Secured Notes are issued in registered form for purposes of Section 163(f) of the Code), (5) to add a Senior Secured Note Guarantee with respect to the Senior Secured Notes, (6) to add assets to the Collateral, (7) to release Collateral from any Lien pursuant to the Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement, any Additional Intercreditor Agreement and the applicable Security Documents when permitted or required by the Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 UK 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 Senior Secured Notes Indenture, (9) to add to the covenants of BP I, BP II or any Senior Secured 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 Senior Secured Notes Indenture, the First Lien Intercreditor Agreement, the 2007 UK 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

899

Senior Secured Notes, (13) to make certain changes to the Senior Secured Notes Indenture to provide for the issuance of Additional Senior Secured Notes or (14) to comply with any requirement of the SEC in connection with the qualification of the Senior Secured Notes Indenture under the Trust Indenture Act, if such qualification is required.

The consent of the noteholders is not necessary under the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Note Guarantor, will have any liability for any obligations of the Issuers under the Senior Secured Notes, the Senior Secured Notes Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation; *provided*, *however*, the foregoing shall not in any manner affect the liability of a Senior Secured Note Guarantor with respect to its Senior Secured Note Guarantee. Each holder of Senior Secured Notes by accepting a Senior Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Senior Secured Notes in accordance with the Senior Secured Notes 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 Senior Secured Notes Indenture. The Issuers are not required to transfer or exchange any Senior Secured Note selected for redemption or to transfer or exchange any Senior Secured Note for a period of 15 days prior to a selection of Senior Secured Notes to be redeemed. The Senior Secured Notes will be issued in registered form and the registered holder of a Senior Secured Note will be treated as the owner of such Note for all purposes.

Satisfaction and Discharge

The Senior Secured Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of Senior Secured Notes, as expressly provided for in the Senior Secured Notes Indenture) as to all outstanding Senior Secured Notes when:

(1) either (a) all the Senior Secured Notes theretofore authenticated and delivered (except lost, stolen or destroyed Senior Secured Notes which have been replaced or paid and Senior Secured 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 Senior Secured 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

900

pay and discharge the entire Indebtedness on the Senior Secured Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Senior Secured 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 Senior Secured Note Guarantors have paid all other sums payable under the Senior Secured Notes 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 Senior Secured Notes Indenture relating to the satisfaction and discharge of the Senior Secured Notes 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 Senior Secured Notes and the Senior Secured Notes 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 Senior Secured Notes, to replace mutilated, destroyed, lost or stolen Senior Secured Notes and to maintain a registrar and paying agent in respect of the Senior Secured 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 Senior Secured Note Guarantor will be released from all of its obligations with respect to its Senior Secured Note Guarantee and the Issuers and each Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes to redemption or maturity, as the case may be, and must comply with certain other conditions set out in the Senior Secured Notes Indenture, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Senior Secured 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 Senior Secured Notes Indenture.

If the Trustee becomes a creditor of the Issuers or any Senior Secured Note Guarantor, the Senior Secured Notes 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 Senior Secured Notes 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 will be under no obligation to exercise any of its rights or powers under the Senior Secured Notes Indenture at the request of any Holder of Senior Secured Notes, unless such Holder will have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

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 Senior Secured Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable DTC procedures). In addition, for so long as any Senior Secured Notes are represented by Global Senior Notes, all notices to Holders of the Senior Secured 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 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 Senior Secured Note Guarantor under or in connection with the Senior Secured Notes, including damages. Any amount with respect to the Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantor will only constitute a discharge to the Issuers or any Senior Secured 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 Senior Secured Note, BP I, BP II, the Issuers and any Senior Secured 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 Senior Secured 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 Senior Secured

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 Senior Secured 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 Senior Secured 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 Senior Secured Note or to the Trustee.

Except as otherwise specifically set forth herein, (a) 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, and (b) for purposes of determining compliance with any U.S. Dollar-denominated restriction herein, the U.S. Dollar Equivalent amount for purposes hereof that is denominated in a non-U.S. Dollar currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-U.S. Dollar 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 Senior Secured Note Guarantors has irrevocably and unconditionally: (1) submitted itself and its property in any legal action or proceeding relating to the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Note Guarantors are outside the United States, any judgment obtained in the United States against BP I, BP II, the Issuers or any Senior Secured 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 Senior Secured Notes, may not be collectable within the United States.

Governing Law

The Senior Secured Notes Indenture provides that it and the Senior Secured 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 Senior Secured Notes.

The First Lien Intercreditor Agreement provides that it is governed by, and construed in accordance with, the laws of the State of New York.

903

The 2007 UK 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 Senior Secured Notes sold will be represented by one or more global Senior Secured Notes (collectively, the *Global Senior Secured Notes*). The Global Senior Secured 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 Senior Secured Notes are issued pursuant to the terms of the Senior Secured Notes Indenture, the Issuers may, in their sole discretion, cause some or all of such Additional Senior Secured Notes, if any, to be issued in the form of one or more global Senior Secured Notes (the *Additional Global Senior Secured Notes*) and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Global Senior Secured Note and ownership of interests in each Additional Global Senior Secured 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 Senior Secured Notes and the Additional Global Senior Secured 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 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 Senior Secured Notes are in global form, holders of Book-Entry Interests may not be considered the owners or holders of Senior Secured Notes for purposes of the Senior Secured Notes Indenture.

So long as the Senior Secured Notes and any Additional Senior Secured Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global Senior Secured Notes for all purposes under the Senior Secured Notes 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 Senior Secured Notes 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.

Table of Contents

Issuance of Definitive Registered Senior Secured Notes

Under the terms of the Senior Secured Notes Indenture, owners of Book-Entry Interests will not receive definitive Senior Secured Notes in registered form (*Definitive Registered Senior Secured 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 Senior Secured Notes Indenture. Subject to applicable provisions of the Senior Secured Notes Indenture, Definitive Registered Senior Secured Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global Senior Secured 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 Senior Secured Notes 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 Senior Secured Notes under the Senior Secured Notes Indenture.

In such an event, Definitive Registered Senior Secured 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 Senior Secured Notes will bear the restrictive legend referred to in Transfer Restrictions, unless that legend is not required by the Senior Secured Notes Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the Senior Secured Notes shall be payable at the place of payment designated by the Issuers pursuant to the Senior Secured Notes Indenture; *provided*, *however*, that at the Issuers option, payment of interest on a Senior Secured Note may be made by check mailed to the person entitled thereto to such address as shall appear on the Senior Secured Note register.

Redemption of the Global Senior Secured Notes

In the event any Global Senior Secured Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global Senior Secured Note so redeemed to the holders of the Book-Entry Interests in such Global Senior Secured 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 Senior Secured Note (or any portion thereof).

We understand that under existing practices of DTC, if fewer than all of the Senior Secured 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 Senior Secured Notes

Payments of any amounts owing in respect of the Global Senior Secured Notes for the Senior Secured 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 Senior Secured Notes 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.

Table of Contents

Under the terms of the Senior Secured Notes Indenture, the Issuers, the Trustee and the paying agents will treat the registered holder of the Global Senior Secured Notes as the owner thereof for the purpose of receiving payments and other purposes under the Senior Secured Notes 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 Senior Secured Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Senior Secured Notes are credited and only in respect of such portion of the aggregate principal amount of Senior Secured 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 Senior Secured Notes. However, if there is an Event of Default under the Senior Secured Notes, the Depositary reserves the right to exchange the Global Senior Secured Notes for Definitive Registered Senior Secured Notes in certificated form, and to distribute such Definitive Registered Senior Secured Notes to its respective participants.

Transfers

Transfers of any Global Senior Secured Note shall be limited to transfers of such Global Senior Secured Note in whole, but (subject to the provisions described above under Book-Entry, Delivery and Form Issuance of Definitive Registered Senior Secured Notes, to provisions described below in the section Book-Entry, Delivery and Form Transfers and the applicable provisions of the Senior Secured Notes 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 Senior Secured Notes Indenture. Any Book-Entry Interest in one of the Global Senior Secured Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Senior Secured Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Senior Secured Note and become a Book-Entry Interest in the relevant Global Senior Secured 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 Senior Secured Note for as long as that person retains such Book-Entry Interests.

Definitive Registered Senior Secured Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global Senior Secured Note only pursuant to the terms of the Senior Secured Notes Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Senior Secured Notes Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Senior Secured Notes. See Plan of Distribution.

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the Senior Secured 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 Senior Secured 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

907

Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens) or altering the maturity thereof.

2007 Notes means the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

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.

2007 UK 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 November 5, 2009, and as amended, supplemented or modified from time to time thereafter.

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 Note Documents means (a) the 2009 Notes, the guarantees with respect to the 2009 Notes, the 2009 Indenture, the 2009 Security Documents, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any 2009 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

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.

Table of Contents

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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantors. However, it is acknowledged that to the extent the Security Principles conflict with the specific provisions of the Senior Secured Notes Indenture or any Security Document (other than those explicitly qualified by these Security Principles), the provisions of the Senior Secured Notes Indenture or such Security Document will prevail.

909

(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 Senior Secured Notes 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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes 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 Senior Secured Note Guarantor if the relevant asset is material and if seeking such consent will not adversely affect the business of the Issuer or Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantee or security being granted by that member of the Group;

(f) the Issuers and Senior Secured 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 Senior Secured Note Guarantor shall

910

be required to give a Senior Secured 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 Senior Secured Notes Indenture and Security Documents therefor or (if earlier or to the extent no such time periods are specified in the Senior Secured Notes 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 Senior Secured Note Guarantor to conduct its operations and business in the ordinary course as otherwise permitted by the Senior Secured 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 Senior Secured Note Guarantors, to the extent that such restrictions can be removed under relevant law, (ii) any of the Issuers and Senior Secured 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 Senior Secured 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 Senior Secured 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. 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 Senior Secured Note Guarantor or New York law, all security (other than share security over subsidiaries of the Issuers or a Senior Secured 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 Senior Secured 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) Senior Secured Note Guarantors and Security

Each Senior Secured Note Guarantee is an upstream, cross-stream and downstream guarantee of all the Obligations with respect to the Senior Secured Notes and the Senior Secured 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 Senior Secured Notes and the Senior Secured Note Guarantees.

Subject to these Security Principles, the security package shall include stock and other membership interests issued by the Issuers and Senior Secured 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 Senior Secured 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 Senior Secured Notes Indenture and Security Documents, be given by the Issuers and Senior Secured 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,

912

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 Senior Secured 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 Senior Secured Notes to another party.

The Issuers and Senior Secured 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 Senior Secured Notes is complete. Otherwise the cost or fee shall be for the account of the transferee Holder.

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 Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Note Guarantor that the Collateral Agent shall not give any instructions or withhold any withdrawal rights from such Issuer or Senior Secured 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 any Senior Secured Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Senior Secured Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Senior Secured Note on August 15, 2015 (such redemption price being described in the first 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 Senior Secured Note through August 15, 2015 (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 Senior Secured Note on such redemption date.

Applicable Representative has the meaning given to such term under Security Brief Summary of Security Documents and Intercreditor Agreements.

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 ;

914

(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 $15.0 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 Senior Secured Notes 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.

Bank Indebtedness means any and all amounts payable under or in respect of any Credit Agreement (which may include First Lien Obligations, including Additional Senior Secured 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 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

916

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.

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.

917

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 Senior Secured Notes 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Dopaco Acquisition Document, the Graham Packaging Acquisition Document 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 Senior Secured 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

920

Table of Contents

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 Senior Secured 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 Senior Secured Notes or the date the Senior Secured 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.

Disqualified Subsidiary means Graham Holdings and each of its Subsidiaries until all Graham Packaging 2014 Notes, Graham Packaging 2017 Notes and Graham Packaging 2018 Notes have been repaid, prepaid, repurchased or redeemed in full or defeased pursuant to the defeasance provisions contained in the related indentures.

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.

Dopaco Acquisition Document means the Purchase and Sale Agreement, dated as of March 3, 2011, among Cascades USA Inc., Reynolds Group Holdings Limited and Cascades Inc.

Dopaco Transactions refers to: (i) the acquisition by RGHL, through its wholly owned subsidiaries Pactiv Corporation and Reynolds Food Packaging Canada Inc. of all of the outstanding stock of Dopaco Inc. and Dopaco Canada Inc. pursuant to the Dopaco Acquisition Document, (ii) the other transactions related to the foregoing and (iii) the payment of fees and expenses related to the foregoing.

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 Prospectus 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 Prospectus, 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*

922

(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 Prospectus, 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.

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 May 2010 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 Senior Secured Notes Indenture).

February 2011 Note Documents means (a) the February 2011 Senior Secured Notes, the guarantees with respect to the February 2011 Senior Secured Notes, the February 2011 Senior Secured Indenture, the February 2011 Security Documents, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any February 2011 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

February 2011 Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the February 2011 Senior Secured Indenture) are granted to secure the February 2011 Senior Secured Notes and the guarantees thereof.

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 party 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 Senior Secured Note Guarantor due to applicable financial assistance laws; *provided* that such Restricted Subsidiary shall become a Senior Secured 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 Senior Secured Note Guarantor if it would otherwise be required to be a Senior Secured Note Guarantor pursuant to Certain Covenants Future Senior Secured Note Guarantors.

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.

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 Senior Secured 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

925

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 which is omitted from the pro forma calculation pursuant to the foregoing clause (a).

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 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 Senior Secured Notes 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 Senior Secured Notes Indenture, all ratios and calculations based on GAAP contained in the Senior Secured Notes 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 Senior Secured Notes 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.

Graham Company refers to Graham Packaging Company Inc.

Graham Holdings refers to Graham Packaging Holdings Company, a direct wholly-owned subsidiary of Graham Company.

Graham Packaging means Graham Packaging Company Inc. and, unless the context otherwise requires, its subsidiaries.

Graham Packaging 2014 Notes means the 9.875% senior subordinated notes due 2014 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Packaging, which were repaid in connection with the 2012 Refinancing Transactions.

Graham Packaging 2017 Notes means the 8.25% senior notes due 2017 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Packaging, which were repaid in connection with the 2012 Refinancing Transactions.

Graham Packaging 2018 Notes means the 8.25% senior notes due 2018 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Packaging, which were repaid in connection with the 2012 Refinancing Transactions.

Graham Packaging Acquisition means the acquisition by RGHL of all of the outstanding stock of Graham Packaging pursuant to the Graham Packaging Acquisition Document.

Graham Packaging Acquisition Document means the Agreement and Plan of Merger, dated as of June 17, 2011, among RGHL, Bucephalas Acquisition Corp. and Graham Packaging, as amended as of June 17, 2011.

Graham Packaging Change of Control Offers refers to Graham Packaging s offer to purchase each of the Graham Packaging 2014 Notes, the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes, as required by the applicable indenture.

Graham Packaging Notes means the Graham Packaging 2014 Notes, the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes.

Graham Packaging Tender Offers refers to Graham Packaging s offer to purchase and consent solicitations with respect to each of the Graham Packaging 2014 Notes, the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes.

Graham Packaging Transactions refers to: (i) the offering of the Senior Secured Notes and the Senior Notes, (ii) the incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Graham Packaging Acquisition, (iii) the repayment of certain Graham Packaging indebtedness, including in connection with the Graham Packaging Tender Offers and the Graham Packaging Change of Control Offers, (iv) the Graham Packaging Acquisition, (v) the Graham Packaging ITR Payment, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

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 Senior Secured 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, the Evergreen Acquisition Documents, the Pactiv Acquisition Document, the Dopaco Acquisition Document or the Graham Packaging Acquisition Document; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the Senior Secured Notes 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 Senior Secured Notes 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 Senior Secured Notes Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the Senior Secured Notes 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 HSBC 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.

929

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 August 9, 2011, the date on which the Senior Secured 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 UK 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 UK 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 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

931

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 Certain Covenants 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.

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 Senior Secured Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Senior Secured Notes.

Obligor means any Issuer or a Senior Secured Note Guarantor.

October 2010 Note Documents means (a) the October 2010 Senior Secured Notes, the guarantees with respect to the October 2010 Senior Secured Notes, the October 2010 Senior Secured Indenture, the October 2010 Security Documents, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any October 2010 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

October 2010 Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the October 2010 Senior Secured Indenture) are granted to secure the October 2010 Senior Secured Notes and the guarantees thereof.

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 July 26, 2011, with respect to the Senior Notes and the Senior Secured 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 Senior Secured Notes 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.

Pactiv means Pactiv Corporation.

Pactiv 2012 Notes refers to Pactiv s 5.875% Notes due July 15, 2012, which were repaid in connection with the 2012 Refinancing Transactions.

Pactiv 2018 Notes refers to the 6.400% Notes due January 15, 2018 of Pactiv Corporation, with an outstanding principal amount of $15.7 million (net of $1 million of unamortized discount) as of March 31, 2012.

Pactiv Acquisition means the acquisition by RGHL, through its wholly owned subsidiary Reynolds Acquisition Corporation, of all of the outstanding stock of Pactiv pursuant to the Pactiv Acquisition Document.

Pactiv Acquisition Document means the Agreement and Plan of Merger, dated as of August 16, 2010, among Rank Group Limited, RGHL, Reynolds Acquisition Corporation and Pactiv.

Pactiv Base Indenture means the Indenture dated as of September 29, 1999, between Tenneco Packaging Inc. and The Bank of New York Mellon, N.A. (as successor in interest to The Chase Manhattan Bank), as Trustee, as supplemented, amended and modified from time to time thereafter.

Pactiv Change of Control Offer refers to Pactiv s offer to purchase the Pactiv 2012 Notes, as required by the applicable indenture. The Pactiv Change of Control Offer commenced on October 20, 2010 and expired

Table of Contents

on December 7, 2010. Pursuant to the Pactiv Change of Control Offer, Pactiv purchased for cash approximately $698,000 in aggregate principal amount of tendered Pactiv 2012 Notes, with approximately $249.3 million in aggregate principal amount remaining outstanding.

Pactiv Equity Contribution means the cash contributed by Rank Group Limited to RGHL as part of the Pactiv Acquisition.

Pactiv Tender Offer refers to Pactiv s offer to purchase and consent solicitations with respect to the Pactiv 2018 Notes. The Pactiv Tender Offer was consummated on November 16, 2010. Pursuant to the Pactiv Tender Offer, Pactiv purchased for cash approximately $234.3 million in aggregate principal amount of tendered Pactiv 2018 Notes, with approximately $15.7 million in aggregate principal amount remaining outstanding. Pursuant to the Pactiv 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 Pactiv indenture.

Pactiv Transactions refers to: (i) the offering of the October 2010 Senior Secured Notes and the October 2010 Senior Notes, (ii) the incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition, (iii) the repayment of certain Pactiv indebtedness including the partial repayment of Pactiv 2012 Notes and Pactiv 2018 Notes in connection with the Pactiv Tender Offer and Pactiv Change of Control Offer, (iv) the Pactiv Acquisition, (v) the Pactiv Equity Contribution, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

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 Senior Secured Notes 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 0.25% of Total Assets at any one time outstanding;

934

(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 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 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); *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;

Table of Contents

(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 Senior Secured 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

936

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 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 $500.0 million, (iii) 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; (iv) Liens securing the 2009 Notes (or any guarantees thereof), (v) Liens securing the October 2010 Senior Secured Notes (or any guarantees thereof); (vi) Liens securing the February 2011 Senior Secured Notes (or any guarantees thereof); (vii) Liens securing the Senior Secured Notes (or any guarantees thereof), (viii) 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; (ix) 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; and (x) 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 Senior Secured Notes pursuant to an Additional Intercreditor Agreement on terms not less favorable to the noteholders, the Collateral Agent and the Trustee than in the 2007 UK Intercreditor Agreement;

(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

937

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 Senior Secured Notes 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 Senior Secured Notes or any Senior Secured Note Guarantees;

(15) Liens in favor of BP I, BP II or any Senior Secured 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)(ix)), (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)(ix)), (7), (8), (9), (10), (15) and (20) at the time the original Lien became a Permitted Lien under the Senior Secured Notes 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)(ix)), (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 $30.0 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.

Prospectus means the Prospectus dated July 26, 2011, with respect to the Senior Notes and the Senior Secured Notes.

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 Senior Secured Notes (or any Additional Senior Secured 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 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 Senior Secured Notes or any Refinancing Indebtedness with respect to the Senior Secured 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 Senior Secured 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

940

Table of Contents

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.

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.

941

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 Senior Secured Notes 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 August 2011 Senior Secured 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 Foodservice Acquisition means, collectively, (a) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging Inc., (b) the acquisition by Closure Systems International B.V., an indirect wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging International B.V., together with a minority interest in Reynolds Metals Company de Mexico S. de R.L. de C.V., from an affiliated entity, that along with Reynolds Group Holdings Inc. and Closure Systems International B.V., is beneficially owned by Mr. Graeme Richard Hart.

Reynolds Foodservice Acquisition Document means the Stock Purchase Agreement, dated as of September 1, 2010, among BP III, Reynolds Group Holdings Inc., Closure Systems International B.V. and Reynolds Packaging (NZ) Limited.

Reynolds Foodservice Transactions means the Reynolds Foodservice Acquisition and the transactions related thereto.

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 UK 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 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 Senior Secured 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 Senior Secured 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 Senior Secured Note Documents, and (c) the due and punctual payment and performance of all the obligations of each other Obligor under or pursuant to the Senior Secured 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 Senior Secured 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 Senior Secured Notes or the Senior Secured 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;

Table of Contents

(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 Senior Secured Notes Indenture.

Senior Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Notes Indenture and the Senior Notes by any Person in accordance with the provisions of the Senior Notes Indenture.

Senior Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that entered into the Senior Notes Indenture on the Escrow Release Date (other than the Issuers) and (y) any Person that subsequently becomes a Senior Note Guarantor in accordance with the terms of the Senior Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Note Guarantee in accordance with the Senior Notes Indenture, such Person shall cease to be a Senior Note Guarantor.

Senior Notes means the $1,000,000,000 aggregate principal amount of 9.875% Senior Notes due 2019 issued pursuant to the Senior Notes Indenture.

Senior Notes Indenture means the Senior Notes Indenture dated as of the Issue Date, among US LLC Escrow Issuer, US Corporate Escrow Issuer and 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.

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.

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 Senior Secured 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

944

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 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 Secured Note Documents means (a) the Senior Secured Notes, the Senior Secured Notes Guarantees, the Senior Secured Notes Indenture, the Security Documents, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any Senior Secured Note Document described in clause (a) evidencing or governing any Secured Obligations thereunder.

Senior Secured Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Secured Notes Indenture and the Senior Secured Notes by any Person in accordance with the provisions of the Senior Secured Notes Indenture.

Senior Secured Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that entered into the Senior Secured Notes Indenture on the Escrow Release Date (other than the Issuers) and (y) any Person that subsequently becomes a Senior Secured Note Guarantor in accordance with the terms of the Senior Secured Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Secured Note Guarantee in accordance with the Senior Secured Notes Indenture, such Person shall cease to be a Senior Secured Note Guarantor.

945

Table of Contents

Senior Secured Notes means the $1,500,000,000 aggregate principal amount of 7.875% Senior Secured Notes due 2019 issued pursuant to the Senior Secured Notes Indenture.

Senior Secured Notes Indenture means the Senior Secured Notes Indenture to be dated as of the Issue Date, among US LLC Escrow Issuer, US Corporate Escrow Issuer and 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.

Senior Secured Notes Registration Rights Agreement means the Senior Secured Notes Registration Rights Agreement related to the Senior Secured Notes, dated as of the Issue Date, among the Escrow Issuers and the Initial Purchasers, as such agreement may be amended, modified or supplemented from time to time; *provided* that the Issuers assumed all of the obligations of the Escrow Issuers under, and the Senior Secured Note Guarantors shall execute a joinder to, the Senior Secured Notes Registration Rights Agreement, and, with respect to any Additional Senior Secured 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 Senior Secured Notes to register such Additional Senior Secured Notes under the Securities Act.

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 Senior Secured Notes and (b) with respect to any Senior Secured Note Guarantor, any Indebtedness of such Senior Secured Note Guarantor which is by its terms subordinated in right of payment to its Senior Secured 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 Senior Secured 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 Senior Secured Notes is restricted by the 2007 UK Intercreditor Agreement, any 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 Senior Secured 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 Senior Secured Notes is restricted by the 2007 UK Intercreditor Agreement, any 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 Senior Secured 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 Senior Secured Notes) is restricted by the 2007 UK Intercreditor Agreement, any 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 2007 UK Intercreditor Agreement, any Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Senior Secured 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 UK 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, the Evergreen Transactions, the Pactiv Transactions, the Reynolds Foodservice Transactions, the Dopaco Transactions and the Graham Packaging Transactions.

Treasury Rate (as determined by the Issuers) means, with respect to the Senior Secured 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 August 15, 2015; *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 Senior Secured Notes Indenture.

Trustee means the party named as such in the Senior Secured Notes 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.

U.S. Dollar Equivalent means with respect to any monetary amount in a currency other than U.S. Dollars, at any time for determination thereof by BP I, BP II or the Trustee, the amount of U.S. Dollars obtained by converting such currency other than U.S. Dollars involved in such computation into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as published in The Wall Street Journal in the Exchange Rates column under the heading Currency Trading (or, if *The Wall Street Journal* is no longer published, or if such information is no longer available in *The Wall Street Journal*, such source as may be selected in good faith by BP I or BP II) on the date of such determination.

949

Table of Contents

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 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 of the proceeds of the October 2010 Senior Notes and the October 2010 Senior Secured Notes, (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 Senior Secured Notes and the February 2011 Senior Notes and (f) the intercompany loan from the US Issuer I to BP I or one of its Subsidiaries, dated the Escrow Release Date (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the Senior Secured Notes and the Senior 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.

Table of Contents

DESCRIPTION OF THE AUGUST 2011 SENIOR NOTES

General

On August 9, 2011, RGHL US Escrow II LLC, a Delaware limited liability company (the *US LLC Escrow Issuer*), and RGHL US Escrow II Inc., a Delaware corporation (the *US Corporate Escrow Issuer* and, together with the US LLC Escrow Issuer, the *Escrow Issuers*), issued $1,000,000,000 aggregate principal amount of Senior Notes (the *Senior Notes*) pursuant to a Senior Notes Indenture (the *Senior Notes Indenture*), among themselves, 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. Proceeds of the offering were held in escrow until September 8, 2011. Upon the initial issuance of the Senior Notes, the Senior 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 Note Guarantors (as defined below). On September 8, 2011, 2011, (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 Notes Indenture, the Senior 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 Notes Indenture, the Senior Notes and the other applicable documents, and (iii) the Luxembourg Issuer assumed, on a joint and several basis with the US Issuers, the obligations of the Escrow Issuer under the Senior Notes Indenture, the Senior Notes and the other applicable documents.

The terms of the new Senior Notes are substantially identical to the terms of the old Senior Notes, except that the new Senior Notes are registered under the Securities Act and therefore will not contain restrictions on transfer or provisions relating to additional interest, bear a different CUSIP or ISIN number from the old Senior Notes and will not entitle their holders to registration rights. The new Senior Notes will otherwise be treated as the old Senior Notes for purposes of the Senior Notes Indenture.

The Senior Notes Indenture contains provisions that define your rights and govern the obligations of the Issuers under the Senior Notes. Copies of the Senior Notes Indenture and the Senior 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 Notes upon request. See Where You Can Find More Information.

Terms used in this Description of the August 2011 Senior Notes section and not otherwise defined have the meanings set forth in the section Certain Definitions. As used in this Description of the August 2011 Senior 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 Notes Indenture and this Description of the August 2011 Senior Notes, references to an entity shall be to it and to any successor in interest thereto. Any reference to Senior Notes in this Description of the August 2011 Senior Notes refers to the new Senior Notes and any old Senior Notes that are not exchanged in the exchange offer.

The Senior Notes, the Senior Secured Notes, and the Indebtedness incurred under the Senior Secured Credit Facilities in connection with the Graham Packaging Acquisition were incurred pursuant to the fixed charge coverage ratio incurrence test, or applicable baskets provided for, under the February 2011 Senior Indenture, the February 2011

Senior Secured Indenture, the October 2010 Senior Indenture, the October 2010 Senior Secured Indenture, 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, the October 2010 Senior Secured Notes and the February 2011 Senior Secured Notes and the Senior Secured Notes is classified as First Lien Obligations under the 2009 Indenture, the

951

October 2010 Senior Secured Indenture and the February 2011 Senior Secured Indenture, 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 October 2010 Senior Indenture and the February 2011 Senior Indenture. The Senior Notes are classified as Senior Indebtedness under the February 2012 Indenture, February 2011 Senior Secured Indenture, the February 2011 Senior Indenture, October 2010 Senior Secured Indenture, the October 2010 Senior Indenture, the May 2010 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 and certain of our other indebtedness, see Description of Certain Other Indebtedness and Intercreditor Agreements, and for a description of the Senior Secured Notes, see Description of the August 2011 Senior Secured Notes.

Brief Description of the Senior Notes and the Senior Note Guarantees

The Senior Notes are general senior obligations of the Issuers and:

are the 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 Senior Secured Notes, the Senior Secured Credit Facilities, the February 2012 Notes, the February 2011 Senior Secured Notes, the February 2011 Senior Notes, the October 2010 Senior Secured Notes, the October 2010 Senior Notes, the May 2010 Notes, the 2009 Notes and the 2007 Senior Notes;

are effectively subordinated to any Secured Indebtedness of the Issuers 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 not guaranteed by BP II, a finance Subsidiary of RGHL, and are therefore 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 Senior Note Guarantor.

The Senior Note Guarantees are general senior obligations of each Senior Note Guarantor and:

rank *pari passu* in right of payment with all existing and future Senior Indebtedness of such Senior Note Guarantor;

are effectively subordinated to any Secured Indebtedness of such Senior Note Guarantor (including Indebtedness of such Senior Note Guarantor outstanding under, or with respect to its guarantee of, the Senior Secured Credit Facilities, the Senior Secured Notes, the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 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 Senior Note Guarantor, including, subject to the discussion below (see Ranking), such Senior Note Guarantor s guarantee of the 2007 Senior Subordinated Notes; and are subject to registration with the SEC pursuant to the Senior Notes Registration Rights Agreement.

Principal, Maturity and Interest

The Issuers issued an aggregate principal amount of $1,000,000,000 of Senior Notes. The Issuers may issue additional Senior Notes, from time to time (*Additional Senior Notes*). Any offering of Additional Senior 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 Notes and any Additional Senior Notes subsequently issued under the Senior Notes Indenture will be treated as a single class for all purposes under the Senior Notes Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Senior Notes Indenture and this Description of the August 2011 Senior Notes, references to the Senior Notes include any Additional Senior Notes actually issued.

The Senior Notes will mature on August 15, 2019. Each Senior Note bears interest at 9.875% per annum, payable semi-annually in arrears to holders of record at the close of business on February 1 or August 1 immediately preceding the interest payment date on February 15 and August 15 of each year, commencing February 15, 2012. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

The Senior 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 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 (including additional interest, if any) on the Senior Notes will be payable, and the Senior 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 Notes

The Issuers maintain a paying agent for the Senior Notes in New York, NY. The Issuers have undertaken under the Senior 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 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 Notes outstanding from time to time and the transfer agent in New York facilitates transfers of Definitive Registered Senior Notes on behalf of the Issuers. The transfer agent performs the functions of a transfer agent.

The Issuers may change any Paying Agent, Registrar or transfer agent for the Senior 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 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 Notes at its registered office.

953

Optional Redemption

In addition to the optional redemption for taxation reasons as described below, on or after August 15, 2015, the Issuers may redeem the Senior 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 August 15 of the years set forth below. Without limiting the Issuers obligations under the Senior 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
2015	104.938%
2016	102.469%
2017 and thereafter	100.000%

In addition, at any time and from time to time prior to August 15, 2015, the Issuers may redeem the Senior 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 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 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 August 15, 2014, the Issuers may at their option redeem in the aggregate up to 35% of the original aggregate principal amount of the Senior Notes (calculated after giving effect to any issuance of any Additional Senior 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 109.875%, 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 Notes (calculated after giving effect to any issuance of any Additional Senior 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 Notes being redeemed and otherwise in accordance with the procedures set forth in the Senior 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 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 Notes are to be redeemed or are required to be repurchased at any time, the Trustee will select Senior 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 Notes are then admitted to trading; *provided, however,* that no Senior 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 Note is to be redeemed in part only, the notice of redemption that relates to that Senior Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Senior Note, a new Senior Note in currency and in principal amount equal to the unredeemed portion of the original Senior Note will be issued in the name of the noteholder thereof upon cancellation of the original Senior Note. In the case of a Global Senior Note, an appropriate notation will be made on such Senior 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 Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior 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 Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Senior 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 Notes in the open market or otherwise.

Redemption for Taxation Reasons

The Issuers may redeem the Senior 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 Senior Notes or a Senior Note Guarantee is, or on the next date on which any amount would be payable in respect of the Senior 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

955

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 Prospectus. 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 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, Senior Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Senior 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 Notes Indenture.

Withholding Taxes

All payments made by any Issuer or any Senior Note Guarantor or any successor in interest to any of the foregoing (each, a *Payor*) on or with respect to the Senior Notes or any Senior 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 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 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 Notes or any Senior 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 Notes or its Senior 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 Notes or any Senior 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 Senior Notes or the Senior 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 Senior 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 Senior 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 Notes or any Senior 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 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 Senior 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 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 Senior Note been the holder of the Senior 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.

Table of Contents

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on the Senior 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 Senior Notes Indenture, the Senior Notes, any Senior Note Guarantee or this Description of the August 2011 Senior 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 Notes,

(3) interest, or

(4) any other amount payable on or with respect to any of the Senior Notes or any Senior 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 Notes, the Senior Notes Indenture, or any other document or instrument in relation thereto (other than a transfer of the Senior 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 Senior 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 Notes each beneficial owner of a Senior Note agrees, to treat for U.S. federal income tax purposes the Senior Notes as debt of the sole owner of the US Issuer I and interest payments on the Senior 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 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 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 Note were treated as income from sources within the U.S. for U.S. federal income tax purposes.

958

Table of Contents

Ranking

The indebtedness evidenced by the Senior 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 Senior Note Guarantees is Senior Indebtedness of each Senior Note Guarantor, is equal in right of payment to all existing and future Senior Indebtedness of such Senior Note Guarantor and is senior in right of payment to all existing and future Subordinated Indebtedness of such Senior 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 Senior Notes.

As described in further detail below, in a liquidation, dissolution or bankruptcy of any of the Issuers or the Senior Note Guarantors, holders of Senior Notes and Senior Note Guarantees will be entitled to receive payment in full of the Senior Notes and Senior 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 Senior Notes and Senior 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 March 31, 2012:

(1) RGHL and its Subsidiaries had an aggregate principal amount of $11,573 million of Indebtedness secured by any Lien outstanding. RGHL and its Subsidiaries would have had $41 million and 63 million of availability under the revolving credit facility under the Senior Secured Credit Facilities and the ability to incur up to 56 million of Secured Indebtedness under Local Facilities; and

(2) RGHL and its Subsidiaries had an aggregate principal amount of $17,554 million of unsubordinated Indebtedness outstanding (whether secured or unsecured) consisting of amounts outstanding under the Senior Secured Credit Facilities, the August 2011 Senior Notes (including the Senior Note Guarantees with respect thereto), the February 2012 Notes (including the guarantees with respect thereto) the Senior Secured Notes (including the Senior Secured Note 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 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 March 31, 2012, RGHL and its Subsidiaries had an aggregate of $586 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 $32 million of indebtedness outstanding under Local Facilities.

Although the Senior 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 claim to the Senior Notes on the assets securing such Indebtedness. The covenants do not limit the amount of Indebtedness that

RGHL may incur. See Certain Covenants

959

Table of Contents

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants Liens.

The Senior Notes and Senior 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 Senior Note Guarantors, holders of Senior Notes and Senior Note Guarantees will be entitled to receive payment in full of the Senior Notes and Senior 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 Senior Notes and Senior Note Guarantees do not constitute Designated Senior Indebtedness for purposes of the 2007 Senior Subordinated Indenture, as do the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, the 2009 Notes, the Senior Secured Credit Facilities and the 2007 Senior Notes, and as will the Senior Secured Notes, and holders thereof have more rights than the holders of Senior Notes. Thus, holders of Senior Notes and Senior 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 Senior 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 Senior Notes do not have a contractual right to stop payments by the Issuers and Senior Note Guarantors in respect of the 2007 Senior Subordinated Notes, and holders of Senior Notes may recover less than holders of Designated Senior Indebtedness as a result thereof.

The Senior Notes and Senior Note Guarantees rank *pari passu* in right of payment with the guarantees of the 2007 Senior Notes, the 2009 Notes (and related guarantees), the May 2010 Notes (and related guarantees), the October 2010 Senior Secured Notes (and related guarantees), the October 2010 Senior Notes (and related guarantees), the February 2011 Senior Secured Notes (and related guarantees), the February 2011 Senior Notes (and related guarantees), the Senior Secured Notes (and related guarantees) and the Senior Secured Credit Facilities (and related guarantees). 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 and the Senior Secured Credit Facilities on the other hand, which the holders of the Senior Secured Notes join, 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 and the Senior Secured Credit Facilities (and their respective guarantees) and rank junior in right of payment to the Senior Secured Notes (and their guarantees).

Therefore, in the event that any Issuer or a Senior 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 Senior Secured Notes and the Senior Secured Credit Facilities are not fully secured, claims of holders of Senior Notes and Senior 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 (and related guarantees), the October 2010 Senior Secured Notes (and related guarantees), the February 2011 Senior Secured Notes (and related guarantees), the Senior Secured Notes (and related guarantees) and the Senior Secured Credit Facilities (and related guarantees), 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 February 2011 Senior Secured Notes, the October 2010 Senior

Secured Notes, the Senior Secured Notes

960

and the Senior Secured Credit Facilities (and their respective guarantees). In addition, in such an event, we expect that claims of holders of Senior Notes and Senior 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 Senior Notes and Senior 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 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 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 Senior Secured Notes and the Senior Secured Credit Facilities under such circumstances, and you may therefore recover less in a bankruptcy than if the Senior Notes and Senior 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 Senior 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 Note Guarantors, including holders of the Senior Notes. The Senior 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 Note Guarantors (including BP II, which is a finance company). As of March 31, 2012, 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 $20 million of long-term debt (on a consolidated basis and excluding intercompany loan transactions) and $2,095 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 Note Guarantees

Each of the Senior 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 Notes Indenture and the Senior Notes, whether for payment of principal of, premium, if any, or interest on the Senior Notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Senior Note Guarantors and by any of RGHL s Subsidiaries that subsequently become Senior 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 Note Guarantors based on the guarantees provided with respect to the Senior Secured Credit Facilities, the 2007 Notes, the 2009 Notes, the May 2010 Notes, the October 2010 Senior Secured Notes, the October 2010 Senior Notes, the February 2011 Senior Secured Notes, the February 2011 Senior Notes and the February 2012 Notes 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 Senior Note Guarantees are subject to a variety of

961

Table of Contents

local laws that may limit or void the Senior Note Guarantees and certain other limits imposed under the terms of such Senior Note Guarantees. For a description of such limitations and the risks associated with the Senior Note Guarantees, see

Risk Factors Risks Related to Our Structure, the Collateral, the Guarantees 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 Collateral, the Guarantees 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 Collateral, the Guarantees 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 Collateral, the Guarantees 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 and the Notes Non-U.S. subsidiaries of our U.S. subsidiaries have not and will not guarantee 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.

In addition, 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 Note Guarantees as required by the covenant under Certain Covenants Future Senior Note Guarantors. Accordingly, in the future, other Indebtedness, including under the Senior Secured Credit Facilities, the Senior Secured Notes, the February 2012 Notes, the February 2011 Senior Secured Notes, the February 2011 Senior Notes, the October 2010 Senior Secured Notes, the October 2010 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 Notes. See Ranking.

Such Senior Note Guarantors and any of RGHL s Subsidiaries that subsequently become Senior Note Guarantors have agreed 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 Senior Note Guarantees.

Each Senior 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 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.

962

Table of Contents

Release of Senior Note Guarantees

A Senior Note Guarantee of a Senior Note Guarantor will be automatically released upon (a) receipt by the Trustee of a notification from BP I that such Senior Note Guarantee be released and (b) the occurrence of any of the following:

(1) the consummation of any transaction permitted by the Senior Notes Indenture as a result of which such Senior Note Guarantor ceases to be a Restricted Subsidiary;

(2) the release or discharge of the guarantee or other obligation by such Senior Note Guarantor (other than RGHL) of the Senior Secured Credit Facilities or such other guarantee or other obligation that resulted in the creation of such Senior Note Guarantee, except a release or discharge by or as a result of payment under such guarantee;

(3) BP I designating such Senior 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 Notes Indenture are discharged in accordance with the terms of the Senior Notes Indenture; or

(5) the transfer or sale of the equity interests of such Senior Note Guarantor pursuant to an enforcement action, in accordance with the terms of the First Lien Intercreditor Agreement.

The Senior Note Guarantor will be required to deliver to the Trustee an Officers Certificate stating that all conditions precedent provided for in the Senior Notes Indenture relating to the release have been complied with. A Senior Note Guarantee of a Senior Note Guarantor also will be released as provided under Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets.

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 Note Guarantors

Under certain circumstances, additional Restricted Subsidiaries may be added as Senior Note Guarantors (see Certain Covenants Future Senior 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 Senior 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 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),

963

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

(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 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 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 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 Senior 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 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 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.

964

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 Notes Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Senior 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 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 Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officers Certificate stating the Senior Notes or portions of the Senior Notes being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Senior Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Senior Notes in order to reflect thereon the portion of such Senior Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Senior Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Senior 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 Senior Notes so tendered the Change of Control Payment for such Senior Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder of Senior Notes a new Senior Note equal in principal amount to the unpurchased portion of the Senior Notes surrendered, if any; *provided, however,* that each such new Senior Note will be in a principal amount that is at least $100,000 and integral multiples of $1,000 in excess thereof.

Senior Notes repurchased by the Issuers or an Affiliate pursuant to a Change of Control Offer will have the status of Senior Notes issued but not outstanding or will be retired and canceled at the option of the Issuers. Senior Notes purchased by an unaffiliated third party pursuant to the procedure described above will have the status of Senior 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 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 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 Secured Notes, the February 2011 Senior Secured Notes, the February 2011

Senior Notes, the October 2010 Senior Notes, the October 2010 Senior Secured Notes, the May 2010 Notes, the 2009 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 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 indenture governing the notes and similar requirements in the agreements governing our other indebtedness.

The provisions under the Senior Notes Indenture relating to the Issuers obligation to make an offer to repurchase the Senior 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 Notes.

Certain Covenants

Set forth below are summaries of certain covenants that are contained in the Senior Notes Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock. The Senior 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 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 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) $4,325.0 million of term loan facilities, plus (B) 250.0 million of term loan facilities, plus (C) $120.0 million of revolving credit

966

Table of Contents

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 Note Guarantors of Indebtedness represented by the Senior Notes (not including any Additional Senior Notes) and the Senior Note Guarantees;

(c) (i) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (a) and (b)), (ii) 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 and (iii) any Indebtedness and Preferred Stock of a Disqualified Subsidiary existing upon consummation of the Graham Packaging Acquisition;

(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 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 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 Notes or the obligations of BP I under its Senior 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 Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not one of the Issuers or a Senior 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 Note Guarantee of such Senior 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 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 Notes Indenture; provided, however, that any such guarantee by a Disqualified Subsidiary is limited to Indebtedness or other obligations of Disqualified Subsidiaries; 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 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 Notes then outstanding were instead due on such date one year following the last date of maturity of the Senior 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 Notes in excess of, or

968

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 Notes;

(3) refinances (a) Indebtedness junior to the Senior Notes or any Senior Note Guarantee, such Refinancing Indebtedness is junior to the Senior Notes or the Senior Note Guarantee of such Senior 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 Note Guarantor that refinances, refunds or defeases Indebtedness of BP I, BP II, any Issuer or any Senior Note Guarantor, (y) Indebtedness of BP I, BP II or a Restricted Subsidiary that refinances, refunds or defeases Indebtedness of an Unrestricted Subsidiary, or (z) Indebtedness of a Disqualified Subsidiary that refinances, refunds or defeases Indebtedness of a Disqualified 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

969

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 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 Note Guarantor unless such Indebtedness shall be

subordinated to the Senior Notes or the applicable Senior Note Guarantee to at least the same extent as such Subordinated Indebtedness.

Notwithstanding the foregoing, a Disqualified Subsidiary may not Incur any Indebtedness or issue any shares of Preferred Stock unless such Indebtedness or Preferred Stock is Incurred or issued as Permitted Debt pursuant to clause (c), (d), (e), (f), (h), (i), (j), (k), (l), (m), (p), (q), (r), (s), (u), (v), (w) or (z) of the definition thereof; provided, however, that the aggregate amount of such Indebtedness and Preferred Stock of all Disqualified Subsidiaries outstanding at any time pursuant to such clauses (u) and (v) shall not exceed $25.0 million.

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.

For purposes of determining compliance with this covenant, (i) 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

Table of Contents

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 and (ii) the U.S. Dollar 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 U.S. Dollars, and such refinancing would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-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 U.S. Dollar 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 Senior Notes 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 Senior Notes 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

972

Table of Contents

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 Senior 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 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), 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 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); *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 $30.0 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 Senior Notes 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

974

Table of Contents

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 Senior 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 Senior 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 Senior Notes or the related Senior 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 Senior 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 Senior Notes then outstanding were instead due on such date one year following the last date of maturity of the Senior 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 Senior 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 $5.0 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

975

effect to the following proviso) of $10.0 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 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 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, the Evergreen Acquisition Documents, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Dopaco Acquisition Document or the Graham Packaging Acquisition Document, 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 Senior Notes tendered by holders of the Senior 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 Senior Notes 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 Senior Notes Indenture) and that all Senior 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.

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 Senior Notes 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 Secured Notes Indenture, the February 2011 Senior Indenture, the February 2011 Senior Secured Indenture, the October 2010 Senior Indenture, the October 2010 Senior Secured Indenture, the May 2010 Indenture, the 2009 Indenture, 2007 Senior Note Indenture, the 2007 Senior Subordinated Notes Indenture, the 2007 UK Intercreditor Agreement, the First Lien Intercreditor Agreement, the Senior Secured Notes Security Documents, the February 2011 Security Documents, the October 2010 Security Documents, the 2009 Security Documents, the 2007 Notes Security Documents and the security documents with respect to the Senior Secured Credit Facilities and the Local Facilities;

(2) the Senior Notes Indenture, the Senior Notes (and Senior 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

979

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 Senior 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 Senior 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 Senior 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 Senior Notes 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 Senior Notes or any Senior 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

980

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 Senior Notes are repaid with the Net Proceeds of any Asset Sale, the Issuers will equally and ratably reduce Obligations under the Senior 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 Senior Notes or (c) Obligations constituting Indebtedness of a Restricted Subsidiary of BP I that is not an Issuer or a Senior 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 Senior Notes 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 Senior 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 Senior Notes (and, at the option of the Issuers, to holders of any Senior Indebtedness of an Issuer or Senior 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 Senior 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

981

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 Senior Notes 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 Senior Notes Indenture, with a copy to the Trustee. To the extent that the aggregate amount of Senior 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 Senior Notes (and such Senior Indebtedness or other Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Senior 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 Senior 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 Senior Notes 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 Senior Notes Indenture by virtue thereof.

If more Senior 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 Senior 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 Senior Notes are then admitted to trading; *provided* that no Senior 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 Senior 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 Senior 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 Senior Notes is denominated in a currency other than the currency in which the relevant Senior Notes are denominated, the amount payable in respect of such Senior Notes shall not exceed the net amount of funds in the currency in which such Senior 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 Senior Notes at such holder s registered address. If any Senior Note is to be purchased in part only, any notice of purchase that relates to such Senior Note shall state the portion of the principal amount thereof that has been or is to be purchased.

The provisions under the Senior Notes 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 Senior Notes.

982

Table of Contents

In the event that an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Senior Notes, the Issuers could seek the consent of their lenders to purchase the Senior 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 Senior Notes. In such case, the Issuers failure to purchase tendered Senior Notes would constitute an Event of Default under the Senior Notes Indenture that is likely, in turn, to constitute a default under the Issuers other Indebtedness.

Transactions with Affiliates. The Senior Notes 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 $15.0 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 $30.0 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 Senior Notes Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Senior Notes 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 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 Part I Item 7. Major Shareholders and Related Party Transactions in the RGHL Group s Annual Report for the year ended December 31, 2010 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 Senior 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 Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Dopaco Acquisition Document, the Graham Packaging Acquisition Document, the Credit Agreement Documents, the First Lien Intercreditor Agreement, the 2007 UK 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 Senior 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Dopaco Acquisition Document, the Graham Packaging Acquisition Document 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 Senior Notes 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;

Table of Contents

(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 Senior Notes Indenture.

Liens. The Senior Notes 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 Senior Notes and Senior 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 Senior Notes or the Senior 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 Senior Notes 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 Senior Notes Indenture, (d) following an Event of Default under the Senior Notes Indenture or an event of default under any other Indebtedness secured by the collateral securing such Indebtedness, pursuant to an enforcement action, if

985

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 Senior Notes as specified in the Senior Notes 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 Senior 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 Senior Notes Exchange Offer Registration Statement or the Senior Notes 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 Senior Notes Exchange Offer Registration Statement or the Senior Notes 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 Senior Notes, in addition to providing such information to the Trustee and the holders of the Senior 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 Senior Notes Exchange Offer Registration Statement, or if the Senior Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Notes Registration Rights Agreement, the Senior Notes 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 Senior Notes Exchange Offer Registration Statement, or if the Senior Notes Exchange Offer Registration Statement is not filed within the applicable time limits pursuant to the Senior Notes Registration Rights Agreement, the Senior Notes Shelf Registration Statement, but prior to the effectiveness of the Senior Notes Exchange Offer Registration Statement or Senior Notes Shelf Registration Statement, by publicly filing with the SEC the Senior Notes Exchange Offer Registration Statement or Senior Notes 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 Senior Notes if RGHL has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available.

The Senior Notes Indenture also provides that, so long as any of the Senior 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 Senior Notes and to prospective investors, upon their request, the information required to be delivered by Rule 144A(d)(4) under the Securities Act.

Future Senior Note Guarantors. The Senior Notes Indenture provides that each Restricted Subsidiary (unless such Subsidiary is an Issuer, a Senior 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 Senior 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 Senior Notes; *provided* that notwithstanding the foregoing:

(a) [reserved];

(b) [reserved];

(c) with respect to any Restricted Subsidiary not referred to in clause (a) above, to the extent the foregoing obligation is triggered by Indebtedness or Public Debt existing as of the Issue Date, the relevant Restricted Subsidiary shall only be required to enter into its respective Senior Note Guarantee as soon as reasonably practicable;

(d) no Senior 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;

(e) if such Indebtedness is by its terms expressly subordinated to the Senior Notes or any Senior 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 Senior Note Guarantee of the Senior Notes at least to the same extent as such Indebtedness is subordinated to the Senior Notes or any other senior guarantee;

(f) no Senior 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 Senior Notes 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;

(g) no Senior Note Guarantee shall be required from a US Controlled Foreign Subsidiary or a Financial Assistance Restricted Subsidiary;

(h) no Senior Note Guarantee shall be required if such Senior 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 Senior Note Guarantee, which cannot be avoided through measures reasonably available to BP I, BP II or any such Restricted Subsidiary; and

(i) each such Senior 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 Senior Note Guarantees shall be released in accordance with the provisions of the Senior Notes Indenture described under Senior Note Guarantees.

Bank of Thailand Approval. The Senior Notes Indenture provides that, within 90 days after the Escrow Release Date (or on such later date as may be permitted by the Applicable Representative in its sole discretion) SIG Combibloc Ltd. (Thailand) (the *Thai Guarantor*) shall apply to the Bank of Thailand for, and use commercially reasonable efforts 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 its guarantee of the Senior Notes (the *Thai Senior Notes Guarantee*).

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 Senior 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 Senior 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 Senior Note Guarantee.

Limitation on the US Issuers. Notwithstanding anything contained in the Senior Notes 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

988

Table of Contents

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, CSI Mexico LLC, Pactiv Corporation or Pactiv International Holdings, Inc. 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 Senior 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 Senior Notes Indenture under Certain Covenants Future Senior Note Guarantors, any Restricted Subsidiary other than a Senior 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 Senior 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 Senior Notes Indenture, 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 August 2011 Senior Notes section of the Prospectus (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 Senior 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 Senior Notes Indenture for any period of time as a result of the foregoing, and on any subsequent date one or both of the Rating Agencies (a) withdraw their Investment Grade Rating or downgrade the rating assigned to the Senior 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 Senior 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 Senior Notes 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 Senior Notes will ever achieve or maintain Investment Grade Ratings.

Merger, Amalgamation, Consolidation or Sale of All or Substantially All Assets

The Senior Notes 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 Senior 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 Senior Note Guarantee (if applicable) and the Senior Notes 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 Senior Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its obligations under the Senior Notes Indenture, Senior Notes and Senior Note Guarantee, as applicable, shall apply to such Person s obligations under the Senior Notes Indenture, the Senior Notes and Senior 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 Senior Notes 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.

991

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 Senior Note Guarantee (if applicable) and the Senior Notes 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 Senior Note Guarantee and the Senior Notes 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 Senior Notes Indenture further provides, subject to certain limitations in the Senior Notes Indenture governing release of a Senior Note Guarantee upon the sale or disposition of a Restricted Subsidiary that is a Senior Note Guarantor, no Senior Note Guarantor (other than RGHL) will, and BP I and BP II will not permit any Senior Note Guarantor (other than RGHL) to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Senior 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 Senior Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Senior 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 Senior Note Guarantor or such Person, as the case may be, being herein called the *Successor Senior Note Guarantor*), and the Successor Senior Note Guarantor (if other than such Senior Note Guarantor) expressly assumes all the obligations of such Senior Note Guarantor under the Senior Notes Indenture and such Senior Note Guarantor s Senior 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 Senior Note Guarantor (if other than such Senior 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 Senior Notes Indenture.

Subject to certain limitations described in the Senior Notes Indenture, in a transaction to which the immediately preceding paragraph 1(a) applies, the Successor Senior Note Guarantor (if other than such Senior Note Guarantor) will succeed to, and be substituted for, such Senior Note Guarantor under the Senior Notes Indenture and such Senior Note Guarantor s Senior Note Guarantee, and such Senior Note Guarantor will automatically be released and discharged from its obligations under the Senior Notes Indenture and such Senior Note Guarantor s Senior Note Guarantee. Notwithstanding the foregoing, (1) a Senior Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Senior 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,

992

or New Zealand so long as the amount of Indebtedness of the Senior Note Guarantor is not increased thereby, and (2) a Senior Note Guarantor may merge, amalgamate or consolidate with another Senior Note Guarantor, an Issuer, BP I or BP II.

In addition, notwithstanding the foregoing, any Senior 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 Senior Note Guarantor or (y) any Restricted Subsidiary that is not a Senior 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 Senior 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 Senior Notes 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 Senior Notes Indenture as:

(1) a default in any payment of interest on any Senior Note when due, continued for 30 days;

(2) a default in the payment of principal or premium, if any, of any Senior 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 or 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 Senior Notes or the Senior Notes Indenture (other than a failure to purchase Senior 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 $30.0 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 $50.0 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 Senior Note Guarantee of RGHL, BP I or a Significant Subsidiary (or any Senior Note Guarantee of one or more Senior 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 Senior Notes Indenture) or BP I, BP II or any Senior Note Guarantor that qualifies as a Significant Subsidiary (or one or more Senior Note Guarantors that collectively would represent a Significant

Subsidiary) denies or disaffirms its obligations under the Senior Notes Indenture or any Senior 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.

However, a default under clause (4) (other than a failure to purchase Senior Notes) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of outstanding Senior 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 Senior 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 Senior 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 Senior 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 Senior Notes may rescind any such acceleration with respect to the Senior 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 Senior 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 Senior Notes as described above be annulled, waived or rescinded upon the happening of any such events.

Subject to the provisions of the Senior Notes 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 Senior Notes 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 Senior Notes Indenture or the Senior 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 Senior 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 Senior 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 Senior 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 Senior Notes 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 Senior Notes 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 Senior Notes such that an agreement will be reached and the Trustee will act on behalf of the noteholders.

The Senior Notes 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 Senior 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 Senior Notes Indenture and the Senior Notes may be amended with the consent of the holders of a majority in principal amount of the Senior 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 Senior Notes then outstanding; *provided, however,* that without the consent of each holder of an outstanding Senior Note affected, no amendment may, among other things:

(1) reduce the amount of Senior Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any Senior Note,

(3) reduce the principal of or extend the Stated Maturity of any Senior Note,

(4) reduce the premium or amount payable upon the redemption of any Senior Note, change the time at which any Senior Note may be redeemed as described under Optional Redemption, or Redemption for Taxation Reasons,

(5) make any Senior Note payable in money other than that stated in such Senior Note,

(6) expressly subordinate the Senior Notes or any Senior Note Guarantee to any other Indebtedness of any Issuer, BP I or any Senior Note Guarantor not otherwise permitted by the Senior Notes Indenture,

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder s Senior 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 Senior 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 Senior Notes 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 Senior Notes or the Senior Notes 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 Senior Note or any Senior 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 Senior Notes Indenture and the Senior Notes (1) to cure any ambiguity, omission, mistake, defect or inconsistency, (2) to give effect to any provision of the Senior Notes Indenture (including the release of any Senior Note Guarantees in accordance with the terms of the Senior Notes 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 Senior Notes Indenture and the Senior Notes, or to provide for the assumption by a Successor Senior Note Guarantor of the obligations of a Senior Note Guarantor under the Senior Notes Indenture and its Senior Note Guarantee, (4) to provide for uncertificated Senior Notes in addition to or in place of certificated Senior Notes (*provided* that the uncertificated Senior Notes are issued in registered form for purposes of Section 163(f) of the Code), (5) to add a Senior Note Guarantee with respect to the Senior Notes, (6) to add to the covenants of BP I, BP II or any Senior 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 Senior Notes Indenture of a successor Trustee, (9) to provide for the accession of the Trustee to any instrument in connection with the Senior Notes, (10) to make certain changes to the Senior Notes Indenture to provide for the issuance of Additional Senior Notes or (11) to comply with any requirement of the SEC in connection with the qualification of the Senior Notes Indenture under 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 Senior Notes 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 Senior Notes 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 Senior Note Guarantor, will have any liability for any obligations of the Issuers under the Senior Notes, the Senior Notes Indenture, or for any claim based on, in respect of, or by reason of, such obligations or their creation; *provided*, *however*, the foregoing shall not in any manner affect the liability of a Senior Note Guarantor with respect to its Senior Note Guarantee. Each holder of Senior Notes by accepting a Senior Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Transfer and Exchange

A noteholder may transfer or exchange Senior Notes in accordance with the Senior Notes 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 Senior Notes Indenture. The Issuers are not required to transfer or exchange any Senior Note selected for redemption or to transfer or exchange any Senior Note for a period of 15 days prior to a selection of Senior Notes to be redeemed. The Senior Notes will be issued in registered form and the registered holder of a Senior Note will be treated as the owner of such Senior Note for all purposes.

Satisfaction and Discharge

The Senior Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration or transfer or exchange of Senior Notes, as expressly provided for in the Senior Notes Indenture) as to all outstanding Senior Notes when:

(1) either (a) all the Senior Notes theretofore authenticated and delivered (except lost, stolen or destroyed Senior Notes which have been replaced or paid and Senior 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 Senior 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 Senior Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Senior 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 Senior Note Guarantors have paid all other sums payable under the Senior Notes 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 Senior Notes Indenture relating to the satisfaction and discharge of the Senior Notes 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 Senior Notes and the Senior Notes 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 Senior Notes, to replace mutilated, destroyed, lost or stolen Senior Notes and to maintain a registrar and paying agent in respect of the Senior 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 Senior Note Guarantor will be released from all of its obligations with respect to its Senior 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 Senior 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 Senior 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 Senior Notes to redemption or maturity, as the case may be, and must comply with certain other conditions set out in the Senior Notes Indenture, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Senior 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 Senior Notes Indenture.

If the Trustee becomes a creditor of the Issuers or any Senior Note Guarantor, the Senior Notes 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 Senior Notes 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 Senior Notes Indenture at the request of any Holder of Senior Notes, unless such Holder will have 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 Senior Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable DTC procedures). In addition, for so long as any Senior Notes are represented by Global Senior Notes, all notices to Holders of the Senior 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 Senior Note Guarantor under or in connection with the Senior Notes, including damages. Any amount with respect to the Senior 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 Senior 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 Senior Note Guarantor will only constitute a discharge to the Issuers or any Senior 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 Senior Note, BP I, BP II, the Issuers and any Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior Note or to the Trustee.

Except as otherwise specifically set forth herein, (a) 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, and (b) for purposes of determining compliance with any U.S. Dollar-denominated restriction herein, the U.S. Dollar Equivalent amount for purposes hereof that is denominated in a non-U.S. Dollar currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-U.S. Dollar 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 Senior Note Guarantors has irrevocably and unconditionally: (1) submitted itself and its property in any legal action or proceeding relating to the Senior Notes 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 Senior Notes 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 Senior Notes 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 Senior Note Guarantors are outside the United States, any judgment obtained in the United States against BP I, BP II, the Issuers or any Senior 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 Senior Notes, may not be collectable within the United States.

Governing Law

The Senior Notes Indenture provides that it and the Senior 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 Senior 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 Senior Notes will be represented by one or more global Senior Notes (collectively, the *Global Senior Notes*). The Global Senior 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 Senior Notes are issued pursuant to the terms of the Senior Notes Indenture, the Issuers may, in their sole discretion, cause some or all of such Additional Senior Notes, if any, to be issued in the form of one or more global Senior Notes (the *Additional Global Senior Notes*) and registered in the name of and deposited with the nominee of DTC.

Ownership of beneficial interests in each Global Senior Note and ownership of interests in each Additional Global Senior 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 Senior Notes and the Additional Global Senior 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 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 Senior Notes are in global form, holders of Book-Entry Interests may not be considered the owners or holders of Senior Notes for purposes of the Senior Notes Indenture.

So long as the Senior Notes and any Additional Senior Notes are held in global form, DTC (or its nominee), may be considered the sole holder of Global Senior Notes for all purposes under the Senior Notes 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 Senior Notes 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 Senior Notes

Under the terms of the Senior Notes Indenture, owners of Book-Entry Interests will not receive definitive Senior Notes in registered form (*Definitive Registered Senior 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 Senior Notes Indenture. Subject to applicable provisions of the Senior Notes Indenture, Definitive Registered Senior Notes shall be transferred to all owners of Book-Entry Interests in the relevant Global Senior 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 Senior Notes 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 Senior Notes under the Senior Notes Indenture.

In such an event, Definitive Registered Senior 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

1000

requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests), and such Definitive Registered Senior Notes will bear the restrictive legend referred to in Transfer Restrictions, unless that legend is not required by the Senior Notes Indenture or applicable law. Payment of principal of, and premium, if any, and interest on the Senior Notes shall be payable at the place of payment designated by the Issuers pursuant to the Senior Notes Indenture; *provided, however,* that at the Issuers option, payment of interest on a Senior Note may be made by check mailed to the person entitled thereto to such address as shall appear on the Senior Note register.

Redemption of the Global Senior Notes

In the event any Global Senior Note, or any portion thereof, is redeemed, the Depositary will distribute the amount received by it in respect of the Global Senior Note so redeemed to the holders of the Book-Entry Interests in such Global Senior 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 Senior Note (or any portion thereof).

We understand that under existing practices of DTC, if fewer than all of the Senior 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 Senior Notes

Payments of any amounts owing in respect of the Global Senior Notes for the Senior 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 Senior Notes 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 Senior Notes Indenture, the Issuers, the Trustee and the paying agents will treat the registered holder of the Global Senior Notes as the owner thereof for the purpose of receiving payments and other purposes under the Senior Notes 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 Senior Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Senior Notes are credited and only in respect of such portion of the aggregate principal amount of Senior 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 Senior Notes. However, if there is an Event of Default under the Senior Notes, the Depositary reserves the right to exchange the Global Senior Notes for Definitive Registered Senior Notes in certificated form, and to distribute such Definitive Registered Senior Notes to its respective participants.

Table of Contents

Transfers

Transfers of any Global Senior Note shall be limited to transfers of such Global Senior Note in whole, but (subject to the provisions described above under Book-Entry, Delivery and Form Issuance of Definitive Registered Senior Notes, to provisions described below in the section Book-Entry, Delivery and Form Transfers and the applicable provisions of the Senior Notes 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 Senior Notes Indenture. Any Book-Entry Interest in one of the Global Senior Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Senior Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Senior Note and become a Book-Entry Interest in the relevant Global Senior 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 Senior Note for as long as that person retains such Book-Entry Interests.

Definitive Registered Senior Notes, if any, may be transferred and exchanged for Book-Entry Interests in a Global Senior Note only pursuant to the terms of the Senior Notes Indenture and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Senior Notes Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Senior Notes. See Plan of Distribution.

Global Clearance and Settlement Under the Book-Entry System

Initial Settlement

Initial settlement for the Senior 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 Senior 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 Notes means the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

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.

2007 UK 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 November 5, 2009, and as amended, supplemented or modified from time to time thereafter.

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 Senior 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 Senior Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Senior Note and (ii) the excess, if any, of (A) the present value at such redemption date of (1) the redemption price of such Senior Note on August 15, 2015 (such redemption price being described in the first 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 Senior Note through August 15, 2015 (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 Senior Note on such redemption date.

Applicable Representative means the administrative agent under the Senior Secured Credit Facilities, acting in its capacity as Applicable Representative under the First Lien Intercreditor Agreement.

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

1004

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 $15.0 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;

Table of Contents

(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 Senior Notes 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.

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.

Table of Contents

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

1007

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 Senior Notes 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, the Pactiv Acquisition Document, the Reynolds Foodservice Acquisition Document, the Dopaco Acquisition Document, the Graham Packaging Acquisition Document 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 Senior 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,

1009

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 Senior 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 Senior Notes or the date the Senior 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.

Disqualified Subsidiary means Graham Holdings and each of its Subsidiaries until all Graham Packaging 2014 Notes, Graham Packaging 2017 Notes and Graham Packaging 2018 Notes have been repaid, prepaid, repurchased or redeemed in full or defeased pursuant to the defeasance provisions contained in the related indentures.

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.

Dopaco Acquisition Document means the Purchase and Sale Agreement, dated as of March 3, 2011, among Cascades USA Inc., Reynolds Group Holdings Limited and Cascades Inc.

Dopaco Transactions refers to: (i) the acquisition by RGHL, through its wholly owned subsidiaries Pactiv Corporation and Reynolds Food Packaging Canada Inc. of all of the outstanding stock of Dopaco Inc.

and Dopaco Canada Inc. pursuant to the Dopaco Acquisition Document, (ii) the other transactions related to the foregoing and (iii) the payment of fees and expenses related to the foregoing.

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 Prospectus 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 Prospectus, 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 Prospectus, 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

1012

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 May 2010 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 Senior Notes Indenture).

February 2011 Note Documents means (a) the February 2011 Senior Secured Notes, the guarantees with respect to the February 2011 Senior Secured Notes, the February 2011 Senior Secured Indenture, the February 2011 Security Documents, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any February 2011 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

February 2011 Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the February 2011 Senior Secured Indenture) are granted to secure the February 2011 Senior Secured Notes and the guarantees thereof.

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 party 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 Senior Note Guarantor due to applicable financial assistance laws; *provided* that such Restricted Subsidiary shall become a Senior 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 Senior Note Guarantor if it would otherwise be required to be a Senior Note Guarantor pursuant to Certain Covenants Future Senior Note Guarantors.

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.

1014

Table of Contents

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 which is omitted from the pro forma calculation pursuant to the foregoing clause (a).

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

Table of Contents

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 Senior Notes 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 Senior Notes Indenture, all ratios and calculations based on GAAP contained in the Senior Notes 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 Senior Notes 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.

Graham Company refers to Graham Packaging Company Inc.

Graham Holdings refers to Graham Packaging Holdings Company, a direct wholly-owned subsidiary of Graham Company.

Graham Packaging means Graham Packaging Company Inc. and, unless the context otherwise requires, its subsidiaries.

Graham Packaging 2014 Notes means the 9.875% senior subordinated notes due 2014 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Packaging, which were repaid in connection with the 2012 Refinancing Transactions.

Graham Packaging 2017 Notes means the 8.25% senior notes due 2017 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Packaging, which were repaid in connection with the 2012 Refinancing Transactions.

Graham Packaging 2018 Notes means the 8.25% senior notes due 2018 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Packaging, which were repaid in connection with the 2012 Refinancing Transactions.

Graham Packaging Acquisition means the acquisition by RGHL of all of the outstanding stock of Graham Packaging pursuant to the Graham Packaging Acquisition Document.

Graham Packaging Acquisition Document means the Agreement and Plan of Merger, dated as of June 17, 2011, among RGHL, Bucephalas Acquisition Corp. and Graham Packaging, as amended as of June 17, 2011.

Graham Packaging Change of Control Offers refers to Graham Packaging s offer to purchase each of the Graham Packaging 2014 Notes, the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes, as required by the applicable indenture.

Graham Packaging Notes means the Graham Packaging 2014 Notes, the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes.

Graham Packaging Tender Offers refers to Graham Packaging s offer to purchase and consent solicitations with respect to each of the Graham Packaging 2014 Notes, the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes.

Graham Packaging Transactions refers to: (i) the offering of the Senior Secured Notes and the Senior Notes, (ii) the incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Graham Packaging Acquisition, (iii) the repayment of certain Graham Packaging indebtedness, including in connection with the Graham Packaging Tender Offers and the Graham Packaging Change of Control Offers, (iv) the Graham Packaging Acquisition, (v) the Graham Packaging ITR Payment, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

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 Senior 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, the Evergreen Acquisition Documents, the Pactiv Acquisition Document, the Dopaco Acquisition Document or the Graham Packaging Acquisition Document; or (6) Subordinated Shareholder Funding.

Notwithstanding anything in the Senior Notes 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 Senior Notes 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 Senior Notes Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under the Senior Notes 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 HSBC 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);

Table of Contents

(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 August 9, 2011.

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 UK 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 UK 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 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 Certain Covenants 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.

1020

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.

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 Senior Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Senior Notes.

Obligor means any Issuer or a Senior Note Guarantor.

October 2010 Note Documents means (a) the October 2010 Senior Secured Notes, the guarantees with respect to the October 2010 Senior Secured Notes, the October 2010 Senior Secured Indenture, the October 2010 Security Documents, the First Lien Intercreditor Agreement, the 2007 UK Intercreditor Agreement and (b) any other related document or instrument executed and delivered pursuant to any October 2010 Note Document described in clause (a) evidencing or governing any secured obligations thereunder.

October 2010 Security Documents means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the October 2010 Senior Secured Indenture) are granted to secure the October 2010 Senior Secured Notes and the guarantees thereof.

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.

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 Senior Notes 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.

Pactiv means Pactiv Corporation.

Pactiv 2012 Notes refers to Pactiv s 5.875% Notes due July 15, 2012, which were repaid in connection with the 2012 Refinancing Transactions.

Pactiv 2018 Notes refers to the 6.400% Notes due January 15, 2018 of Pactiv Corporation, with an outstanding principal amount of $15.7 million (net of $1 million of unamortized discount) as of March 31, 2012.

Pactiv Acquisition means the acquisition by RGHL, through its wholly owned subsidiary Reynolds Acquisition Corporation, of all of the outstanding stock of Pactiv pursuant to the Pactiv Acquisition Document.

Pactiv Acquisition Document means the Agreement and Plan of Merger, dated as of August 16, 2010, among Rank Group Limited, RGHL, Reynolds Acquisition Corporation and Pactiv.

Pactiv Base Indenture means the Indenture dated as of September 29, 1999, between Tenneco Packaging Inc. and The Bank of New York Mellon, N.A. (as successor in interest to The Chase Manhattan Bank), as Trustee, as supplemented, amended and modified from time to time thereafter.

Pactiv Change of Control Offer refers to Pactiv s offer to purchase the Pactiv 2012 Notes, as required by the applicable indenture. The Pactiv Change of Control Offer commenced on October 20, 2010 and expired on December 7, 2010. Pursuant to the Pactiv Change of Control Offer, Pactiv purchased for cash approximately $698,000 in aggregate principal amount of tendered Pactiv 2012 Notes, with approximately $249.3 million in aggregate principal amount remaining outstanding.

Pactiv Equity Contribution means the cash contributed by Rank Group Limited to RGHL as part of the Pactiv Acquisition.

Pactiv Tender Offer refers to Pactiv s offer to purchase and consent solicitations with respect to the Pactiv 2018 Notes. The Pactiv Tender Offer was consummated on November 16, 2010. Pursuant to the Pactiv Tender Offer, Pactiv purchased for cash approximately $234.3 million in aggregate principal amount of tendered Pactiv 2018 Notes, with approximately $15.7 million in aggregate principal amount remaining outstanding. Pursuant to the Pactiv 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 Pactiv indenture.

Pactiv Transactions refers to: (i) the offering of the October 2010 Senior Secured Notes and the October 2010 Senior Notes, (ii) the incremental term loan borrowings under the Senior Secured Credit Facilities in connection with the Pactiv Acquisition, (iii) the repayment of certain Pactiv indebtedness including the partial repayment of Pactiv 2012 Notes and Pactiv 2018 Notes in connection with the Pactiv Tender Offer and Pactiv Change of Control Offer, (iv) the Pactiv Acquisition, (v) the Pactiv Equity Contribution, (vi) the other transactions related to the foregoing and (vii) the payment of fees and expenses related to the foregoing.

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 Senior Notes 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 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 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 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); *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 Senior 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;

1024

(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 Indebtedness Incurred pursuant to clause (c)(ii) of the second paragraph of the covenant described under Certain Covenants Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock; (iv) Liens securing the 2009 Notes (or any guarantees thereof); (v) Liens securing the October 2010 Senior Secured Notes (or any guarantees

thereof), (vi) Liens securing the February 2011 Senior Secured Notes (or any guarantees thereof); (vii) 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 (viii) 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 Senior Notes 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 Senior Notes or any Senior Note Guarantees;

(15) Liens in favor of BP I, BP II or any Senior 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)(viii)), (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)(viii)), (7), (8), (9), (10), (15) and (20) at the time the original Lien became a Permitted Lien under the Senior Notes 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)(viii)), (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 $30.0 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.

Prospectus means the Prospectus dated July 26, 2011, with respect to the Senior Notes and the Senior Secured Notes.

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 Senior Notes (or any Additional Senior 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 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 Senior Notes or any Refinancing Indebtedness with respect to the Senior 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 Senior 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.

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 Senior Notes 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 August 2011 Senior 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 Foodservice Acquisition means, collectively, (a) the acquisition by Reynolds Group Holdings Inc., a direct wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging Inc., (b) the acquisition by Closure Systems International B.V., an indirect wholly owned subsidiary of BP III, of all of the Equity Interests of Reynolds Packaging International B.V., together with a minority interest in Reynolds Metals Company de Mexico S. de R.L. de C.V., from an affiliated entity, that along with Reynolds Group Holdings Inc. and Closure Systems International B.V., is beneficially owned by Mr. Graeme Richard Hart.

Reynolds Foodservice Acquisition Document means the Stock Purchase Agreement, dated as of September 1, 2010, among BP III, Reynolds Group Holdings Inc., Closure Systems International B.V. and Reynolds Packaging (NZ) Limited.

Reynolds Foodservice Transactions means the Reynolds Foodservice Acquisition and the transactions related thereto.

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 UK

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 Senior Notes or the Senior 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 Senior Notes Indenture.

Senior Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Notes Indenture and the Senior Notes by any Person in accordance with the provisions of the Senior Notes Indenture.

Senior Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that entered into the Senior Notes Indenture on the Escrow Release Date (other than the Issuers) and (y) any Person that subsequently became a Senior Note Guarantor in accordance with the terms of the Senior Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Note Guarantee in accordance with the Senior Notes Indenture, such Person shall cease to be a Senior Note Guarantor.

Senior Notes means the $1,000,000,000 aggregate principal amount of 9.875% Senior Notes due 2019 issued pursuant to the Senior Notes Indenture.

Senior Notes Indenture means the Senior Notes Indenture dated as of the Issue Date, among US LLC Escrow Issuer, US Corporate Escrow Issuer and 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.

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.

Senior Secured Note Guarantee means any guarantee of the obligations of the Issuers under the Senior Secured Notes Indenture and the Senior Secured Notes by any Person in accordance with the provisions of the Senior Secured Notes Indenture.

Senior Secured Note Guarantors means (x) RGHL, BP I and the Restricted Subsidiaries that enter into the Senior Secured Notes Indenture on the Escrow Release Date (other than the Issuers) and (y) any Person that subsequently becomes a Senior Secured Note Guarantor in accordance with the terms of the Senior Secured Notes Indenture; *provided* that upon the release or discharge of such Person from its Senior Secured Note Guarantee in accordance with the Senior Secured Notes Indenture, such Person shall cease to be a Senior Secured Note Guarantor.

Senior Secured Notes means the $1,500,000,000 aggregate principal amount of 7.875% Senior Secured Notes due 2019 issued pursuant to the Senior Secured Notes Indenture.

Senior Secured Notes Indenture means the Senior Secured Notes Indenture dated as of the Issue Date, among US LLC Escrow Issuer, US Corporate Escrow Issuer and 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. *Senior Secured Notes Security Documents* means those agreements or other instruments entered into pursuant to which security interests in the Collateral (as defined in the Senior Secured Notes Indenture) are granted to secure the Senior Secured Notes and the guarantees 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 Senior Notes and (b) with respect to any Senior Note Guarantor, any Indebtedness of such Senior Note Guarantor which is by its terms subordinated in right of payment to its Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 Senior 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 UK 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

1034

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, the Evergreen Transactions, the Pactiv Transactions, the Reynolds Foodservice Transactions, the Dopaco Transactions and the Graham Packaging Transactions.

Treasury Rate (as determined by the Issuers) means, with respect to the Senior 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 August 15, 2015; *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 Senior Notes Indenture.

Trustee means the party named as such in the Senior Notes 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.

U.S. Dollar Equivalent means with respect to any monetary amount in a currency other than U.S. Dollars, at any time for determination thereof by BP I, BP II or the Trustee, the amount of U.S. Dollars obtained by converting such currency other than U.S. Dollars involved in such computation into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as published in *The Wall Street Journal* in the Exchange Rates column under the heading Currency Trading (or, if *The Wall Street Journal* is no longer published, or if such information is no longer available in *The Wall Street Journal,* such source as may be selected in good faith by BP I or BP II) on the date of such determination.

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 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 of the proceeds of the October 2010 Senior Notes and the October 2010 Senior Secured Notes, (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 Senior Secured Notes and the February 2011 Senior Notes and (f) in connection with the Graham Packaging Acquisition, the intercompany loan from the US Issuer I to BP I or one of its Subsidiaries, dated the Escrow Release Date (as from time to time amended, supplemented, replaced or modified), made with a portion of the proceeds from the Senior Secured Notes and the Senior 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.

TAX CONSIDERATIONS

United States Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income tax considerations relating to the exchange offer. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, U.S. Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to specific Holders (as defined below) in light of their particular circumstances or to Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, dealers in securities or other Holders that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, certain former citizens or residents of the United States, Holders that hold a note as part of a straddle, hedge, conversion or other integrated transaction or U.S. Holders that have a functional currency other than the U.S. dollar). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift or alternative minimum tax considerations. As used in this discussion, the term Holder means a beneficial owner of a note.

The exchange of an old note for a new note pursuant to the exchange offer will not be treated as a sale or exchange of the old note by a Holder for U.S. federal income tax purposes. Accordingly, a Holder of an old note will not recognize any gain or loss upon the exchange of such old note for a new note pursuant to the exchange offer. Such Holder s holding period for such new note will include the holding period for such old note, and such Holder s adjusted tax basis in such new note will be the same as such Holder s adjusted tax basis in such old note. There will be no U.S. federal income tax consequences to a Holder of an old note that does not participate in the exchange offer.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME AND ANY OTHER TAX CONSIDERATIONS RELATING TO THE EXCHANGE OFFER IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Certain United Kingdom Tax Considerations

The following is a general summary of certain United Kingdom (UK) tax considerations relating to the exchange offer. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of new notes. The comments relate only to the position of persons (UK holders) who are absolute beneficial owners of the new notes and are resident (and in the case of individuals, ordinarily resident and domiciled) in the UK for tax purposes. The following is a general guide for information purposes and should be treated with appropriate caution. In particular, noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of new notes are advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of the exchange offer. In particular, noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of new notes.

The exchange of old notes for new notes by a UK holder who is an individual should not be treated as a disposal of such old notes or an acquisition of the new notes for UK capital gains tax purposes. Instead, the new notes should be treated for such purposes as the same asset acquired at the same time, and for the same amount, as such old notes. However, the old notes may be regarded as deeply discounted securities for the purposes of the special rules set out in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If so, the exchange of old notes for new notes by a UK holder who is an individual pursuant to the exchange offer may, depending on the holder s personal circumstances, give rise to a charge to income tax on the positive difference, if any, between the market value of the new notes received by such holder on the date of the exchange and the amount paid by the holder to acquire the old notes for which they are exchanged.

The tax consequences of the exchange of old notes for new notes for a UK holder which is within the charge to UK corporation tax (for example, a company which is resident in the UK for UK tax purposes) will in general depend on the accounting treatment of the exchange for such holder in its accounts, assuming that such a UK holder s accounts are prepared in accordance with generally accepted accounting practice.

There will be no UK tax consequences for a UK holder of old notes who does not participate in the exchange offer.

INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THEIR OWN PARTICULAR CIRCUMSTANCES AND THE PARTICULAR TAX CONSIDERATIONS APPLICABLE TO THEM RELATING TO THE NOTES, INCLUDING THE TAX CONSEQUENCES OF EXCHANGING OLD NOTES FOR NEW NOTES PURSUANT TO THE EXCHANGE OFFER OR NOT PARTICIPATING IN THE EXCHANGE OFFER.

Certain Luxembourg Income Tax Considerations

The following is a discussion of the material Luxembourg income tax considerations relating to the exchange offer for holders of the notes (the Holders) which are tax residents of Luxembourg. This discussion is based on the Luxembourg Income Tax Act of 1967 (*Loi relative à l impôt sur le revenu*) as amended. This discussion does not address all of the Luxembourg income tax considerations that may be relevant to specific Holders in light of their particular circumstances or to Holders subject to special treatment under Luxembourg income tax law.

For Holders which are tax residents of Luxembourg, the exchange of an old note for a new note pursuant to the exchange offer will in principle be treated as a sale or exchange of the old note by a Holder for Luxembourg income tax purposes. Accordingly, a Holder of an old note may have to recognize a gain or loss upon the exchange of an old note for a new note pursuant to the exchange offer. Such Holder s holding period for such new note will in principle not include the holding period for the old note, and such Holder will in principle have a new adjusted tax basis in such new note. In principle, there should not be any Luxembourg income tax consequences to a Holder of an old note that does not participate in the exchange offer.

For Holders which are not tax residents of Luxembourg, the exchange of an old note for a new note should not have any Luxembourg income tax consequences.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE LUXEMBOURG TAX CONSIDERATIONS TO THEM RELATING TO THE NOTES, INCLUDING THE TAX CONSEQUENCES OF EXCHANGING OLD NOTES FOR NEW NOTES PURSUANT TO THE EXCHANGE OFFER OR NOT PARTICIPATING IN THE EXCHANGE OFFER.

PLAN OF DISTRIBUTION

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. 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 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, as amended or supplemented, available for use in connection with any such resale. In addition, until , 2012, all dealers effecting transactions in the new notes may be required to deliver a prospectus.

The Issuers will not receive any proceeds from any sale of new notes by broker-dealers. New notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the new notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such new notes. Any broker-dealer that resells new notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such new notes may be deemed to be an underwriter within the meaning of the Securities Act and any profit on any such resale of new notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver 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.

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 the Issuers will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any exchange dealer, initial purchaser or broker-dealer that requests such documents in the letter of transmittal. The Issuers have agreed to pay all expenses incident to the exchange offer (including the expenses of one counsel for the holders of the notes) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

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 provisions 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.

Table of Contents

VALIDITY OF THE SECURITIES

The validity of the new notes and the guarantees will be passed upon for us by Debevoise & Plimpton LLP. Debevoise & Plimpton LLP will rely upon the opinion of Blank Rome LLP as to certain matters of California law, the opinion of Richards, Layton & Finger, P.A. as to certain matters of Delaware law, the opinion of Sher Garner Cahill Richter Klein McAllister and Hilbert L.L.C. as to certain matters of Louisiana law, the opinion of Dorsey & Whitney LLP as to certain matters of Minnesota law, the opinion of Lowenstein Sandler PC as to certain matters of New Jersey law, the opinion of Roberts & Stevens, P.A. as to certain matters of North Carolina law, the opinion of Vorys, Sater, Seymour and Pease LLP as to certain matters of Ohio law, the opinion of Ballard Spahr LLP as to certain matters of Pennsylvania law, the opinion of Jones Waldo Holbrook & McDonough, PC as to certain matters of Utah law, the opinion of Corrs Chambers Westgarth as to certain matters of Australian law, the opinion of Schoenherr Rechtsanwaelte GmbH as to certain matters of Austrian law, the opinion of Levy & Salomao Advogados as to certain matters of Brazilian law, the opinion of Harney Westwood & Riegels as to certain matters of British Virgin Islands law, the opinion of Blake, Cassels & Graydon LLP as to certain matters of Canadian law, the opinion of Pacheco Coto as to certain matters of Costa Rican law, the opinion of Carey Olson as to certain matters of Guernsey law, the opinion of Freshfields Bruckhaus Deringer (Hong Kong) as to certain matters of Hong Kong law, the opinion of Oppenheim Ügyvédi Iroda as to certain matters of Hungarian law, the opinion of Freshfields Bruckhaus Deringer (Japan) as to certain matters of Japanese law, the opinion of Loyens & Loeff, Avocats à la Cour, as to certain matters of Luxembourg law, the opinion of Borda y Quintana, S.C. as to certain matters of Mexican law, the opinion of Freshfields Bruckhaus Deringer (Netherlands) as to certain matters of Dutch law, the opinion of Bell Gully as to certain matters of New Zealand law, the opinion of Pestalozzi Attorneys at Law as to certain matters of Swiss law and the opinion of Weerawong, Chinnavat & Peangpanor Ltd. as to certain matters of Thai law.

EXPERTS

The financial statements of Reynolds Group Holdings Limited as of December 31, 2010 and 2011 and for each of the three years in the period ended December 31, 2011 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Beverage Packaging Holdings (Luxembourg) I S.A. as of December 31, 2010 and 2011 and for each of the three years in the period ended December 31, 2011 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The combined financial statements of Beverage Packaging Holdings Group as of December 31, 2010 and 2011 and for each of the three years in the period ended December 31, 2011 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Pactiv Corporation at December 31, 2008 and 2009, and for each of the three years in the period ended December 31, 2009, appearing in this prospectus and the registration statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The 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 two years ended December 26, 2010 and December 27, 2009 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Graham Packaging Company Inc. as of December 31, 2009 and 2010 and for each of the three years in the period ended December 31, 2010 included in this prospectus have

Table of Contents

been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

In connection with the exchange offer, we have filed with 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
(847) 482-2409

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.

Table of Contents

ENFORCEMENT OF CIVIL LIABILITIES

The US Issuers are organized under the laws of the state of Delaware. Lux Issuer is organized under the laws of Luxembourg. The guarantors are incorporated and organized under the laws of 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, as applicable. As of the date of this prospectus, the directors and officers of many of the guarantors and the Lux Issuer, and many of the assets of such guarantors, are located outside the United States. Therefore, any judgment obtained in the United States against any such guarantor or any other such person, 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. In addition, it may not be possible for investors to effect service of process within the United States upon the directors and officers of many of the guarantors, or to enforce against any of them judgments obtained in U.S. courts predicated upon the civil liability provisions of federal or state securities laws. The laws of each jurisdiction with respect to the collectability and enforcement of judgments obtained in U.S. courts are different and may adversely affect your right of recovery. See 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.

Australia

To enforce a conclusive and unsatisfied judgment that is enforceable by execution in the United States and obtained against a guarantor incorporated in Australia in a superior court of New York having jurisdiction to give that judgment, it is necessary for the judgment creditor to bring separate proceedings in the appropriate courts of Australia founded on the judgment. There is no treaty between the Commonwealth of Australia and the United States regarding the reciprocal recognition and enforcement of judgments.

Additionally, there is doubt as to the enforceability in Australia in original actions, or in actions for enforcement of judgments of United States courts, of civil liabilities predicated solely upon the civil liability provisions of the federal securities laws of the United States. Further, a judgment of a United States court (whether or not such judgment relates to United States federal securities laws) may not be enforceable in Australia in certain other circumstances, including, among others, where such judgments:

- contravene local public policy;
- breach the rules of natural justice or general principles of fairness or are obtained by fraud;
- are subject to a declaration under the Foreign Proceedings (Excess of Jurisdiction) Act (1984) of Australia;
- are not for a fixed or readily ascertainable sum;
- are subject to appeal, dismissal, stay of execution or are otherwise not final and conclusive;
- involve multiple or punitive damages; or
- relate to proceedings of a revenue or penal nature.

Austria

According to the Austrian Enforcement Act (Exekutionsordnung), foreign judgments are only enforceable if the reciprocity is warranted by a bilateral or multilateral treaty between the countries involved or by an ordinance (Verordnung) of the Austrian government (in which ordinance the Austrian government confirms the reciprocity). The Republic of Austria and the United States have not entered into a treaty regarding the reciprocal recognition and enforcement of judgments rendered in either courts, other than arbitration awards in civil and commercial matters. There is also no applicable ordinance of the Austrian government in place. As such, the courts of Austria will not recognize and/or enforce a judgment obtained in the courts of the United States, be it a judgment rendered by a United States federal or state court. Accordingly, the subject matter upon which a judgment has been obtained in a United States federal or state court must be re-litigated before Austrian courts in accordance with applicable Austrian Civil Procedure Laws (Zivilprozessverfahren). Only after having obtained a final judgment before Austrian courts can enforcement procedures be initiated under the Austrian Enforcement Act.

Brazil

Some guarantors of the notes are incorporated under the laws of Brazil. These guarantors directors all reside outside the United States and all of the guarantors assets are located outside the United States. As a result, it may not be possible for investors to effect service of process in the United States upon such Guarantors or their directors, or to enforce judgments against them in the United States.

Brazil has not entered into a treaty with the United States providing for the reciprocal recognition and enforcement of judgments. Notwithstanding, a final conclusive judgment for the payment of money rendered by any U.S. state or federal court in respect of the guarantee would be recognized in the courts of Brazil (to the extent that Brazilian courts may have jurisdiction) and such courts would enforce such judgment without any retrial or reexamination of the merits of the original action only if such judgment has been previously ratified by the Superior Court of Justice of Brazil *(Superior Tribunal de Justiça* or STJ). Such ratification is available only if:

the judgment fulfills all formalities required for its enforceability under the applicable federal and state laws of the U.S.;

the judgment contemplates an order to pay a determined sum of money or specific performance;

the judgment is issued by a competent court after proper service of process on the parties in conformity with due process, which service must comply with Brazilian law if made against a Brazilian resident party, or after sufficient evidence of the parties absence has been given, as established pursuant to applicable law;

the judgment is not subject to appeal;

the judgment is authenticated by the Brazilian consulate in the location the judgment was delivered;

the judgment is translated into Portuguese by a certified translator; and

the judgment is not against Brazilian public policy, good morals or national sovereignty.

Notwithstanding the foregoing, no assurance can be given that such ratification would be obtained, that the process described above could be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the U.S. securities laws with respect to the guarantee. Furthermore, civil actions may be brought before Brazilian courts in connection with this prospectus predicated solely on the federal securities laws of the United States and, subject to applicable law, Brazilian courts may enforce liabilities in such action against us or the directors and officers (provided that provisions of the federal securities laws of the United States do not contravene Brazilian policy, good morals or national sovereignty and provided further that Brazilian courts can assert jurisdiction over the particular action) and the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant is limited by provisions of Brazilian law.

Under Brazilian regulations, Brazilian companies are not required to obtain authorization from the Brazilian Central Bank in order to make payments under guarantees in favor of foreign persons, such as the holders of the notes and the Issuers. There is no assurance that such regulations will continue to be in force at the time the Brazilian guarantors are required to perform their payment obligations under the guarantees. If these regulations are modified and an authorization from the Brazilian Central Bank is required, the Brazilian guarantors would need to seek an authorization from the Brazilian Central Bank to transfer the amounts under the guarantees out of Brazil or, alternatively, make such payments with funds held by the Brazilian guarantors outside Brazil. There is no assurance that such an authorization will be obtained or that such funds will be available.

Table of Contents

In addition, a plaintiff (whether Brazilian or not) that resides outside Brazil during the course of litigation in Brazil must post bond to secure payment of costs and fees if the plaintiff owns no real property in Brazil. This bond must have a value sufficient to satisfy the payment of court fees and defendant s attorneys fees, as determined by the Brazilian judge, except in the case of the enforcement of foreign judgments that have been duly confirmed by the STJ.

British Virgin Islands

There is no statutory registration regime in the British Virgin Islands for judgments of the courts of the United States (the Courts). However, any final and conclusive monetary judgment for a definite sum obtained against a British Virgin Islands Guarantor (the BVI Guarantor) in the Courts would be recognized as a valid judgment and treated by the courts of the British Virgin Islands as a cause of action in itself and sued upon as a debt at common law with a view to proceeding with the claim by way of summary judgment so that no retrial of the issues would be necessary provided that:

- the Courts had jurisdiction in the matter and the BVI Guarantor either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process;
- the judgment given by the Courts was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations;
- the judgment was not procured by fraud;
- recognition or enforcement of the judgment in the British Virgin Islands would not be contrary to public policy;
- the proceedings pursuant to which judgment was obtained were not contrary to natural justice;
- no new admissible evidence relevant to the matter was submitted prior to the rendering of the judgment by the courts of the British Virgin Islands; and
- all procedures relevant to the matter under the laws of the British Virgin Islands were duly complied with.

The British Virgin Islands would follow the general position under English common law that a court will not enforce a foreign penal law, either directly or indirectly. A judgment awarding monetary damages under the U.S. federal securities laws would constitute a penalty (and therefore not be enforced) if it is recoverable only at the instance of: (i) a U.S. state; (ii) a U.S. public official or agency; or (iii) a member of the public in the character of a common informer who pursues an action in the interest of the whole community.

Original action in the British Virgin Islands based upon the U.S. federal securities laws

If an action is capable of amounting to a cause of action under common law and thus capable of being sustained as a cause of action in itself under English law then it may be possible for such action to be brought in the British Virgin Islands. For example, if the action to be brought in the British Virgin Islands is based on a provision within the U.S. federal securities laws which prohibits fraud, deceit or misrepresentation in the sale of securities, an investor may be able to bring an original action in the British Virgin Islands if the facts and circumstances of their case amount to an action for fraud, misrepresentation or deceit based solely on the common law without reference to or independent of the U.S. federal securities laws.

However, where such action can only be based on a particular provision within the U.S. federal securities laws, for example, such action that may relate to strict reporting or registration requirements to particular bodies established under or recognized by such law (such as the SEC); it is very unlikely that such action would have extra-territorial effect unless specifically stated within that law and recognized as having such effect under British Virgin Islands law. Consequently, an investor would not be able to bring such an action in the British Virgin Islands in those circumstances.

Canada

Canada and its provinces are not party to any convention or bilateral treaty with the United States providing for the reciprocal recognition and enforcement of judgments. As a result, a judgment obtained in a U.S. federal or state court (a U.S. Court) against the guarantors (or their directors or officers) incorporated (or located) in the province of Ontario or Québec will not automatically be recognized or enforced by the courts of those provinces, but may be enforced by a judgment of the courts of those provinces on the basis discussed below. However, there is substantial doubt whether an original action predicated solely upon civil liability under United States federal securities legislation could be brought successfully in the province of Ontario or Québec, and furthermore, that if a court of either of those provinces concluded that it had jurisdiction over such an action, it might exercise its discretion to decline to assume jurisdiction based on consideration of the most appropriate or convenient forum for that action to be heard.

Ontario

A court of competent jurisdiction in the Province of Ontario (Ontario Court) would give a judgment based upon a final and conclusive in personam judgment of a court exercising jurisdiction in a U.S. Court for a sum certain, obtained against a guarantor (or its directors or officers) with respect to a claim arising out of the guarantee provided by such guarantor (a U.S. Judgment), without reconsideration of the merits, provided that:

(a) the U.S. Court had jurisdiction over the guarantor as recognized under the laws of the Province of Ontario and the federal laws of Canada applicable therein for purposes of enforcement of foreign judgments;

(b) an action to enforce the U.S. Judgment must be commenced in the Ontario Court within any applicable limitation period;

(c) the Ontario Court has discretion to stay or decline to hear an action on the U.S. Judgment if the U.S. Judgment is under appeal or there is another subsisting judgment in any jurisdiction relating to the same cause of action as the U.S. Judgment;

(d) the Ontario Court will render judgment only in Canadian dollars; and

(e) an action in the Ontario Court on the U.S. Judgment may be affected by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors rights generally; and

subject to the following defenses:

(f) the U.S. Judgment was obtained by fraud or in a manner contrary to the principles of natural justice;

(g) the U.S. Judgment is for a claim which under the laws of the Province of Ontario and the federal laws of Canada applicable therein would be characterized as based on a foreign revenue, expropriatory, penal or other public law, which would include awards of damages made under civil liability provisions of United States federal securities legislation, or other laws, to the extent that the same would be classified by Ontario Courts as being of a penal nature (for example, penal or similar awards made by a court in a regulatory prosecution or proceeding);

(h) the U.S. Judgment is contrary to Ontario public policy or to an order made by the Attorney General of Canada under the *Foreign Extraterritorial Measures Act* (Canada) or by the Competition Tribunal under the *Competition Act* (Canada) in respect of certain judgments referred to in these statutes; and

(i) the U.S. Judgment has been satisfied or is void or voidable under the laws of the applicable state or the federal laws of the United States.

Table of Contents

Québec

A court of competent jurisdiction in the Province of Québec (a Québec Court) would permit a motion to be brought in a Québec Court for recognition and enforcement of any final, conclusive and enforceable judgment in personam for a sum certain rendered by a U.S. Court if the judgment is neither subject to ordinary remedy (such as appeal and judicial review) nor impeachable as void or voidable under the internal law of the relevant state, and if :

the U.S. Court rendering such judgment had jurisdiction over the judgment debtor, as determined by the Civil Code of Québec;

such judgment was not obtained by fraud or rendered in contravention of the fundamental principles of procedure or contrary to any order made by the Attorney General of Canada under the Competition Act (Canada) or the Foreign Extraterritorial Measures Act (Canada);

there has been no dispute between the same parties, based on the same facts and having the same object, which has given rise to a decision by a Québec Court, whether it has acquired the authority of a final judgment (res judicata) or not, or is pending before a competent authority, in the first instance, or has been decided in a third country and the decision meets the necessary conditions for recognition by such a Québec Court;

the outcome of such judgment is not manifestly inconsistent with public order as understood in international relations, as such term is applied by a Québec Court;

the enforcement of such judgment does not constitute the enforcement of obligations arising from the taxation law of a jurisdiction other than the Province of Québec unless the law of that jurisdiction recognizes and enforces the taxation law of the Province of Québec; and

the motion for recognition and declaration for enforcement of such judgment in the Province of Québec is commenced within three years after the date of such judgment.

Further, if the judgment was rendered by default, the plaintiff must prove that the act of procedure initiating the proceedings was duly served on the defendant, and a Québec Court may refuse recognition or enforcement of the judgment if the defendant proves that, owing to the circumstances, it was unable to learn of the act of procedure initiating the proceedings or it was not given sufficient time to offer its defense.

Recognition or enforcement of a foreign decision may also be granted partially if the decision deals with several claims that can be dissociated.

Where a foreign decision orders a debtor to pay a sum of money expressed in foreign currency, a Québec Court converts the sum into Canadian currency at the rate of exchange prevailing on the day that the decision became enforceable at the place where it was rendered.

England and Wales

Enforcement of judgments of US courts

England and Wales is not party to any convention or bilateral treaty with the United States providing for the reciprocal recognition and enforcement of judgments. As a result, a judgment obtained in a court in the United States against the guarantors (or their directors or officers) incorporated (or located) in England and Wales will not automatically be recognized or enforced in England and Wales, but may be enforceable by separate action on the judgment in accordance with English common law rules.

To obtain an enforceable judgment in England and Wales, the claimant would be required to bring fresh proceedings before the competent court in England and Wales. In such an action, the English court is unlikely to re-examine the merits of the original case decided by a United States court.

Table of Contents

According to current practice, the English court will (subject to the following matters) enforce the judgment of a court in the United States in a claim in personam provided that the following conditions *inter alia* are satisfied:

(a) the judgment is for a debt or fixed or ascertainable sum of money (provided that the judgment does not relate to U.S. penal, revenue or other public laws);

(b) the judgment is final and conclusive; and

(c) the court in the United States had, at the time when proceedings were served, jurisdiction over the judgment debtor in accordance with the English rules of private international law.

An English court will not, however, enforce that judgment if the judgment debtor satisfies the court that:

(a) the judgment was (i) procured by fraud, or (ii) given in breach of principles of natural or substantial justice;

(b) recognition of the judgment would be contrary to English public policy;

(c) the judgment is a judgment on a matter previously determined by an English court or another court whose judgment is entitled to recognition in England or conflicts with an earlier judgment of such court;

(d) the judgment was obtained in breach of an agreement for the settlement of disputes (otherwise than by proceedings in a United States court);

(e) the judgment is of a kind specified in Section 5 of the Protection of Trading Interests Act 1980 (judgments for multiple damages, etc.) or based on measures designated by the Secretary of State under Section 1 of that Act (overseas measures affecting UK trading interests); or

(f) enforcement proceedings are time barred under the Limitation Act 1980.

If the English court gives judgment for the sum payable under a judgment of a United States court, the English judgment would be enforceable by the methods generally available for the enforcement of English judgments. These give the court discretion whether to allow enforcement by any particular method. In addition, it may not be possible to obtain an English judgment or to enforce any English judgment if the judgment debtor is subject to any insolvency or similar proceedings, if there is delay, if an appeal is pending or anticipated against the English judgment in England or against the foreign judgment in the courts of the United States or if the judgment debtor has any set-off or counterclaim against the judgment creditor. Additionally any security interest created under the Senior Secured Credit Facilities and the senior secured notes may be affected in circumstances where the English courts provide judicial assistance to persons empowered under foreign bankruptcy law to act on behalf of an insolvent company.

It is unclear whether a judgment awarding monetary damages under the U.S. federal securities laws would constitute an unenforceable penalty. One court has held that a judgment awarding disgorgement damages does not constitute a penalty, whereas a civil penalty would be deemed to be so. However, the position has not been finally settled.

Original actions in courts of England and Wales

It is questionable whether an English court would accept jurisdiction and impose civil liability on a guarantor incorporated in England and Wales if the original action against the guarantor was commenced in England and Wales, instead of the United States, and predicated upon U.S. securities laws.

Germany

Enforcement of U.S. Judgments in Germany

There is doubt as to the enforceability in Germany of civil liabilities based on federal or state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in

U.S. federal or state courts. The United States and the Federal Republic of Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Germany. A final judgment by a U.S. federal or state court, however, may be recognized and enforced in Germany in an action before a court of competent jurisdiction in accordance with the proceedings set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). In such an action, a German court generally will not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below. The recognition and enforcement of the U.S. judgment by a German court is conditional upon a number of factors, including the following:

the judgment being final under U.S. law;

the U.S. court having had jurisdiction over the original proceeding under German law;

the defendant having had the chance to defend itself against an unduly or untimely served complaint;

the judgment of the U.S. court being consistent with should one of the following judgments exist (i) the judgment of a German court or (ii) a recognized judgment of a foreign court handed down before the judgment of the U.S. court;

the procedure on which the judgment of the U.S. court is based being consistent with should a matter have been pending before a German court before the procedure of that pending matter in Germany;

the recognition of the judgment by the U.S. court being compatible with German public policy, including the fundamental principles of German law and, in particular, the civil liberties *(Grundrechte)* guaranteed by virtue of the German Constitution *(Grundgesetz)*; and

generally, the guarantee of reciprocity.

Subject to the foregoing, holders of the notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Germany. However, there can be no assurance that attempts to enforce judgments in Germany will be successful. In addition, the recognition and enforcement of punitive damages are usually denied by German courts as incompatible with the substantial foundations of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Consequently, judgments awarding monetary damages under civil liabilities provisions of the U.S. federal securities laws may not be enforceable to the extent they provide for a compensation that would qualify as being of a penal or punitive nature, i.e. where such compensation exceeds the actual losses and the compensation for pain and suffering.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. Insofar as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on the common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

Guernsey

In Guernsey, foreign judgments can be recognized by the Royal Court of Guernsey either under the Foreign Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957, as amended, which provides a statutory framework for the enforcement of judgments from certain recognized jurisdictions, or under the principles of common law. Guernsey is not party to any convention or bilateral treaty with the United States providing for the reciprocal recognition and enforcement of judgments. As a result, a judgment obtained in a court in the United States against the Guernsey guarantor (or its directors or officers) incorporated (or located) in Guernsey will not automatically be recognized or enforced in Guernsey, but may be enforceable by separate action on the judgment in accordance with Guernsey common law rules.

To obtain an enforceable judgment in Guernsey, the claimant would be required to bring fresh proceedings before the competent court in Guernsey. In such an action, the Guernsey court is unlikely to re-examine the merits of the original case decided by a United States court.

According to current practice, the Guernsey court will (subject to the following matters) enforce the judgment of a court in the United States in a claim in personam provided that the following conditions inter alia are satisfied:

(a) the judgment is for a debt or fixed or ascertainable sum of money (provided that the judgment does not relate to U.S. penal, revenue or other public laws);

(b) the judgment is final and conclusive; and

(c) the court in the United States had, at the time when proceedings were served, jurisdiction over the judgment debtor in accordance with the Guernsey rules of private international law.

A Guernsey court will not, however, enforce that judgment if the judgment debtor satisfies the court that:

(a) the judgment was (i) procured by fraud, or (ii) given in breach of principles of natural or substantial justice;

(b) recognition of the judgment would be contrary to Guernsey public policy;

(c) the judgment is a judgment on a matter previously determined by a Guernsey court or another court whose judgment is entitled to recognition in Guernsey or conflicts with an earlier judgment of such court;

(d) the judgment was obtained in breach of an agreement for the settlement of disputes (otherwise than by proceedings in a United States court); and

(e) enforcement proceedings are time barred under the Guernsey Laws on Prescription/Limitation.

If the Guernsey court gives judgment for the sum payable under a judgment of a United States court, the Guernsey judgment would be enforceable by the methods generally available for the enforcement of Guernsey judgments. These give the court discretion whether to allow enforcement by any particular method. In addition, it may not be possible to obtain a Guernsey judgment or to enforce any Guernsey judgment if the judgment debtor is subject to any insolvent administration or similar proceedings, if there is delay, if an appeal is pending or anticipated against the Guernsey judgment in Guernsey or against the foreign judgment in the courts of the United States or if the judgment debtor has any set-off or counterclaim against the judgment creditor. Additionally any Security Interest may affect the circumstances where the Guernsey courts provide judicial assistance to persons empowered under foreign bankruptcy law to act on behalf of an insolvent company and/or in relation to the enforcement of a judgment debt.

Jurisdiction

A foreign court is considered to have jurisdiction where one of four criteria is met, being any of the following:

> where the respondent to the order sought to be enforced was, at the time the proceedings were instituted, present in the foreign jurisdiction (and where that person is a corporate entity, whether it is resident or maintains a fixed place of business in the foreign jurisdiction);

where the respondent to the order sought to be enforced was a claimant or counterclaimant in the proceedings in the foreign court;

where the respondent to the order sought to be enforced submitted to the jurisdiction of the foreign court by voluntarily appearing in the proceedings; or where the respondent to the order sought to be enforced agreed, prior to the commencement of the proceedings, to submit to the jurisdiction of the foreign court.

Sum of Money

It is a generally accepted principle of common law in Guernsey that for a court to recognize a foreign judgment, that judgment needs to be for a definite sum of money and must not include deductions or additions for unspecified amounts such as tax, nor can it include penalties.

Final and Conclusive

A foreign judgment which is final and conclusive, for the purposes of recognition under Guernsey common law, is one which cannot be varied by the court which pronounced it, notwithstanding that there may be a right of appeal.

Subject to the foregoing, holders of notes who obtain a final judgment for a definite sum of money from a court in New York against a Guernsey guarantor could subsequently bring proceedings in Guernsey to recover the sum specified, as the Guernsey guarantor submitted to the jurisdiction of the New York Courts when entering into the indentures.

Original actions in courts of Guernsey

A court of Guernsey would have jurisdiction over an action brought by an investor under U.S. securities laws against a guarantor incorporated and organized under the laws of Guernsey, and would apply U.S. law (if applicable) to determine the liability of the defendant. However, the court may decline to exercise jurisdiction over the claim. A key factor as to whether the Guernsey Court would take jurisdiction is likely to be arguments on forum conveniens. Factors such as the extent of the disputed issues of Foreign law and the location of key witnesses is likely to influence the Guernsey Courts decision at this area.

Would a monetary judgment on U.S. Federal Securities Laws Constitute a penalty

This is addressed only to the extent it may affect the enforcement of a U.S. judgment. There is no specific decided Guernsey case law on this point. The matter cannot therefore be conclusively opined on. The issue would seem to turn on whether the exemptions (set out above) apply in particular issues of Guernsey s public policy. Assuming the basis of the monetary judgment was securities legislation seeking to achieve (in policy terms) what Guernsey s own securities legislation is seeking to achieve (again in policy terms) and no criminal sanctions are linked to the non payment of any monetary judgment (so matters cannot be characterized except as a pure monetary judgment) then the Guernsey Court may be prepared to enforce a monetary judgment based on U.S. Federal Securities Law and would not hold it a non-enforceable penalty.

Hungary

Enforcement of the Choice of U.S. Law

The Hungarian courts would give effect to the choice of U.S. law as the governing law of the obligations under the guarantee in a lawsuit commenced in respect of the guarantee.

Enforcement of U.S. Court Judgments

Hungarian courts will enforce a final and non-appealable judgment of a U.S. court with respect to property (including money) claims only in cases where:

(i) the jurisdiction of the court or authority is found to be legitimate under Hungarian legal rules concerning jurisdiction; and

(ii) the jurisdiction of such foreign court was stipulated by the parties in the manner prescribed by Hungarian conflicts law.

The judgments of foreign courts are recognized under Hungarian law except where:

(i) such recognition is manifestly contrary to public policy in Hungary;

(ii) the foreign court would not have had competence under its own laws to proceed against its own citizen (including legal entities) in a similar matter;

(iii) it was given in default of appearance, if the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and such a way as to enable him to arrange for his defenses, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for him so to do;

(iv) the decision was based on the findings of proceedings which seriously violated the basic principles of Hungarian procedural rules;

(v) it is irreconcilable with the judgment given in a dispute between the same parties in Hungary;

(vi) it is irreconcilable with an earlier judgment given outside Hungary involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in Hungary addressed; or

(vii) the judgment conflicts with the provisions of any regulation dealing with jurisdiction in matters relating to insurance, jurisdiction over consumer contracts and exclusive jurisdiction (for example, proceedings related to real estate located in Hungary).

Statute of Limitations

The general statute of limitations period is five years in Hungary for enforcing a claim arising from guarantee obligations. The enforceability of a foreign judgment or arbitration award arising from a lawsuit initiated after the Hungarian statute of limitations periods have elapsed is uncertain.

Japan

A judgment of a foreign court may be enforced in a court of Japan, without further consideration of the merits of the case, only if all of the following conditions are satisfied:

- the foreign judgment concerned is duly obtained and is final and conclusive;
- the jurisdiction of the foreign court is recognized by the applicable law, or treaty;
- service of process has been duly effected on the party against which such judgment is to be enforced in Japan (the Counterparty) other than by public notice or some other similar method, or the Counterparty has appeared in the relevant proceedings in the foreign jurisdiction without receiving service thereof;
- the foreign judgment (including the court procedures leading to such judgment) is not contrary to public order or the good morals doctrine in Japan;
- judgments of Japanese courts receive reciprocal treatment in the courts of the foreign jurisdiction concerned; and

the dispute resolved by the foreign judgment has not been resolved by a judgment given by a Japanese court and is not being litigated before a Japanese court.

There is no treaty between Japan and the United States regarding the reciprocal enforcement of judgments. However, under certain state court s precedents, the following states are recognized as having reciprocity with Japan: California, New York, Texas, Nevada and the District of Columbia.

An investor may bring an original action in Japan based upon the U.S. federal securities laws if Japanese courts have jurisdiction over such action.

Table of Contents

A judgment of a foreign court which orders payment of punitive damages may be considered contrary to public order or the good morals doctrine and, therefore, such judgment may not be enforceable in Japan.

Luxembourg

Although there is no treaty between Luxembourg and the United States regarding the reciprocal enforcement of judgments, a valid, final and conclusive judgment against the Lux Issuer or a guarantor incorporated in Luxembourg obtained from a state or federal court of the United States, which judgment remains in full force and effect, may be enforced through a court of competent jurisdiction in Luxembourg, subject to compliance with the enforcement procedures set forth in Article 678 *et seq.* of the Luxembourg New Code of Civil Procedure, being:

the foreign court must properly have had jurisdiction to hear and determine the matter, both according to its own laws and to the Luxembourg international private law conflict of jurisdiction rules;

the foreign court must have applied the law which is designated by the Luxembourg conflict of laws rules or, at least, the order must not contravene the principles underlying those rules;

the decision of the foreign court must be enforceable in the jurisdiction in which it was rendered;

the foreign court must have applied the proper law to the matter submitted to it and the foreign procedure must have been regular in light of the laws of the country of origin;

the decision of the foreign court must not have been obtained by fraud, but in compliance with the rights of the defendant and in compliance with its own procedural laws; and

the decisions and the considerations of the foreign court must not be contrary to Luxembourg international public policy rules or have been given in proceedings of a tax, penal or criminal nature (which would include awards of damages made under civil liabilities provisions of the U.S. federal securities laws, or other laws, to the extent that the same would be classified by Luxembourg courts as being of a penal or punitive nature (for example, fines or punitive damages)) or rendered subsequent to an evasion of Luxembourg law (*fraude à la loi*). Ordinarily an award of monetary damages would not be considered as a penalty, but if the monetary damages include punitive damages such punitive damages may be considered as a penalty.

If an original action is brought in Luxembourg, without prejudice to specific conflict of law rules, Luxembourg courts may refuse to apply the designated law if the choice of such foreign law was not made bona fide or (i) if the foreign law was not pleaded and proved or (ii) if pleaded and proved, such foreign law was contrary to mandatory Luxembourg laws or incompatible with Luxembourg public policy rules. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

Mexico

There is doubt as to the enforceability in Mexico of civil liabilities based on the federal or state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. federal or state courts. The United States and Mexico currently do not have a treaty providing for the reciprocal recognition and enforcement of foreign judgments. Consequently, a final judgment for payment given by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Mexico. A final judgment by a U.S. federal or state court in a properly decided case, however, may be recognized and enforced in Mexico in an action before a court of competent jurisdiction pursuant to Article 1347A of the Commerce Code, which provides, *inter alia*, that any judgment rendered outside Mexico may be enforced by Mexican courts, provided that:

such judgment is obtained in compliance with the legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of the respective transaction documents;

such judgment is strictly for the payment of a certain sum of money, based on an in personam (as opposed to an in rem) action;

the judge or court rendering the judgment was competent to hear and judge on the subject matter of the case in accordance with accepted principles of international law that are compatible with Mexican law. The foreign judge or court rendering the judgment would not be considered competent when the relevant documents include a jurisdiction clause in which the parties have submitted solely to the jurisdiction of Mexican courts;

service of process is made personally on the defendant or on its duly appointed process agent;

such judgment does not contravene Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico or generally accepted principles of international law;

the applicable procedure under the laws of Mexico with respect to the enforcement of foreign judgments (including the issuance of a letter rogatory by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) is complied with;

the action in respect of which such judgment is rendered is not the subject matter of a lawsuit among the same parties, pending before a Mexican court;

such judgment is final in the jurisdiction where obtained;

the courts of such jurisdiction recognize the principles of reciprocity in connection with the enforcement of Mexican judgments in such jurisdiction; and

such judgment fulfills the necessary requirements to be authentic.

Recognition of the Laws of New York in Judicial Proceedings in Mexico

Although the choice of the laws of New York to govern the guarantees would be recognized by the competent courts of Mexico, in case of a dispute before a Mexican court, the Mexican court would only recognize the substantive laws of New York and would apply the laws of Mexico with respect to procedural matters. Further, a Mexican court may refuse to apply and/or to enforce provisions governed by the laws of New York (as they apply to the guarantees) if the respective provision is contrary to the public policy of Mexico.

Judgments of Mexican Courts Enforcing the Obligations of Any Mexican Guarantors in Respect of the Notes Would Be Paid Only in Mexican Pesos

In the event that proceedings are brought against the Mexican guarantors in Mexico, either to enforce a judgment or as a result of an original action brought in Mexico, the Mexican guarantors would not be required to discharge those obligations in a currency other than Mexican currency. Under the Monetary Law of Mexico, an obligation, whether resulting from a judgment or by agreement, denominated in a currency other than Mexican currency, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payments are made. Such rate is currently determined by the Mexican Central Bank *(Banco de México)* and published every banking day in the Official Gazette of the Federation *(Diario Oficial de la Federación)*. No separate action exists or is enforceable in Mexico for compensation for any shortfall.

New Zealand

Two guarantors of the notes are companies incorporated under the laws of New Zealand (New Zealand Guarantors). With the exception of Thomas Degnan, all of the directors of the New Zealand Guarantors reside outside the United States and all or a substantial portion of the assets of the New Zealand Guarantors and of the directors (other than Thomas Degnan) are located outside the United States. As a result, it may not be possible for investors to effect service of process in the United States upon a New Zealand Guarantor or its directors residing outside the United States, or to enforce judgments against them in the United States.

Table of Contents

Although there is no treaty between the United States and New Zealand providing for the reciprocal recognition and enforcement of judgments, as a matter of judicial comity, New Zealand courts will recognize a judgment obtained in the courts of the United States if, under the conflict of laws rules applied in New Zealand, the courts of the relevant jurisdiction of the United States had jurisdiction to give judgment against the judgment debtor. The jurisdiction of a court of the United States (or other foreign country) will be recognized in New Zealand if any of the following applies:

the person against whom the judgment is sought to be recognized or enforced (the judgment debtor) was resident in the relevant jurisdiction of the United States at the time proceedings were instituted, (and possibly if he or she were merely present at that time);

the judgment debtor was the plaintiff, or counterclaimed, in the proceedings in the United States court;

the judgment debtor submitted to the jurisdiction of the United States court by voluntarily appearing in the proceedings; or

the judgment debtor had expressly agreed before the commencement of the proceedings to submit to the jurisdiction of that court, or of the courts of that jurisdiction, in respect of the subject matter of the proceedings.

Provided the jurisdiction of the relevant United States court is recognized, its judgment may be enforced as a debt by proceedings in the courts of New Zealand, provided that the judgment:

is for payment of a debt or a definite sum of money;

is not in respect of taxes, fines or penalties;

is final and conclusive;

has not been wholly satisfied;

was not obtained by fraud;

was not obtained following proceedings that are contrary to New Zealand s conception of natural justice; and

was not repugnant to public policy as then recognized in New Zealand.

A judgment awarding monetary damages under U.S. federal securities laws may not be enforceable under New Zealand law if it is considered a penalty under New Zealand law. In classifying something as penal the Court will consider, but is not limited to considering, whether the laws are directed to the imposition of punishment or the recovery of monetary penalties.

An investor may bring an original action in a New Zealand Court based upon U.S. federal securities laws. However, the defendant of such action may challenge the proceedings on the basis that the New Zealand Court is not the appropriate forum for the trial of the proceeding.

Factors that are relevant to the determination of appropriate forum for the proceedings (the *forum conveniens*) include: (a) the relative cost and convenience of proceeding in each jurisdiction; (b) the location and availability of documents and witnesses; (c) the existence and state of related litigation in another jurisdiction; (d) whether all relevant parties are subject to the forum jurisdiction, so that all issues can be resolved in one hearing; (e) whether the law governing the dispute is the law of the forum; (f) the existence of an agreement to submit to a particular jurisdiction or a clause relating to the appropriateness of a particular forum; (g) the strength of the plaintiff s case; (h) the likely location of enforcement; (i) the genuineness of the defendant s objection to forum; (j) procedural advantages in one jurisdiction; (k) a decision in another jurisdiction that it is the *forum conveniens*; (l) the place of residence of the parties and where they carried on business; and (m) whether the overseas defendants will suffer an unfair disadvantage if a local court assumes jurisdiction.

The Netherlands

In the absence of an applicable treaty or convention providing for the recognition and enforcement of judgments in civil and commercial matters, other than arbitral awards, between the United States of America

Table of Contents

and the Netherlands, a judgment of a court in the United States of America (the U.S. Judgment) is not automatically enforceable in the Netherlands.

To obtain an enforceable judgment against the Dutch subsidiaries in the Netherlands, the matter will need to be re-litigated before the competent court in the Netherlands. Where the defendant was held liable for a breach of the U.S. federal securities law on the basis of tort, this in itself should not be a reason not to give effect to the U.S. Judgment. In the course of such proceedings, the U.S. Judgment will have to be submitted to the relevant court in the Netherlands, and the Dutch court may give the effect to the U.S. Judgment as it deems appropriate.

According to current practice, however, based upon case law, Dutch courts will be expected to render a judgment in accordance with the U.S. Judgment, if and to the extent that:

(i) the court rendering the U.S. Judgment had jurisdiction over the subject matter of the litigation on internationally acceptable grounds and has conducted the proceedings in accordance with general principles of fair trial;

(ii) the US Judgment is final and definite; and

(iii) such recognition is not in conflict with an existing Dutch judgment or with Dutch public policy (i.e. a fundamental principle of Dutch law). If a judgment awarding money damages contains a punitive element, such a judgment may be in violation of Dutch public policy. The relevant court in the Netherlands may therefore require a substantive review of such punitive damages. For such a review the court may require further information as to the nature and composition of the total amount of damages and the part thereof that corresponds with the punitive damages, in order to assess whether the punitive damages are of any proportion to the damages that have actually been suffered.

Switzerland

Judgments in civil or commercial matters of a non-Swiss court or authority will be recognized and enforced against an individual or a legal entity with legal domicile or seat in Switzerland pursuant to a bilateral or multilateral treaty or convention between the foreign country and Switzerland. In case no applicable treaty or convention exists, the rules of the Swiss Federal Act on Private International Law (PILA ; Bundesgesetz vom 18. Dezember 1987 über das Internationale Privatrecht (IPRG)) apply. Except for arbitral awards, there is currently no treaty or convention in effect pertaining to the recognition and enforcement of judgments in civil and commercial matters between the United States of America and Switzerland.

Thus, Art. 25-32 PILA apply for the recognition and enforcement of an U.S. federal or state court judgment (U.S. Judgment) in Switzerland. In cases where an U.S. money Judgment shall be enforced, the Swiss Federal Act on Debt Enforcement and Bankruptcy (Bundesgesetz vom 11. April 1889 über Schuldbetreibung und Konkurs (SchKG)) and the Swiss Code of Civil Procedure (Schweizerische Zivilprozessordnung vom 19. Dezember 2008 (ZPO)), apply in addition to the PILA. The judgment of a Swiss court or authority of first instance concerning recognition and enforcement of a foreign judgment, including a U.S. Judgment, is generally subject to appeal.

The competent Swiss court or authority will recognize and enforce a non-Swiss judgment, including a U.S. Judgment, provided that all of the following requirements (a)-(c) are fulfilled:

(a) the court or authority of the country in which the judgment was rendered had jurisdiction;

(b) no ordinary judicial remedy is available against the judgment or if it is final; and

(c) there are no grounds to refuse recognition and enforcement.

Within the meaning of (a) above, jurisdiction of the non-Swiss court or authority is established:

if a provision of the PILA so provides or, in the absence of such provision, if the defendant had his legal domicile in the country in which the judgment was rendered; or

if the parties, in a pecuniary dispute, entered into an agreement valid under the PILA submitting their dispute to the jurisdiction of the court or authority which rendered the judgment; or

Table of Contents

if the defendant, in a pecuniary dispute, proceeded on the merits without objecting to jurisdiction; or

if, in the event of a counterclaim, the court or authority which rendered the judgment had jurisdiction over the principal claim and if there is a factual connection between the principal claim and the counterclaim.

Within the meaning of (c) above, a Swiss court or authority will refuse recognition and enforcement of a non-Swiss judgment (including a U.S. Judgment) for the following limited reasons only, without otherwise reviewing it as to its merits:

if recognition and enforcement would be manifestly irreconcilable with Swiss public policy (e.g., if the Swiss court would consider that the amount awarded in the foreign judgment constitutes an excessive penalty, such as punitive damages, it may refuse recognition and enforcement, or reduce this amount accordingly); or

if a party proves that:

(1) it was not duly summoned pursuant to the law of its domicile or its ordinary residence unless it proceeded on the merits without objecting to jurisdiction; or

(2) the judgment was rendered in violation of fundamental principles of Swiss procedural law, in particular if its right to be heard was not granted; or

(3) proceedings between the same parties in the same subject matter were first initiated or adjudicated in Switzerland, or that it was earlier adjudicated in a third country and such judgment is recognizable in Switzerland.

Original actions in courts of Switzerland

There is doubt whether a Swiss court would accept jurisdiction and impose civil liability on a guarantor incorporated in Switzerland if the original action against the guarantor was commenced in Switzerland and predicated upon U.S. securities laws.

Thailand

General

Thailand is not a party to the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters and it has no bilateral treaties with other countries for the reciprocal recognition and enforcement of judgments. Moreover, there is no statutory basis in Thai law to apply the principle of comity to judgments from foreign courts.

As a result, a judgment rendered by any foreign court would not be enforceable in a Thai court. Instead, the noteholders will have to initiate court proceedings in Thailand before a Thai court in order to enforce the guarantee against the Thai guarantor. The Thai court may, at its sole discretion, consider a judgment from a foreign court admissible in evidence in an action in such Thai court, but it is not bound by that judgment.

If any agreement to which the Thai guarantor is a party is governed by any law other than Thai law, the law governing the agreement will, with respect to the essential elements or effects of that law, be recognized and applied only to the extent to which such law is:

(i) proven to the satisfaction of the Thai court (which satisfaction is within the discretion of that court); and

(ii) not considered contrary to the public order or good morals of the people of Thailand.

The scope of the public order and good morals of the people of Thailand has not been established in any Supreme (Dika) Court judgment and is uncertain.

A party claiming compensation for breach of contract must prove that damages are a direct or reasonably foreseeable consequence of the breach. Thai law allows payment of a money obligation expressed in a foreign currency to be made in Thai baht, by using the rate of exchange at the time and in the place of payment. A

Thai court may express an order or judgment for the payment of debt in the currency in which the debt is then outstanding or, if the debt is denominated in foreign currency, the court s order or judgment may be expressed in an equivalent amount in Thai baht. The equivalent amount in Thai baht will be determined using the average commercial bank selling rate prevailing on the date of judgment or, failing that, the last available average commercial bank selling rate prior to that date. We can make no assurances that a currency indemnity agreement will be recognized by a Thai court.

The Supreme Court has held that, under Thailand s Civil Procedure Code, a court has discretion to award legal fees and court costs to parties in court cases in accordance with legal rates. The Supreme Court further held in that decision that any agreement and attempt to impose an obligation on a party to pay for legal fees exceeding the sum which may be awarded by the court is invalid.

An original civil action can be brought against the Thai guarantor in Thailand based upon the U.S. federal securities laws if the wrongful act occurs in the United States, provided that such an act is also considered a wrongful act under Thai law. The person filing a claim for compensation for such a wrongful act cannot make any sort of claim that would not be recognized under Thai law.

Guarantee

If the guarantee provided by the Thai guarantor is called, the Thai guarantor will be required to remit foreign currency out of Thailand. Unless Thailand s current exchange control legislation and regulations are changed by the time that the Thai guarantor has to make such payment, the remittance of foreign currency by the Thai guarantor to pay a demand under its guarantee exceeding $50,000 or its equivalent will be subject to specific approval from the Bank of Thailand. The Thai guarantor cannot currently remit foreign currency to pay the beneficiaries of its guarantee outside Thailand without this approval.

There is no assurance that the Bank of Thailand would give such an approval for a full amount of the guarantee obligations. It would be likely that the Bank of Thailand would impose conditions and limitation of the amount to be remitted on such approval. For example, conditions imposed in other transactions have limited the amount approved either to a stipulated amount, the amount of the benefit received by the Thai guarantor from the transaction (e.g., the amount of money remitted to Thailand, whether from intercompany lending, investment or otherwise) or to the Thai guarantor s positive net worth.

However, specific approval does not have to be obtained directly from the Bank of Thailand if a Thai court renders judgment against a Thai guarantor ordering it to pay its obligations under its guarantee. In such a case, a commercial bank (as an authorized agent of the Bank of Thailand conducting transactions in foreign exchange) may provide the foreign currency needed for the payments stipulated in the court judgment.

Thus, absent Bank of Thailand approval, under current exchange control legislation and rules, you would need to obtain a judgment from a Thai court ordering the Thai guarantor to honor a demand for payment in foreign currency under a guarantee in order for it to do so.

Conditional Assignments

The rights granted by the Thai guarantor in its receivables and bank deposit accounts will be done pursuant to conditional assignments for the benefit of the holders of the senior secured notes. Such assignments require the underlying assets to be assigned if and when the Thai guarantor defaults in performing its obligations.

Although the conditional assignments will give the holders of the senior secured notes enforceable contract rights, conditional assignments are not security interests in the sense of the phrase accepted outside Thailand. Conditional assignments do not create preferential rights in assets to satisfy debts owed to one or more creditors. Assets in the name of the Thai guarantor that are conditionally assigned for the benefit of the senior secured notes will be exposed to the risk of seizure and attachment by other creditors before the conditional assignments are exercised.

There is also a risk that, if bankruptcy proceedings involving the Thai guarantor are begun after the conditional assignments are exercised, other creditors may seek to have the assignments cancelled. However, the

Table of Contents

other creditors would have the burden of proving that the assignments were fraudulent acts or that they gave the holders of the senior secured notes an unfair advantage and were made in bad faith with no benefit to the assignor.

In addition, creditors who otherwise have only contractual interests against a debtor, such as guarantees or assignments, will be treated as unsecured creditors under Thai insolvency law. In such a case, the holders of the senior secured notes would retain their rights in the Thai guarantor s receivables and bank deposit accounts, but these rights would not be preferential rights.

Under Thai law, the process of creating and maintaining a creditor s rights in accounts receivable requires that those receivables be specifically identified and that written notices be given to the relevant obligors, or that those obligors give written consents to the assignments. To cover future receivables, whether from current or new customers, further supplemental assignments or new assignments must be executed and notices of assignment must again be given or consents received when new receivables come into existence.

Therefore, the Thai guarantor will execute a conditional assignment of receivables in which the receivables of any customer with THB 4,000,000 or more in receivables existing when the conditional assignment is signed will be expressly identified. The Thai guarantor will be required to periodically (i) notify the security agent of any new receivables of any customer totaling THB 4,000,000 or more, (ii) execute a supplemental or new assignment with a list attached identifying the new receivables and (iii) unless the customer gives written consent to the assignment or the supplemental or new assignment, as the case may be, deliver notices of assignment to new customers who have not received a notice of assignment under the conditional assignment of receivables or under any supplemental or new conditional assignment.

The holders of the senior secured notes will not have any rights in the accounts receivable of the Thai guarantor if those accounts receivable are not identified to the security agent in a timely manner or if the Thai guarantor fails to execute the supplemental conditional or new assignment and give timely notices to the relevant customers or obtain consents from them. The question of whether the procedure involving an assignment of future receivables is enforceable has yet to be tested in a Thai court and the legal efficacy of a conditional assignment of receivables has yet to be settled under Thai law. As such, the benefit to the holders of the senior secured notes of their interests in the accounts receivable of the Thai guarantor may be limited.

Under Thai law, a bank deposit account cannot be pledged and so the rights granted by the Thai guarantor over its bank deposit accounts will be done pursuant to a conditional assignment agreement.

However, none of the accounts of the Thai guarantor are to be maintained with the trustee for the senior secured notes. Thus, there is a risk that a bank holding an account for the Thai guarantor and to which the Thai guarantor owes a debt would exercise its right of set-off against the money owed to the Thai guarantor under the conditionally assigned account if the Thai guarantor becomes insolvent or fails to pay the debt owed to that bank.

The notice of assignment given to each bank holding an account of the Thai guarantor will include a request that the relevant bank refrain from exercising its right of set-off. However, the decision to comply with such a request is subject to the bank s discretion. Whether each bank will forego its right of set-off will depend on the relationship between the Thai guarantor and the bank and whether the bank is a creditor of the Thai guarantor. As such, the benefit to the holders of senior secured notes of their rights in the bank deposit accounts of the Thai guarantor may be limited.

The exchange control considerations discussed above in relation to the guarantee are also relevant to the conditional assignments of receivables and bank accounts as well as the pledge of the Thai guarantor s shares owned by its German parent company. The relevant assets are denominated in Thai baht, so that any conversion of the proceeds into other currencies and foreign remittance of the proceeds realized from enforcing the conditional assignments and share pledges will have to comply with exchange control requirements at the time of remittance.

CERTAIN INSOLVENCY AND OTHER LOCAL LAW CONSIDERATIONS

Australia

One of the guarantors is incorporated under the laws of Australia. In the event of an insolvency of the Australian guarantor, insolvency proceedings would be likely to proceed under, and be governed by, Australian insolvency law.

Australian insolvency laws differ from the insolvency laws of other jurisdictions and this may limit the ability of holders of the notes to recover from the Australian guarantor to a greater extent than limitations arising under other insolvency laws relevant to an issuer or another guarantor. As a general proposition, however, under Australian insolvency laws secured creditors rank ahead of unsecured creditors in respect of secured assets (with some exceptions in relation to preferred creditors) and all creditors rank ahead of shareholders (except in relation to some types of unsecured liabilities owing to shareholders).

The Australian guarantor has not granted any security interest over any of its assets in favor of the holders of the old notes or the Senior Secured Credit Facilities.

Administration

Administration involves an administrator taking over and administering the affairs of a company which is, or is likely to become, insolvent, with a view to either maximizing the chances of the company continuing in existence or, if this is not possible, achieving a better return to creditors and shareholders than if the company was immediately wound up.

An administrator may be appointed: (a) by the company, if the board has resolved that the company is insolvent or likely to become insolvent and further resolved that an administrator of the company should be appointed; (b) by secured creditors with a charge on the whole, or substantially the whole, of a company s property (provided the charge is enforceable); or (c) by a liquidator or provisional liquidator, if that person thinks the company is or is likely to become, insolvent.

During an administration, certain actions, including enforcing a charge on property of the company, are prohibited without the administrator s written consent or leave of the Court. An exception to the prohibition on enforcement of a charge is that a secured creditor of the company with a charge on the whole, or substantially the whole, of a company s property has a period of 13 business days from notice of the appointment of an administrator in which to enforce the charge and appoint a receiver.

Winding Up in Insolvency

An application to the Court for a winding up order may be made by a creditor, the company, a contributory, a director, a liquidator or provisional liquidator or, in certain circumstances, the Australian Securities and Investment Commission. Where the Court is satisfied that the company is insolvent, the Court may order that the company be wound up in insolvency.

Following the making of a winding up order, a liquidator may be appointed to the company by the Court. Broadly, a liquidator is charged with winding up the affairs of the company and collecting and realizing the assets of a company and applying the resulting proceeds in discharge of the debts and liabilities of the company. A liquidator also has certain specific powers to investigate the validity of past transactions of the company (see Voidable transactions below).

Receivership

A receiver is a person appointed by a secured creditor (pursuant to the terms of the security instrument or other security documents) or by a Court to take charge of the affairs of a company, or part of its property, for the purpose of enforcement of its security and discharge of the debts owed to a secured creditor. A receiver appointed in relation to the Australian guarantor would be required to take all reasonable care to obtain market value or, if not obtainable, the best price that is reasonably available having regard to the circumstances existing when disposing of assets of the company. However, the receiver would otherwise act in the interests of the relevant secured creditors and would not owe specific duties to unsecured creditors such as the holders of the notes.

Voidable Transactions

If a liquidator were appointed to the Australian guarantor, the liquidator would have the power to investigate the validity of the guarantee and apply to the Court for certain orders, including orders to have the guarantee set aside, in certain circumstances. These circumstances would include, among others, the liquidator forming the view that the granting of the guarantee was an uncommercial transaction.

Broadly, a transaction may be voidable as an uncommercial transaction if the liquidator can establish that: (a) the transaction was entered into or was given effect to within two years of the commencement of the winding up of the company; (b) at the time the transaction was entered into, or when something was done to give effect to it, the company was insolvent or became so as a result of entering into or giving effect to the transaction (for these purposes, a company will be considered to be insolvent if it is unable to pay its debts as and when they fall due); and (c) a reasonable person in the company s circumstances would not have entered into the transaction, having regard to: (i) the benefits (if any) to the company of entering into the transaction; (ii) the detriment to the company of entering into the transaction; (iii) the respective benefits to other parties; and (iv) any other relevant matter.

A court generally will not intervene, however, it the defendant can show that: (a) it received the benefit in good faith; (b) it had no reasonable grounds for suspecting that the company was insolvent or would become insolvent and a reasonable person in the defendant s circumstances would have had no such ground for so suspecting; and (c) it provided valuable consideration or changed its position in reliance on the transaction.

Certain Other Guarantee Limitations

In addition to the voidable transactions described above, a guarantee given by a company may be set aside or be unenforceable in certain other circumstances, including if the directors of the guarantor did not comply with their duties as officers of the company which include, amongst other things, a duty to act in good faith for the benefit of the guarantor and for a proper purpose in giving the guarantee.

Austria

Some of the guarantors and security grantors are organized under the laws of Austria, may have their centre of main interest in Austria or may at least have assets located in Austria. In the event of insolvency, insolvency proceedings may, therefore, be opened against such guarantors and/or security grantors in Austria which are governed by the Austrian Insolvency Act (Insolvenzordnung). Creditors rights might also be affected by the Austrian Business Reorganisation Act (Unternehmensreorganisationsgesetz), which does not govern insolvency proceedings but regulates the reorganization of companies in financial distress. The Austrian Insolvency Act regulates on the one hand liquidation proceedings in which the debtor s assets or company as a whole are sold and the proceeds are distributed among its creditors. On the other hand it also provides restructuring proceedings enabling the debtor to discharge its liabilities through quota payments and to continue its activities under certain conditions. The Business Reorganization Act, which regulates the reorganization proceedings for enterprises threatened by insolvency, is not designed to assist creditors in satisfying their debts, but rather to support the reorganization of the debtor s enterprise. The insolvency laws of Austria may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions. As a result, your ability to recover payments due on the notes may be limited to an extent exceeding the limitations arising under other insolvency laws.

The Austrian Insolvency Act (Insolvenzordnung)

Insolvency proceedings must be opened by a court upon application by the debtor or a creditor whenever it has been established that a company is illiquid (zahlungsunfähig), i.e. unable to pay its debts in due time, or is over-indebted in terms of insolvency law (insolvenzrechtlich überschuldet), i.e. that the liabilities exceed its

1061

assets at liquidation values and the company has a negative prospect (Fortbestehensprognose). Restructuring proceedings may also be initiated, if the risk of the debtor s inability to pay its debts is at least imminent (drohende Zahlungsunfähigkeit) and the debtor files an application for the opening of such proceedings.

Depending on whether or not a restructuring plan (Sanierungsplan) is presented together with the application for the opening of insolvency proceedings the insolvency proceedings will be initiated as restructuring proceedings (Sanierungsverfahren) or bankruptcy proceedings (Konkursverfahren). Whenever the debtor applies for the opening of insolvency proceedings and presents a restructuring plan (Sanierungsplan) offering a quota of at least 20% to the unsecured creditors within a maximum of two years, the insolvency proceeding is called restructuring proceeding (Sanierungsverfahren). A debtor may present such a restructuring plan in the course of a bankruptcy proceeding whereby the bankruptcy proceeding will be continued as restructuring proceeding (Sanierungsverfahren).

Restructuring plans intend to discharge the debtor from a part of its debts (up to 80%) and to enable the debtor to continue its business activities. A qualified simple majority of unsecured creditors must approve the restructuring plan. Qualified simple majority means that the simple majority of unsecured creditors in number present at the hearing must vote in favour of the restructuring plan and that the total sum of these unsecured creditors claims must amount to more than 50% of the unsecured claims present at the hearing. If the restructuring plan is accepted by the creditors, confirmed by the court and fulfilled by the debtor, the latter is released from the rest of its debts. If the debtor applies for the opening of insolvency proceedings and presents qualified documents together with a restructuring plan offering a quota of at least 30%, it is entitled to self administration (Sanierungsverfahren mit Eigenverwaltung). If the realization of a restructuring plan fails, the insolvency proceeding will be continued as bankruptcy proceeding.

Unless the debtor meets the requirements for self administration, the debtor is not any longer in the position to dispose of the assets subject to insolvency, i.e. the insolvent s estate (Insolvenzmasse), as at the opening of insolvency proceedings. The opening takes effect as of 0:00 a.m. of the day following the publication of the receiving order in the official insolvency data base (www.edikte.justiz.gv.at). After the initiation of insolvency proceedings legal acts of the debtor in relation to the debtor s estate take no effect towards the creditors. The court appoints an insolvency administrator (Insolvenzverwalter) along with its decision on the opening of insolvency proceedings, and, if it deems this necessary in view of the size of the debtor s business, a creditors committee (Gläubigerausschuss) to assist the insolvency administrator. After the opening of insolvency proceedings without self administration (i.e. bankruptcy proceedings or restructuring proceedings without self administration) only the insolvency administrator is entitled to act on behalf of the debtor s estate.

The insolvency administrator s main task is to administer and realize the assets of the insolvent s estate effectively. According to Austrian insolvency law, the insolvency administrator shall continue the debtor s business in order to enable a potential reorganization of the debtor s business either by realizing the debtor s restructuring plan (which he may also apply for during the bankruptcy proceedings) or by a sale of the debtor s business. If neither a restructuring plan nor the sale of the debtor s business is possible, the insolvency administrator will break up the company and the bankruptcy proceedings will ultimately lead to the sale and distribution of the debtor s assets, the debtor remaining liable for its residual debts.

If the debtor meets the requirements for self administration the debtor is monitored by a court appointed restructuring administrator (Sanierungsverwalter) to whom certain transactions are reserved.

Unsecured creditors (Insolvenzgläubiger) shall file their claim with the competent court within the time period set out in the court order on the opening of insolvency proceedings (usually around two months). At the so called examination hearing (Prüfungstagsatzung), which is held at the competent court, the insolvency administrator has to declare whether he acknowledges or contests a claim filed. If the insolvency administrator acknowledges a creditor s claim, this creditor is entitled to participate in the insolvency proceeding, which means that he will finally receive the quota that is distributed to the unsecured creditors. If a creditor s claim is contested by the insolvency administrator, the creditor has to assert its claim in civil proceedings in order to maintain its right to participate in the insolvency proceedings.

Claims of unsecured creditors in insolvency proceedings, which were created before the opening of these proceedings, rank pari passu. Taxes, social security contributions, wages and salaries are not, as such, privileged or preferential claims under Austrian insolvency law. Claims which lawfully arose against the debtor s estate after the opening of the proceedings, so called privileged claims (Masseforderungen) or claims which are secured by collateral (e.g. by a mortgage, a pledge over bank accounts or shares, an assignment of receivables for security purposes or a security transfer of moveable assets), so called preferential claims (Absonderungsrechte), enjoy priority in insolvency proceedings. Creditors who have a right to preferential treatment may participate in the pro rata distribution only to the extent that the proceeds from the realization of the assets charged to them did not cover their claims or if they have waived their right to preferential treatment. Secured creditors do not have a voting right on the restructuring plan to the extent their claim is covered by security.

The costs of the insolvency proceedings and certain liabilities accrued during insolvency proceedings rank prior to all other claims. Creditors with a right of separation of assets (Aussonderungsberechtigte), such as creditors with retention of title, remain unaffected by the opening of insolvency proceedings though they may be barred from exercising their rights for a maximum period of six months following the opening of insolvency proceedings, if the exercise of such rights would endanger the carrying on of the debtor s business and the interdiction does not cause a severe personal or economic damage to the secured creditor. The same applies for secured creditors of preferential claims (Absonderungsberechtigte).

Once formal proceedings have been opened it is not possible to obtain an execution lien any more. All execution proceedings against the debtor are stayed (Vollstreckungssperre). Execution liens obtained within the last 60 days before formal proceedings were opened expire.

Pursuant to section 25b para 2 of the Austrian Insolvency Act, a contractual stipulation providing for the right to withdraw from the agreement or for an automatic termination in the event of opening of insolvency proceedings against the other party is not enforceable.

The Austrian Business Reorganisation Act (Unternehmensreorganisationsgesetz)

The Austrian Business Reorganisation Act (Unternehmensreorganisationsgesetz) governs business reorganizations, which are designed to enable businesses in temporary financial distress to continue to do business after having undergone a reorganization procedure. Only the debtor may apply for the opening of a reorganization procedure, provided, however, that it is still solvent at the time of its application. The relevant criteria for the opening of a business reorganization procedure are the quota of own funds (Eigenmittelquote) and the fictitious duration of debt redemption (fiktive Schuldentilgungsdauer), as defined in the Business Reorganization Act. Upon the opening of reorganization proceedings, contractual provisions that stipulate the right to terminate the agreement in the event of reorganization proceedings are invalid.

The Right of Avoidance (Contestation) in the Event of Insolvency Proceedings

Legal actions and legal transactions that have taken place within certain suspect periods prior to the opening of insolvency proceedings may be subject to an avoidance claim by the insolvency administrator according to the avoidance rules of the Austrian Insolvency Act *(Insolvenzordnung IO)*. General requirements for avoidance are: (i) the avoidance must result in an increase of the insolvent s estate *(Befriedigungstauglichkeit)*; (ii) the challenged legal action or challenged legal transaction must have caused a direct or indirect discrimination of the other creditors *(Gläubigerbenachteiligung)*; and (iii) the avoidance claim must be filed by the insolvency administrator within one year after the opening of the insolvency proceedings at the latest.

In particular, the following legal transactions and legal acts are voidable:

Avoidance due to intent to discriminate (section 28/1-3 IO): Transactions concluded in order to discriminate other creditors may be challenged if they were entered into within 10 years preceding the opening of insolvency proceedings and the other party knew about the debtor s intention to discriminate. If the other party was not aware but should have been aware of the debtor s intention to

1063

discriminate its creditors the period is shortened to two years prior to the opening of the insolvency proceedings. If the legal act was concluded with or for the benefit of a close relative (relatives, in-laws) the burden of proof regarding the knowledge of the intention to discriminate is shifted to the relative, i.e. the relative must prove that he or she had no knowledge and was not negligent in having no knowledge respectively. Should the debtor be a legal entity capable of being a party in a lawsuit then members of the managerial and supervisory bodies, shareholders with unlimited liability as well as controlling or at least 25% shareholders (pursuant to section 5 EKEG) are deemed to be close relatives.

Avoidance due to squandering of assets (section 28 IO): Avoidance may apply to certain contracts, including purchase and exchange contracts, entered into by the debtor that are considered a squandering of assets at the expense of other creditors, if the counterparty to the contract had knowledge of such squandering or should have. Squandering of assets is assumed if an obvious incongruity exists between performance and consideration. Section 28 no 4 of the Insolvency Act applies to transactions that took place within one year prior to the opening of insolvency proceedings.

Avoidance of transactions with no consideration and analogous transactions (section 29 IO): Dispositions of the debtor that were concluded free of charge or are equivalent to such dispositions may be challenged. A disposition free of charge requires that the disposing person acts with the intention not to receive any consideration in return. The disposition amounts to a sacrifice by the debtor. Examples for such dispositions are: donations, acknowledgement of a debt, security of liabilities, and payment of someone else s debt. If the debtor receives an adequate service in return (*angemessenes Entgelt*) the disposition may not be challenged pursuant section 29 of the Insolvency Act. Any economic benefit or interest may be qualified as a consideration. Section 29 of the Insolvency Act applies to dispositions concluded within two years prior to the opening of insolvency proceedings.

Avoidance due to preferential treatment (section 30 IO): The payment of or granting of security to a creditor (*Befriedigung oder Sicherstellung*) carried out after material insolvency or after the request for the opening of insolvency proceedings or within 60 days preceding may be avoided if (i) the creditor obtained security or satisfaction which it was not or not in that way or at that time entitled to, unless he was not favoured by this transaction (objective preferential treatment) or (ii) the transaction took place for the benefit of a creditor who knew or should have known about the debtor s intention of the preferential treatment (subjective preferential treatment). Material insolvency means illiquidity (*Zahlungsunfähigkeit*) or over-indebtedness in terms of insolvency law (*Insolvenzrechtliche Überschuldung*). Objective preferential treatment does not require any subjective elements on part of the counterparty. In particular, the counterparty s knowledge of the financial state of the debtor is irrelevant. Subjective preferential treatment requires the debtor s intention and the creditor s knowledge of the debtor s intention to favour a creditor. Transactions carried out more than one year before the opening of the insolvency proceedings may not be contested pursuant to Section 30 of the Insolvency Act.

Avoidance due to knowledge of insolvency (section 31 IO): Pursuant to Section 31 of the Insolvency Act legal acts carried out after material insolvency or after filing for the opening of insolvency proceedings may be challenged if the legal act (i) constitutes payment of or granting of security to a creditor (*Befriedigung oder Sicherstellung*) or (ii) is considered a disadvantageous legal act (*nachteiliges Rechtsgeschäft*). The legal act by which a creditor s claim is satisfied or secured may only be challenged if the creditor knew or was negligently not knowing of the debtor s material insolvency or pending insolvency petition. A legal act is considered disadvantageous if the chances for satisfaction of other creditor s claims are worsened due to the legal act.

Disadvantageous transactions of the debtor concluded with creditors may be challenged if such agreements are directly disadvantageous to other creditors and the contracting partner knew or should have known of the debtor s material insolvency or pending insolvency petition.

Disadvantageous transactions of the debtor concluded with non-creditors may be challenged if such agreements are either directly or indirectly disadvantageous to creditors, however, only if the contracting partner (i) knew or should have known of the debtor s material insolvency or pending insolvency petition and

Table of Contents

(ii) the disadvantage for the insolvency estate was objectively predictable at the time of the transaction. Such objective predictability is in particular at hand if a restructuring plan is obviously flawed *(offensichtlich untaugliches Sanierungskonzept)*.

A transaction is considered indirectly disadvantageous *(mittelbare Nachteiligkeit)* if the transaction is objectively balanced, i.e. not directly disadvantageous but the transaction nonetheless lowers the recovery rate of creditors. In case of an indirectly disadvantageous transaction the contracting partner must prove that the disadvantage to the insolvency estate was objectively unpredictable. If the contracting partner and thus beneficiary of the satisfaction/securing or disadvantageous act is a close relative, he or she must in addition prove that he or she had no knowledge of the debtor s illiquidity or insolvency petition.

In addition to a receiver avoiding transactions according to the Austrian Insolvency Act, a creditor who has obtained an enforcement order *(Vollstreckungstitel)* could possibly also avoid any transactions according to the Austrian Avoidance Act *(Anfechtungsordnung)* outside of formal insolvency proceedings. The conditions for such action vary to a certain extent from the rules described above, and the avoidance periods are calculated from the date when such other creditor exercises its rights of avoidance in the courts.

Recognition of the Choice of New York Laws by Austrian Courts

In general, the choice of the laws of New York to govern the guarantees would be recognized by Austrian courts. In case of a dispute before an Austrian court, the Austrian court would apply the substantive laws of New York with respect to the substance matter and would apply the applicable Austrian Civil Procedure Laws *(Zivilprozessverfahren)* with respect to procedural matters. Further, an Austrian court may refuse to apply and/or to enforce any provision governed by the laws of New York (as it applies to the guarantees) if the respective provision is contrary to Austrian public policy (order public) or mandatory provisions under Austrian law or if the law of another jurisdiction must be applied regardless of the chosen law.

Enforceability of Guarantees and Security Interests Granted by Austrian Companies

(a) You may not be able to enforce, or recover any amounts under, the guarantees of, and security interest granted by Austrian subsidiaries due to restrictions on enforcement reflecting Austrian corporate law.

The enforcement of upstream and cross stream guarantees and security interests provided by our Austrian subsidiaries is/will be limited by strict capital maintenance rules imposed by Austrian corporate law, including the Austrian Stock Corporation Act (Aktiengesetz) and the Austrian Act on Limited Liability Companies (Gesetz über Gesellschaften mit beschränkter Haftung). These rules protect the assets of our Austrian subsidiaries on behalf of their respective creditors. The entire set of corporate assets, even those exceeding the stated capital, falls under the capital maintenance rules. Shareholder contributions by any of our Austrian subsidiaries may only be made under explicitly specified circumstances. The most important of these explicitly specified circumstances provides that shareholders have the right to receive dividend payments, but only if said payments are restricted to the amount of net profits as shown in the approved annual financial statements and not prohibited by law or the respective subsidiary s articles of association. The Austrian subsidiaries may not make any other asset-reducing payments to a group company (not being a direct or indirect subsidiary), except (i) in the context of repayments within the scope of stated capital decreases, or (ii) payments and contributions within the scope of a permitted arms length transaction. Any contribution or payment to an affiliated company (not being a direct or indirect subsidiary) (respectively to a third party to the benefit of such an affiliated company) without an adequate consideration would be considered as a violation of the Austrian capital maintenance rules.

A violation of Austrian capital maintenance rules by any of our Austrian subsidiaries would generally result as a prohibited repayment of equity (verbotene Einlagenrückgewähr) in the nullification of the relevant transaction between that subsidiary and the shareholder in question (respectively in the nullification of the relevant transaction between the subsidiary and the third party in case the transaction has been undertaken by the Austrian subsidiary to the benefit of the shareholder in question, for example by providing an up stream or cross stream guarantee for the financing to the parent company). Under the Austrian Supreme Court case law upstream and cross-stream guarantees and security would only be in compliance with the Austrian capital maintenance rules provided that the corporate bodies of the Austrian subsidiaries are satisfied, acting reasonably, that such up stream and side stream financial assistance is in the best interest of the Austrian subsidiaries and fully justified by a business purpose, respectively corporate benefit (betriebliche Rechtfertigung), which means that the respective transaction must be entered into on arm s-length-terms (fremdüblich). The Austrian Supreme Court has not yet specified what exactly is meant by corporate benefit. As a consequence, there always remains the risk that the assumption of an upstream/cross-stream guarantee and/or security by an Austrian subsidiary violates the Austrian capital maintenance rules (due to a lack of corporate benefit).

According to settled case law of the Austrian Supreme Court, unless Austrian subsidiaries receive adequate consideration for providing the up stream and/or cross stream guarantees and security interests, those guarantees and security interests would be held to be null and void. The guarantees and security interests granted by any of our Austrian subsidiaries to their direct or indirect parent companies may only be held valid and enforceable if:

(i) the subsidiary receives a consideration (i.e., a guarantee fee/security fee (Avalprovision)) from the benefiting parent company for assuming the guarantee or granting the security;

(ii) such guarantee fee/security fee would also be common in comparable banking transactions (banküblich) (whereby it should be noted that the Austrian Supreme Court ruled that, in the case of the granting of a mortgage over real property, the consideration must be exceptionally high (ein ganz ungewöhnliches Entgelt), higher than is usual in the market; it is unclear whether such ruling only applies to the granting of mortgages over real property or also to the guarantees and/or other kinds of security interest);

(iii) the management board of the subsidiary has with due care verified that the subsidiary and the parent are in a position to honor their obligations and finance the repayment of the secured funds; and

(iv) the granting of the guarantee and/or security does not endanger the existence of the respective company.

Since the policy of granting guarantees and security by the Austrian subsidiaries is different from such policy of a bank, the guarantee fee/security fee to be charged by the Austrian subsidiaries should be above the guarantee fee/security fee a bank would charge in similar transactions.

Austrian capital maintenance rules are subject to ongoing court decisions. We cannot assure you that future court rulings may not further limit the enforceability of the guarantees and/or security interests, which could negatively affect our ability to make payment on the notes or the ability of the subsidiaries to make payments on the guarantees and/or that payments out of the enforcement of a security are received.

(b) You may not be able to enforce, or recover any amounts under the Austrian law security interest unless the principle of accessory is adhered to.

A security granted may be invalid or unenforceable or may become invalid or unenforceable if the principle of accessoriness of security is not adhered to. This means in particular that such accessory security will not be valid if such secured obligation is not valid, and it also means that the holder (Sicherungsnehmer) of the accessory security must be a creditor of the secured obligation. Following this, the person acting as collateral agent of the beneficial and legal owners of the notes needs to be the joint and several creditor (Solidargläubiger) of each and every obligation of the issuer of the notes towards each of the note holders.

The beneficial owners of the notes from time to time will not be party to any of the security documents. Therefore, in Austria, there are risks regarding the enforceability of the security interests granted by the note guarantors in favor of the note holders. In order to mitigate the risk, the collateral agent has entered into an abstract acknowledgment of indebtedness agreement and a parallel debt undertaking pursuant to which the collateral agent will become the holder of the secured claims equal to the principal amount of the notes plus certain other amounts for the benefit of the trustee and the holders of the notes. Accordingly, the rights of the holders will not be directly secured by the pledges of the collateral, but through this parallel claim. This parallel claim will be acknowledged by the applicable grantor by way of an abstract acknowledgment of indebtedness or a parallel debt undertaking to the collateral agent. The abstract acknowledgement of debt and parallel debt undertaking secures the notes and the collateral secures claims under the abstract acknowledgement of debt and parallel debt undertaking. There is uncertainty as to the enforceability of this procedure in Austria. This procedure has not yet been tested under Austrian law, and we cannot assure you that it will eliminate or mitigate the risk of unenforceability of the security interest granted posed by Austrian law.

The validity and enforceability of Austrian law security interest will depend on the validity of the respective obligations that are secured by the pledges under such document. Under Austrian law a pledge is an accessory right (akzessorisches Recht) and will therefore be subject to the same legal consequences as the secured obligation. If the secured obligation is terminated or not valid, the same applies to the pledge. The pledge can furthermore not be separated from the secured obligation, which means that it can only be held and enforced by the creditor of such secured obligation. Furthermore, only monetary claims (geldwerte Forderungen) may be secured by a pledge under Austrian law and the pledge will cease by operation of Austrian law upon payment (or other discharge) of the secured obligations.

(c) You may not be able to enforce, or recover any amounts under, the Austrian security interest if the underlying transaction is deemed over-secured .

The Austrian law security interests may be unenforceable if the value of the collateral granted exceeds the value of its secured obligations, or is over-secured . Although there are no specific rules regarding what constitutes being over-secured under Austrian law, general principles under Section 879 of the Austrian Civil Law Code apply. Under these general rules, if it is determined that any of the Austrian law security overly constrained the business of the respective security grantor, such security interests will be considered null and void if such restrictions are not justified within the context of the entire business transaction. Furthermore, the Austrian law security interests may be considered over-secured and thereby violate general rules under the Austrian Civil Code if the value of the secured claim is grossly disproportionate to the value of the collateral and the security grantee is found to have acted in bad faith by, for example, taking advantage of the financial distress of the respective grantor of the Austrian law security.

(d) You may not be able to enforce, or recover any amounts under the Austrian law security interest if the perfection steps are not made and/or undone.

In case that certain perfection steps (e.g., a pledge note in the books) required under Austrian law are not made or undone, the respective pledge may not be validly created or lapse and therefore may be or become unenforceable.

(e) You may not be able to enforce, or recover any amounts under the guarantees and security interests granted by Austrian subsidiaries due to restrictions under the Austrian equity replacement law.

The Austrian Act on Equity Replacements (Eigenkapitalersatzgesetz) contains detailed provisions regarding equity replacing shareholder loans. It in particular stipulates that a loan granted by a shareholder in a financial crisis (i.e., the subsidiary is insolvent, over-indebted or the requirements of a business reorganization procedure are met) is deemed to be equity replacing. In a financial crisis equity replacing shareholder loans may not be repaid and any security granted in connection with such loans may not be enforced. This means in particular that in insolvency respective claims of the lender are subordinated (i.e., there is no right for separation (Aussonderungsrecht) or a right for separate satisfaction (Absonderungsrecht) for such claims). A shareholder is defined to be (i) a shareholder with controlling participation, (ii) a shareholder with a participation of at least 25%, and (iii) any person not holding a participation in the company but having a controlling influence (beherrschenden Einfluss) with regard to the company. Furthermore, a person granting a loan/credit to a company is to be considered as shareholder if (i) it holds a participation or other rights in a person other than the company granted the loan/credit which has a dominant (beherrschenden) influence regarding the company granted the loan/credit (indirect controlling participation), or (ii) it indirectly holds a participation in the company granted the loan/credit of at least 33%, or (iii) it holds a controlling direct or indirect participation in a company which holds a participation of at least 25% in the company granted the loan/credit (section 8 of the Act on Equity Replacements).

Table of Contents

Prior to the enactment of the Act on Equity Replacements the Austrian Supreme Court had developed even stricter rules on equity replacing shareholder loans compared to the rules stipulated in the Act on Equity Replacements. Following this, it is unclear whether, in addition to the provisions of the Act on Equity Replacements, such rules (or certain of its rules) developed by the Austrian Supreme Court are still applicable/relevant and applied by Austrian courts. In this context it must be noted that it is uncertain whether the rules on equity replacing shareholder loans also apply to a-typical pledgees (atypische Pfandgläubiger) and/or under what circumstances a secured lender may qualify as a-typical pledgee.

(f) The trustee for the notes may be liable with respect to the actions of our Austrian subsidiaries under principles of Austrian law.

A person granted the rights of information and control and that actually influences the management of any of our Austrian subsidiaries could, depending on the extent of such rights granted and the actual use of such rights, qualify as shadow director (faktischer Geschäftsführer). There is a risk that the trustee will qualify as a shadow director. A person qualifying as such could be liable for any acts made in connection with the management company (the shadow director in general has the same obligations and liability as a regular director appointed in accordance with applicable corporate law); in particular the shadow director could be liable towards the creditors of the company.

(g) The trustee may be subject to administrative fines and other penalties due to Austrian banking law.

The Austrian Banking Act (Bankwesengesetz) enumerates certain banking activities. Companies may in general only conduct these activities on a commercial basis (gewerblich) if they have been granted a banking license by the Austrian supervisory authority. In addition, the Austrian Securities Supervision Act 2007 (Wertpapieraufsichtsgesetz 2007), enumerates certain activities which qualify as investment services and investment activities; such activities include the reception and transmission of orders in relation to one or more financial instruments, the portfolio management, investment advice, etc. Entities may in general only conduct such regulated activities on a commercial basis if they have either been granted a banking license or an investment service license by the Austrian supervisory authority.

Besides any entity licensed by the Austrian supervisory authority to conduct regulated activities within the meaning of the Banking Act and the Securities Supervisory Act also credit institutions or investment firms, respectively, authorized in a member state of the European Economic Area may conduct certain of the regulated activities in Austria. Any such entity may conduct the relevant activities in Austria either by the establishment of a branch office or by way of the freedom to provide services, insofar as such activities are authorized under the legal provisions of the Member State of incorporation and the relevant notification procedure in line with the European law directive 2006/48/EC or the European law directive 2004/39/EC, respectively, and the relevant local laws have been complied with. Accordingly, any entity which intends to conduct activities regulated by the Austrian Banking Act or the Securities Supervision Act in Austria or, from outside of Austria, into Austria on a commercial basis, requires a respective license or successful completion of EEA notification procedures. The conducting of such regulated activities in Austria without the necessary license or successful completion of EEA notification procedures can trigger in particular administrative fines and civil law sanctions. The Banking Act and the Securities Supervision Act, respectively, provide that whoever conducts such regulated activities in Austria without the necessary license shall be punished by the Austrian supervisory authority with monetary penalty of up to EUR 50,000.00 if it does not even qualify as a criminal offense. Furthermore, the laws provide that whoever conducts such regulated activities unlicensed shall not be entitled to any compensation connected with such activities (e.g. interests, commissions, fees, etc); sureties (Bürgschaften) and guarantees granted in connection therewith are ineffective. Furthermore, a civil law suits for unfair competition by competitors is possible. The transaction (agreement) itself, however, remains valid.

Austrian Stamp Duty

Under the Austrian Stamp Duty Act *(Gebührengesetz)*, stamp duty is triggered upon the creation of a document (*Urkunde*; a term which has a technical meaning within the context of the Stamp Duty Act) on certain dutiable transactions enumerated in the Stamp Duty Act. Dutiable transactions include, e.g., lease agreements, sureties, assignments, mortgages. Stamp duty on loan and credit agreements has been abolished as of 1 January 2011.

According to the Austrian Stamp Duty Act, stamp duty on, e.g.,

(a) sureties (*Bürgschaft*) amounts to 1% of the secured amount (a guarantee may be treated as a surety for stamp duty purposes if the guarantor under the guarantee does not explicitly waive all claims, remedies or defenses with respect to the underlying guaranteed transaction);

(b) assignments amounts to 0.8% of the consideration for the assignment, or, in a case of an assignment for security (*Sicherungszession*), 0.8% of the secured amount however not more than the assigned receivables.

Dutiable transactions for security (in particular sureties, assignments, mortgages) may be exempt from stamp duty if such transaction (exclusively) secures claims under a loan or credit agreement (§ 20(5) of the Austrian Stamp Duty Act).

Basically, Austrian stamp duty is triggered if a document on a dutiable transaction is created in Austria.

Under certain circumstances, the creation of a document on a dutiable transaction outside of Austria may trigger stamp duty. In this case, stamp duty may generally be triggered if (i) the parties to the transaction are resident for stamp duty purposes in Austria (Austrian residence, place of habitual abode, seat, place of effective management or permanent establishment) and (ii) the transaction concerns an Austrian situated asset or a party to the transaction is entitled or obliged to performance under the transaction in Austria (§ 16(2)(1) of the Austrian Stamp Duty Act).

If the creation of a document outside of Austria did not trigger Austrian stamp duty, stamp duty may be triggered if the document (or a certified copy thereof) is imported into Austria and (i) the transaction concerns an Austrian situated asset or a party to the transaction is entitled or obliged to performance under the transaction in Austria, or (ii) a legally relevant action is taken in Austria based on the transaction or official use of the document (or a certified copy thereof) is made in Austria (§ 16(2)(2) of the Austrian Stamp Duty Act).

Austrian stamp duty may also be triggered by a document that refers to a dutiable transaction in a qualified manner (so called confirming document; *rechtsbezeugende Urkunde*). According to the Austrian Federal Ministry of Finance, a confirming document within the present context is constituted if the parties to and the nature of the transaction referred to may be derived from the document. Such document may (already) trigger Austrian stamp duty if signed by one of the parties and sent to the other party or its representative (or, in case of a transaction under which both parties are obliged to performance, a third party in order to furnish proof of the underlying transaction). Further, stamp duty may be triggered by a so called substitute document *(Ersatzurkunde;* e.g., a signed protocol on an orally agreed transaction) on a dutiable transaction or a document that incorporates by reference a document on a dutiable transaction.

If Austrian stamp duty is triggered, pursuant to the Stamp Duty Act generally the parties to the transaction are jointly and severally liable for the amount of Austrian stamp duty triggered. In case of a transaction under which only one party is obliged to performance, the party in whose interest the document was created is liable for the stamp duty (e.g., the creditor in case of a surety) (§ 28(1) of the Austrian Stamp Duty Act). In any case, the other party (as well as, if the competent tax office is not duly notified of the dutiable transaction, the persons who would be responsible for such notification) would be secondarily liable for the stamp duty triggered (§ 30 of the Austrian Stamp Duty Act). Agreements between the parties as to who shall bear stamp duty if triggered are not relevant for the tax authorities but may be honored by the tax authorities within their discretion.

If stamp duty was triggered and not duly paid or the competent tax office was not duly notified of a dutiable transaction, the competent tax office may, within its discretion, increase the amount of stamp duty due by up to 100 per cent, depending on whether the taxpayer could have recognized that stamp duty was triggered, the notification was made with slight or substantial delay, or provisions of the Stamp Duty Act have been infringed for the first time or repeatedly (§ 9(2) of the Austrian Stamp Duty Act).

Table of Contents

Brazil

Some guarantors are incorporated in Brazil and any insolvency proceedings relating to such guarantors guarantees and any security interest would likely be based on Brazilian insolvency law.

New Bankruptcy Law

On February 9, 2005, the Brazilian Congress enacted Law No. 11,101, the new Brazilian Bankruptcy and Restructuring Law (Law 11,101), which governs judicial recovery, extrajudicial recovery and bankruptcy proceedings. Law 11,101 came into effect on June 10, 2005 and is applicable to private corporations (such as the Brazilian guarantors) in respect of civil, commercial, labour and tax matters.

Judicial Recovery

In order to request judicial recovery, a debtor must: (i) conduct its business in a regular manner for more than two years; (ii) not be bankrupt (or, in the event that the debtor has gone bankrupt in the past, then all of its obligations arising therefrom must have been declared extinguished by a judgment not subject to appeal); (iii) not have been granted judicial recovery or special judicial recovery within the five or eight years prior to its request, respectively; and (iv) not have been convicted (and not have a controlling partner or manager who has been condemned) for a bankruptcy crime. All credits existent at the time of the request for judicial recovery are subject to such procedure (including unmatured credits), except the claims of tax authorities, creditors acting as fiduciary owners of real estate or movable properties, lessors, owners or committed sellers of real estate, including for real estate developments, or owners under sale agreement with a title retention clause (paragraph 3 of article 49 of Law 11,101).

Judicial recovery can be implemented by means of one or more of the following transactions, amongst others: (i) the granting of special terms and conditions for the payment of the debtor s obligations; (ii) spinoff, merger, transformation of the company, incorporation of a wholly-owned subsidiary or the assignment of quotas or shares; (iii) transfer of corporate control; (iv) partial or total replacement of the debtor s management, as well as the granting to its creditors of the right to independently appoint management and of veto power; (v) capital increase; (vi) leasing of its goodwill; (vii) reduction of wages, compensation of hours and reduction of the workday, by means of collective bargaining; (viii) payment in kind or the renewal of the debtor s debts; (ix) creation of a company composed of creditors; (x) partial sale of assets; (xi) equalization of the debtor s financial charges; (xii) constitution of a usufruct on the company; (xiii) shared management of the company; (xiv) issuance of securities; and (xv) creation of a special purpose company for purposes of receiving the debtor s assets.

Extrajudicial Recovery

Law 11,101 also created the extrajudicial recovery mechanism, by means of which the debtor who fulfills the requirements for judicial recovery (as explained in the preceding item) may propose and negotiate with its creditors an extrajudicial recovery plan, which must be submitted to a court for approval (following such approval, the plan will be considered an apt instrument for enforcement). Extrajudicial recovery is not applicable, however, to labor- or workplace accident-related credits, nor to those credits excluded from judicial recovery. In addition, the request for court approval of the extrajudicial recovery plan will not entail suspension of the rights, suits and enforcement proceedings of those creditors not subject to such plan, any of which will still be entitled to request the debtor s bankruptcy.

Bankruptcy

According to Law 11,101, credits are classified in the context of a bankruptcy proceeding in the following, decreasing order of priority: (i) labor claims in general (limited to a maximum amount of 150 times the minimum Brazilian wage per creditor) and labor claims related to indemnification for workplace accidents; (ii) secured credits (limited to the value of the security); (iii) tax claims (except for tax fines); (iv) personal claims enjoying special privileges (as defined in other statutes); (v) personal claims enjoying general privileges (unsecured creditors who have provided goods or services to the debtor during its judicial recovery and creditors who are so defined in other statutes); (vi) unsecured debts (creditors not provided for in the preceding items, labor creditors whose credits exceed the 150-minimum wages limitation, and creditors whose credits exceed the amount of their respective guarantees); (vii) contractual fines and monetary fines arising from the disobedience of statutes; and (viii) subordinated debts (as provided for by law or in an agreement, and creditors who are partners or managers of the debtor company but not in the context of a labor relationship).

Law 11,101 establishes a limitation on the amount of the unpaid and protested note that entitles a creditor to request the bankruptcy of its debtor. Pursuant to the Law, any such note must be in an amount in excess of 40 times the minimum Brazilian wage for purposes of allowing the commencement of bankruptcy proceedings. Creditors may, however, get together and pool the amounts of their notes so as to reach the minimum amount required by law. Law 11,101 also extended (i) from 24 hours to ten days the time period during which the debtor may present its defense in connection with a request for its bankruptcy and (ii) from 60 to 90 days (counted from either the date of the bankruptcy petition, of the request for judicial recovery or from the date of the first protest of a note due to its non-payment by the company) the preference period (or legal term, as it is commonly known under Brazilian law) applicable in the context of a bankruptcy proceeding. Pledges, mortgages or other security constituted by the debtor during such legal term are not effective in the context of the bankruptcy process.

As a general rule, assets sold in the bankruptcy process are acquired free and clear of any encumbrances, and there will be no succession on the buyer s part of any labor, indemnification for workplace accidents, social security or tax natured obligations. Any employees of the bankrupt company hired by the buyer will be so pursuant to new employment agreements.

Perfection of Security Interests

Under Brazilian law, the perfection of security interests over assets depends on certain registration requirements. Depending on the assets over which the security interest is to be created, the relevant security agreement (translated into Portuguese by a sworn translator, if executed in a foreign language) must be registered with the Registry of Titles and Deeds or with the Registry of Real Estate, as applicable. In addition, the perfection of security interests over certain assets may require additional formalities. This is the case for the perfection of security interests created over shares issued by a Brazilian company, which depends on the registration of the relevant liens in the company s shares registration books, with the relevant shares registration agent (if that is the case) or in the company s by-laws (in the case of limited liability companies).

Until such registrations occur, the security agreement is not binding against third parties. In the case of security interests which are required to be registered with the Registry of Titles and Deeds, if the relevant security agreement is registered within 20 days from its execution date, the security interest created thereby shall be deemed effective against third parties as of the date of execution of such security agreement.

British Virgin Islands

One of the guarantors is incorporated under the laws of the British Virgin Islands. In the event of insolvency, insolvency proceedings may, therefore, be initiated in the British Virgin Islands. British Virgin Islands law would then govern those proceedings. The insolvency laws of the British Virgin Islands may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions or even preclude your interests, including in respect of priority of creditors, the enforceability of securities, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

Insolvency Proceedings

The primary legislation governing bankruptcy and insolvency proceedings in the British Virgin Islands is the Insolvency Act 2003 (the *Insolvency Act*). The Insolvency Act provides for the appointment of a liquidator of an insolvent company by the British Virgin Islands court (the *BVI Court*) on the application of (i) the company, (ii) a creditor, (iii) a member, (iv) a supervisor of a creditor s arrangement in respect of the

1071

Table of Contents

company, (v) the British Virgin Islands Financial Services Commission or (vi) the British Virgin Islands Attorney General if (i) the company is insolvent, (ii) on just and equitable grounds or (iii) if it is in the public interest. Members may also appoint a liquidator of a company out of court. On the commencement of liquidation (i) a liquidator takes control of the assets of the company, (ii) the directors cease to have any powers except as permitted under the Insolvency Act or as authorized by the liquidator, (iii) unless the BVI Court orders otherwise, no proceedings and no exercise or enforcement of rights over assets may be commenced, (iv) unless the BVI Court orders otherwise, no share transfer may take place, (v) no member may change their status, (vi) no member may exercise any power under the constitutional documents except for the purposes of the Insolvency Act and (vii) no amendment to the constitutional documents may take place. Separate rules apply to the solvent liquidation of a company.

The priority of claims on liquidation is as follows: (i) costs and expenses of liquidation; (ii) preferential claims; (iii) other claims; (iv) interest on claims; and (v) distribution to members. However the costs and expenses of liquidation and preferential claims have priority over the claims of creditors in respect of assets that are subject to a floating charge.

There are no rehabilitative insolvency proceedings which may impose a moratorium on enforcement of security. Liquidation does not affect the right of a secured creditor to take possession of and realize or otherwise deal with assets of the company over which the creditor has a security interest. The laws of the British Virgin Islands recognise the private contractual rights of parties to prescribe circumstances in which a receiver / administrative receiver is appointed over the affairs of a BVI company. Administration provisions have been drafted into the Insolvency Act but are not yet in force.

Voidable Transactions

Under British Virgin Islands law, unfair preferences, transactions at an undervalue, voidable floating charges and extortionate credit transactions may be set aside in whole or in part or otherwise varied or amended by orders of the British Virgin Islands court when an insolvent party goes into liquidation or into administration. In each case the transaction must have been entered into within the relevant vulnerability period, being the period prior to the appointment of an administrator or liquidator (as applicable) and (except in the case of extortionate credit transactions) the transaction must either have been entered into at a time that the insolvent party was insolvent or have caused the insolvent party to become insolvent (determined on a cash flow basis).

An unfair preference is a transaction that has the effect of putting a creditor into a position which, in the event of the insolvent party going into insolvent liquidation, would be better than the position in which that creditor would have been vis-à-vis other creditors of the insolvent party if the transaction had not been entered into. An insolvent liquidation means a liquidation of a BVI company where the assets of such BVI company are insufficient to pay its liabilities and the expenses of the liquidation. A transaction is not an unfair preference if it took place in the ordinary course of the insolvent party s business. The relevant vulnerability period is six months, except if the creditor is a connected person , in which case it is two years.

An undervalue transaction is a transaction where the insolvent party (i) makes a gift or otherwise receives no consideration for the transaction, or (ii) the value of the consideration that it receives in money or money s worth is considerably less than the consideration provided by the insolvent party. A transaction is not an undervalue transaction if the insolvent party enters into the transaction in good faith and for the purposes of its business and if at the time it entered into the transaction there were reasonable grounds for believing that the transaction would benefit the insolvent party. The relevant vulnerability period is six months, except if the creditor is a connected person, in which case it is two years.

A floating charge may be set aside if there was no consideration at the time of or subsequent to the creation of the charge. The relevant vulnerability period is six months, except if the creditor is a connected person, in which case it is two years.

An extortionate credit transaction is a transaction for or involving the provision of credit and, having regard to the risk accepted by the person giving credit, (a) the terms of such credit extension are such as to require grossly exorbitant payments to be made (either unconditionally or in certain contingencies) or (b) the transaction otherwise grossly contravenes ordinary principles of fair trading. The relevant vulnerability period is five years.

In addition, any conveyance made by any person with intent to defraud creditors is voidable at the instance of the person thereby prejudiced under British Virgin Islands law. It is not a requirement that the relevant transaction was entered into at the time when one party was insolvent or became insolvent as a result of the transaction. It is not a requirement that the transferring party subsequently went into liquidation or administration. However, no conveyance entered into for valuable consideration and in good faith to a person who did not have notice of the intention to defraud may be impugned.

Canada

Some of the guarantors are organized under the laws of Canada. In the event of insolvency of the Canadian guarantors, insolvency proceedings may be initiated in Canada. Canadian law would govern those proceedings (subject to laws or protocols that may be applicable to international insolvencies if proceedings also occur in other jurisdictions in respect of those guarantors). The insolvency laws of Canada may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including in respect of priority of creditors, the ability to obtain post-filing interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

In Canada, there are two primary federal statutes that govern bankruptcy, insolvency and restructuring proceedings of insolvent debtors. The Bankruptcy and Insolvency Act (the BIA) contains provisions for the liquidation of bankrupt persons (in a manner loosely akin, in substance, to U.S. Chapter 7 proceedings, although there are important distinctions) and for the restructuring of insolvent debtors (in a manner loosely akin, in substance, to U.S. Chapter 11 proceedings, although there are important distinctions). Similar to bankruptcy proceedings in the U.S., a corporate debtor may be petitioned into bankruptcy by a creditor (i.e., involuntary proceedings) or apply or file for bankruptcy or reorganization (i.e., voluntary proceedings). In addition to the BIA, relief is also available under the Companies Creditors Arrangement Act (CCAA), which is a restructuring statute that operates in a manner loosely akin, in substance, to U.S. Chapter 11 proceedings (although there are important distinctions). CCAA proceedings are only available to insolvent debtor companies having debts in excess of CDN$5 million (or such other amount prescribed by regulation under the CCAA). Insolvency proceedings in Canada, whether under the BIA or the CCAA, are court-supervised.

Upon the bankruptcy of a debtor corporation, whether voluntarily or upon the application of a creditor, the BIA imposes a stay of any action, execution or other proceeding by unsecured creditors in respect of the debtor. Creditors may obtain leave of the applicable court to lift the stay in certain circumstances. Upon becoming bankrupt, whether voluntarily or involuntarily, all of a debtor s assets (subject to very limited exceptions) vest in a trustee in bankruptcy (subject to the rights of secured creditors with validly perfected security interests), at which point the debtor no longer has any ability to deal with those assets. The trustee typically proceeds to liquidate the assets and distribute the proceeds of the assets in accordance with the provisions of the BIA.

The BIA sets out the priority scheme for the payment of claims against a bankrupt debtor, which priority scheme takes precedence over any operative priority scheme outside of bankruptcy. Subject to certain statutory priority claims enumerated in the BIA (including, without limitation, a super priority charge under the BIA against a debtor s current assets for employee wages of up to CDN$2,000 per employee) and true trust claims, secured creditors have the right to look first to the assets charged by their validly perfected security for payment. Thereafter, the BIA provides a list of preferred creditors who recover their debts in priority to the general body of unsecured creditors. Preferred claims are paid in full, in order of their ranking, before any payments to lower ranking preferred creditors or general unsecured creditors. All other claims will be considered general unsecured claims and rank *pari passu*. If there is any surplus after payment to the unsecured creditors, the balance will be used to pay interest from the date of the bankruptcy at 5% per annum on all claims proved in the bankruptcy according to their priority. Any remaining amount would then be available for shareholders.

In the present instance, the proceeds resulting from the realization of the estate of an insolvent Canadian debtor that has guaranteed the notes may not be sufficient to satisfy secured claims or your deficiency claims as unsecured creditors under the guarantees granted by such Canadian guarantor after its prior-ranking secured creditors and other claims that rank in priority to claims of holders of notes have been satisfied.

Corporate restructurings in Canada may be implemented under either the BIA or the CCAA, with the latter being more commonly used by larger corporations. In either case, a broad stay of creditors rights and enforcement proceedings is generally implemented (in the case of the BIA by a statutory stay, and in the case of the CCAA by a court-ordered stay authorized by statute). Under this court-ordered protection, the debtor can formulate a restructuring proposal or plan, or conduct a going-concern sale or, in some circumstances, an orderly liquidation and distribute the proceeds derived from the sale or liquidation to the creditors in accordance with the priority of their claims. In the event of a restructuring proposal or plan under either the BIA or the CCAA, a double majority of the creditors (i.e., a simple majority in number having two-thirds in value of the claims voting on such proposal or claim) present and voting either in person or by proxy at a meeting of creditors for each designated class must approve the proposal or plan, and the proposal or plan must be sanctioned by the court. In the event of a liquidation under the CCAA, proceeds are generally distributed in accordance with the priority established by statute and the court (which may differ in some respects from those in a bankruptcy under the BIA). The court may also authorize the creation of priority charges ranking ahead of other creditors, including claims of holders of secured notes, in both CCAA and BIA restructurings (for example, for DIP financings, directors and officers indemnification and administration costs).

In the present instance, the proposed treatment of unsecured creditors under the guarantees granted by the Canadian guarantors in a restructuring proposal or plan is generally at the discretion of the Canadian guarantors, subject to the rights of creditors affected by the proposal or plan to vote on such proposal or plan and subject to sanction by the court, which may be opposed by an affected creditor.

Where a debtor deals with its property in a manner that prejudices its creditors (particularly where such debtor is or becomes thereafter insolvent), such transactions by the debtor may be subject to challenge by creditors and the scrutiny of the court. Under Canadian federal and provincial law, there are a number of statutory means to challenge or avoid such transactions. Where a transaction subject to review is held to be contrary to Canadian law, the transaction can be voided or subject to a variety of other remedies. Should the Canadian guarantors become insolvent within applicable time periods, the granting of the guarantees could be subject to challenge and the guarantees voided, and any amounts obtained under the guarantee that is voided would have to be repaid. Should the holders of the notes be repaid or otherwise recover from the Canadian guarantors at a time when such guarantors are insolvent, or if the Canadian guarantors thereafter become insolvent within applicable time periods, the repayment or recovery may be subject to challenge. Pursuant to amendments to Canadian insolvency legislation which came into force on September 18, 2009, certain remedies available under the BIA to avoid or challenge transactions entered into by a debtor have been strengthened and made available in CCAA proceedings.

England and Wales

Certain of the guarantors are incorporated under the laws of England and Wales (each an English Guarantor). Assuming that the English courts determine that the English Guarantors have their centre of main interests in England within the meaning of Council Regulation (EC) No 1346/2000 of May 29, 2000 on Insolvency Proceedings (the EU Insolvency Regulation), and therefore determine that those entities are eligible to commence insolvency proceedings in England, any such proceedings would constitute main insolvency proceedings under article 3(1) of the EU Insolvency Regulation and English law would apply to such main insolvency proceedings, subject to particular exceptions set out in the EU Insolvency Regulation.

The lenders under the Senior Secured Credit Facilities and the holders of the senior secured notes have the benefit of security interests, expressed in the relevant security documents to include fixed and floating charges, from each English Guarantor on a senior basis. The senior notes do not have the benefit of such security interests (although they do have the benefit of guarantees on a *pari passu* basis with the guarantees of the senior secured notes and certain other indebtedness of the English Guarantors). The security interests held by the lenders under the Senior Secured Credit Facilities and the holders of the senior secured notes include a qualifying floating charge over substantially the whole of the assets of each English Guarantor (a Qualifying Floating Charge).

Fixed charges attach immediately to the charged assets whereas a floating charge will not attach to the relevant charged assets until such time as the floating charge crystallizes. The key characteristic of a fixed charge security is that it gives the lender control over the charged asset. There is a risk of recharacterization of a fixed charge to a floating charge or vice versa. Such recharacterization will depend on various factors including the degree of control the chargee has over the ability of the relevant English Guarantor to deal with the relevant assets and the proceeds therefrom and whether such control is exercised by the chargee in practice. The less restrictions placed on the relevant English Guarantor s ability to deal with the asset the more likely it is to be classified as a floating charge regardless of how the charge is described in any documentation. There are a number of ways in which fixed charge security has an advantage over floating charge security, certain of these advantages being that: (a) general costs and expenses (including the liquidator s remuneration) properly incurred in a winding-up are payable out of the company s assets including the assets subject to a floating charge in priority of satisfaction of the floating charge (where there are insufficient unsecured asset realizations available to meet expenses of the liquidation, an administrator appointed to a charging company can convert floating charge assets to cash and use such cash, or use cash subject to a floating charge, to meet such administration expenses). In addition, where an administrator vacates office, any outstanding liabilities incurred by such administrator on behalf of the company during his term in office are payable in priority to such administrator s remuneration and expenses and in priority to satisfaction of any floating charge and in addition such remuneration and expenses are payable in priority to any satisfaction of floating charges; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the charged assets; (c) until the floating charge security crystallizes, a company is entitled to deal with assets that are subject to floating charge security, meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge and so as to give rise to the risk of security being granted over such assets in priority to the floating charge security; (d) floating charge security is subject to the claims of preferential creditors (as further described below); (e) in certain circumstances a percentage of the floating charge assets must be ring-fenced for payment to unsecured creditors; and (f) floating charge security is subject to certain additional challenges under English insolvency law to those to which a fixed charge is subject (as described below).

Generally, unsecured creditors of an English Guarantor (such as the holders of the senior notes) have a right to make an application to court to appoint an administrator in certain circumstances, though the holder of a Qualifying Floating Charge (such as the lenders under the Senior Secured Credit Facilities and the holders of the senior secured notes) would have the right to intervene and nominate its chosen administrator in such circumstances. A creditor that holds a Qualifying Floating Charge as well as the company or its directors is entitled to appoint an administrator in an out of court procedure. As a result of their Qualifying Floating Charge, the lenders under the Senior Secured Credit Facilities and the holders of the senior secured notes, subject to the intercreditor agreements, may be able to appoint an administrator in respect of an English Guarantor in an out of court procedure by way of notice, following which papers documenting the appointment will be filed with the court, although in practice the directors of the company may make the appointment of an administrator with the agreement of the holder of the Qualifying Floating Charge as the holder would otherwise be required to file a statutory declaration with the court stating that the charge is enforceable. The holders of the senior notes do not benefit from any such security interest and therefore will not be entitled to commence an administration out of court and will not be given prior notice of the making of, or an intention to make, an administration order.

Once an administration order is made, the rights of the holders of the notes may be limited and will be subject to the principles set out in the following paragraphs resulting from the application of English insolvency laws.

1075

Once appointed, an administrator would manage the affairs, business and property of the company as its agent and would be empowered in certain circumstances to dispose of the assets of the company. In so acting it must perform its functions with the objective of: (a) rescuing the company as a going concern; (b) achieving a better result for the company s creditors as a whole than would be likely if the company were wound up (without first going into administration); or (c) realizing property in order to make a distribution to one or more secured or preferential creditors. The administrator must perform his functions in the interests of the company s creditors as a whole. The administrator may only perform its functions in pursuit of the objective stated in (b) if, in his opinion, it is either not reasonably practicable to rescue the company, or the objectives described in (b) would achieve a better result for the company s creditors as a whole. He may only perform his functions in pursuit of the objective stated in (c) if he believes that it is not reasonably practicable to achieve the objectives stated in (a) or (b) and to do so would not unnecessarily harm the interests of the creditors of the company as a whole. During the administration, in general, no proceedings or other legal process may be commenced or continued against the debtor, or security enforced over the debtor s property, except with the permission of the court or consent of the administrator. A court will apply discretionary factors in determining any application for permission, in light of the statutory objectives of administration set out above. If an English Guarantor were to enter into administration proceedings, it is possible that the security granted by it or the guarantee granted by it may not be enforced while it is in administration.

Under English insolvency law, in the event of a winding up in respect of a guarantor at the end of administration, receivership or liquidation (each a Relevant Insolvency Procedure), if such guarantor has provided floating charge security, any net proceeds of the property subject to such floating charge security will only be paid to discharge amounts owed to the holder of the floating charge after payment of (in the following order): (i) the expenses of the insolvency office-holder appointed under the Relevant Insolvency Procedure; (ii) to the extent applicable, certain preferential debts which are entitled to priority in respect of floating charge security realizations under English law, such as occupational pension scheme contributions and salaries owed to employees (up to prescribed statutory caps); and (iii) subject to certain exceptions, a prescribed part of the net property subject to the floating charge reserved for unsecured creditors. The prescribed part currently amounts to the aggregate of (i) 50% of the first £10,000 of the net property subject to the floating charge and (ii) 20% thereafter, subject however to a maximum aggregate amount of £600,000.

Any interest accruing under or in respect of amounts due under a guarantee to which an English Guarantor is a party in respect of any period after the commencement of liquidation proceedings would only be recoverable by holders of the notes or the trustee, as applicable, from any surplus remaining after payment of all other debts proved in the proceedings and accrued and unpaid interest up to the date of the commencement of the proceedings.

A liquidator or administrator of an English Guarantor could apply to the court for an order to rescind the guarantee or security (as applicable) and otherwise restore the position to what it would have been had the relevant company not entered into such guarantee or security (as applicable) if the liquidator or administrator believes the issuance of that guarantee or security (as applicable) constituted a transaction at an undervalue. A transaction is at an undervalue if a company makes a gift to a person or enters into a transaction on terms where the company receives no consideration or consideration which, in money or money s worth, is significantly less than the value, in money or money s worth, of the consideration provided by the company. In order to constitute a transaction at an undervalue, the transaction must have been entered into during the period of two years before the commencement of winding up or, depending on how the company enters administration, (i) the date on which the application for administration is made, (ii) the date on which a notice of intention to appoint an administrator is filed at court, or (if neither (i) or (ii) apply) the date on which the appointment of an administrator takes effect. Furthermore, the company must have been unable to pay its debts on a cash flow or balance sheet test basis at the time it entered into the transaction or have become unable to pay its debts as a result of entering into such transaction. Under English insolvency law, there is a presumption of insolvency if the parties to the transaction are connected; for instance, if the transaction is an intra-group transaction. It is a defense if the company entered into the transaction in good faith for the purposes of carrying on its business and, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. There can be no assurance that the provision of such guarantees or security (as applicable) will not be challenged by a liquidator or administrator as a transaction at an undervalue.

Where it can be shown that a transaction, such as a guarantee or the provision of security, was at an undervalue and was made for the purpose of defeating the claims of an existing or putative creditor, e.g., by putting assets beyond the reach of a person who is making, or may at some time make, a claim against a company, or otherwise prejudicing the interests of such person in relation to such a claim, the transaction may be set aside by the court as a transaction defrauding creditors. This provision of English law may, in certain circumstances, be used by any person who claims to be a victim of the transaction and is not therefore limited to liquidators or administrators. English insolvency legislation does not provide a statutory time limit within which a claim that a transaction defrauding creditors must be brought and the company need not be insolvent at the time of the transaction or as a result of entering into the transaction. To the extent that a court were to find that a guarantee or the provision of security constituted a transaction defrauding creditors, the court may make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of persons who are victims of the transaction, which could include releasing the guarantee or security.

If the liquidator or administrator can show that a company has given a preference to any person within six months of the onset of insolvency, i.e., the commencement of the winding up or the appointment of an administrator (or two years of the onset of insolvency if the preference is to a connected person other than by reason only of being its employee) and, at the time of the preference, the company was unable to pay its debts at the time of the transaction or became unable as a result of the transaction, a court has the power, among other things, to void the transaction. For these purposes, a company gives a preference to a person if that person is one of the company s creditors (or a surety or guarantor for any of the company s debts or liabilities) and the company does anything or suffers anything to be done that has the effect of putting that person into a position which, in the event of the company going into insolvent liquidation, would be better than the position that person would have been in if the thing had not been done. The court may not make an order voiding a preferential transaction unless it is satisfied that the company was influenced by a desire to do anything or suffer anything to be done to put that person in a better position. There is a presumption of such influence if the parties are connected (otherwise than by reason only of being its employee). If a court finds that the guarantees or the security are preferences, the court has very wide powers for restoring the position to what it would have been if that preference had not been given, which could include reducing payments under the guarantees or security (although there is protection for a third party who enters into such a transaction in good faith and for value).

Except in respect of a floating charge that constitutes a financial collateral arrangement, if a company grants a floating charge over its assets to any person within 12 months of the onset of insolvency (i.e., the commencement of the winding up or the appointment of an administrator) and, at the time the floating charge was created, the company was unable to pay its debts or becomes unable to pay its debts as a consequence of the charge, the charge is invalid except to the extent of the aggregate of the value of the consideration provided to the company for the charge at the same time as, or after, the creation of the charge consisting of money paid or goods or services supplied, or consisting of the discharge or reduction of any of the company s debts (or interest on any of the foregoing). Where the floating charge was created in favour of a person connected with the company, the charge is invalid if made up to two years prior to the onset of insolvency, and it not being necessary to show that the company was unable to pay its debts at the time or became unable to pay its debts as a result.

If an English Guarantor were to go into administration under English law, the rights of the holders of the notes or the trustee, as applicable, to enforce any applicable security or guarantee or to otherwise institute any legal proceedings against that English Guarantor would be restricted. There is a general moratorium on the enforcement of security, guarantees and other legal process where a company is in administration. No step may be taken by any person to enforce security over a company s property in such circumstances without the consent of the administrator or the permission of the court. However, this would not apply to a secured creditor of a company who holds a security interest that constitutes financial collateral and/or where the obligations of a secured creditor constitute a security financial collateral arrangement (in each case as

1077

defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)). Furthermore, prior to the appointment of an administrator, an interim moratorium will automatically arise once an application to court to appoint an administrator has been lodged or notice of an intention to make an appointment out of court has been given. To the extent that a guarantor is a small company under s.382 of the Companies Act 2006, it may also be eligible for a moratorium if implementing a company voluntary arrangement.

The making of a winding-up order or the appointment of a provisional liquidator in respect of an English Guarantor would also have the effect of initiating a moratorium upon actions or proceedings against that English Guarantor. However, this moratorium would not extend to the secured creditors of that English Guarantor and as such the lenders under the Senior Secured Credit Facilities and the holders of the senior secured notes, subject to the intercreditor agreements, would (unlike in administration) therefore be able to enforce their security interests granted on a senior basis. If realizations from the enforcement of the security exceed the value of their debt, the lenders under the Senior Secured Credit Facilities and the holders of the senior secured notes would be required to pay the balance over to the liquidator and the balance will form part of the assets of the company to be distributed by the liquidator. To the extent that the security realised does not cover the whole of the debt, the lenders under the Senior Secured Credit Facilities and the holders of the senior secured notes would be required to prove for the unsecured balance of the debt alongside unsecured creditors (including the holders of the senior notes).

An administrator may dispose of or take any action in respect of any property of an English Guarantor subject to a floating charge as if it were not subject to the charge, although the floating charge holder shall have the same priority in respect of acquired property (i.e., property which directly or indirectly represents the property disposed of) as it had in respect of the disposed property. The administrator may also dispose of the property which is the subject of a fixed charge, subject to making an application to court and the court finding that the disposal of the property would be likely to promote the purpose of the administration.

In addition, subject to certain exceptions in relation to any security financial collateral arrangement (as defined above), under English insolvency law any debt incurred or payable in a currency other than pounds sterling (such as dollars or euros, as the case may be, in the case of the notes) must be converted into pounds sterling at the official exchange rate prevailing at the date when the debtor went into liquidation or the date when the debtor went into administration or, if the liquidation was immediately preceded by an administration, the date the debtor entered the administration or, if the administration was immediately preceded by a winding up, on the date the company went into liquidation. Any debt payable in a foreign currency may also be converted by an English administrator when making a distribution to creditors during an administration. This provision overrides any agreement between the parties. The official exchange rate for these purposes is the middle market rate on the London Foreign Exchange Market as published for the date in question or, if no such rate is published, such rate as the court determines. Accordingly, in the event that an English Guarantor goes into liquidation or administration, holders of the notes may be subject to exchange rate risk from the date that such English Guarantor goes into liquidation or administration thereby affecting the receipt of amounts to which such holders of the notes may become entitled.

Germany

Some of the guarantors are organized under the laws of Germany. In the event of insolvency, insolvency proceedings may, therefore, be initiated in Germany. German law would then govern those proceedings. The insolvency laws of Germany may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions or even preclude your interests, including in respect of priority of creditors, the enforceability of securities, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

Under German insolvency law, insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor (i.e., where its liabilities exceed the value of its assets) or in the event that the debtor is unable to pay its debts as and when they fall due

(*Zahlungsunfähigkeit*). Please note that until December 31, 2013 insolvency proceedings cannot be based on over-indebtedness if the debtor s business is predominantly likely to continue as a going concern (positive *Fortführungsprognose*). In addition, the debtor can file for insolvency proceedings if it is imminently at risk of being unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*). The insolvency proceedings are court controlled, and upon receipt of the insolvency petition, the insolvency court may take preliminary measures to secure the property of the debtor (*Sicherungsmaßnahmen*) by, for example, appointing a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) and enjoining the debtor from disposing of its assets (*Verfügungsverbot*) or ordering the debtor not to dispose of its assets without the preliminary insolvency administrator s consent. Furthermore, the court may prohibit or suspend any measures taken to enforce individual claims against the debtor s assets during these preliminary proceedings. Upon an admissible insolvency petition, the court orders the opening of insolvency proceedings if a reason to open insolvency proceedings (*i.e.*, over-indebtedness, illiquidity or, in case of an application filed by the debtor, impending illiquidity) exists and if there are sufficient assets to cover at least the cost of the insolvency proceedings. The court appoints an insolvency administrator (*Insolvenzverwalter*) who, once the main insolvency proceedings have been opened, has full administrative and disposal authority over the insolvency estate (*Insolvenzmasse*), *i.e.*, the debtor s assets.

Generally, the opening of (preliminary) insolvency proceedings may affect the enforceability of guarantees or security provided to you. Individual Enforcement Actions with respect to the guarantee claims are subject to an automatic stay upon the opening of insolvency proceedings. Even creditors who have a right to segregate an asset from the insolvency estate (*Aussonderungsrecht*) may be restrained from regaining possession of the relevant asset if the court orders that it is required for the continuation of the debtor s business. Once insolvency proceedings have been opened, all creditors, whether secured or unsecured (unless they have a right to segregate an asset from the insolvency estate), wishing to assert claims against the debtor need to participate in the insolvency proceedings. Any security acquired by virtue of enforcement during the last month prior to the filing of the insolvency petition or after that date will become invalid by operation of law when the insolvency proceedings are opened.

Generally, secured creditors are entitled to separate or preferred satisfaction in German insolvency proceedings. Unsecured Note Guarantees will be effectively subordinated to any Secured Indebtedness of any German guarantor to the extent of the value of the assets of such German guarantor securing Secured Indebtedness.

The process of enforcing the security granted by the debtor depends on the type of that security. If the insolvency administrator is in possession of a movable asset which is subject to separate satisfaction, he may realize the asset. The same is true when the claims have been assigned by the debtor for security purposes (*Sicherungsabtretung*). In this case the realization proceeds less certain contributory charges for (i) assessing the value of the secured assets (*Kosten der Feststellung*) (4% of the relevant proceeds) and (ii) realizing the secured assets (*Kosten der Verwertung*) (usually 5% of the relevant proceeds), in each case, including any such taxes (such as VAT) accruing thereon, are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. The contributory charges will become part of the insolvency estate.

If the secured creditor has possession of a movable asset subject to separate satisfaction, he may realize the asset himself. The same is true for account pledges (*Kontoverpfändungen*), share pledges (*Anteilsverpfändungen*) or mortgages (*Hypotheken*). In this case, the insolvency estate is generally not entitled to participate in the proceeds. However, in preliminary insolvency proceedings (*vorläufiges Insolvenzverfahren*) only, even if the secured creditor may have the right to realize security provided by the debtor, the insolvency court may still be entitled to restrain the creditor in exercising these rights under certain conditions. The surplus of the enforcement of a security right (if any) will become part of the insolvency estate.

After the complete termination and satisfaction of claims against the insolvency estate (comprising amongst others the costs of the insolvency proceedings) the insolvency estate (including the contributory charges and the surplus of an enforcement of security rights mentioned above) will be distributed among the unsecured creditors who are satisfied on a pro rata basis only. If the proceeds from the realization of security rights falls short of the secured claims, the delta may be filed as an unsecured insolvency creditor s claim. The proceeds resulting from the realization of the insolvency estate of the debtor may not be sufficient to satisfy unsecured creditors under the guarantees granted by any German guarantor after the secured creditors have been satisfied.

Enforcement and distribution of proceeds different from the one outlined above can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and which requires, among other things, the consent of each class of creditors in accordance with specific majority rules and the approval of the insolvency court.

Under German insolvency law, an insolvency administrator may under certain circumstances avoid (*anfechten*) any transaction, including the repayment of debt and the granting of security or a guarantee, which was entered into prior to the commencement of insolvency proceedings and which discriminates against creditors.

The insolvency administrator s right to avoid transactions can, depending on the circumstances, extend to transactions entered into during a ten-year period prior to the petition for the commencement of insolvency proceedings. The most critical hardening period is the last three months prior to the filing of an insolvency petition. During this period a transaction may be voidable as (i) a congruent correspondence (*kongruente Deckung*), (ii) an incongruent correspondence *(inkongruente Deckung*) or (iii) a directly detrimental transaction (*unmittelbar nachteilige Rechtshandlung*). A repayment of debt, for example, may constitute a congruent correspondence and is voidable if at the time of the repayment the debtor was unable to pay its debts (*zahlungsunfähig*) and the recipient of the payment was aware of such inability or of circumstances strongly suggesting that debtor was illiquid. Prior to the three-month hardening period, a transaction may be avoided by the insolvency administrator if it constitutes (i) an intentional discrimination (*vorsätzliche Benachteiligung*) of the creditors and was executed within ten years prior to the filing of an insolvency petition or (ii) a performance without consideration (*unentgeltliche Leistung*) and was executed within four years prior to the filing of an insolvency petition. A German court might consider the granting of security or a guarantee by a subsidiary to its parent company as performance without consideration. The insolvency administrator may also avoid a transaction by which a debtor grants security for (hardening period of ten years) or discharges a shareholder s claim for repayment (hardening period of one year) of a shareholder loan.

In addition, as long as no insolvency proceedings are instituted, a creditor who has obtained an enforcement order has the right to challenge certain transactions, such as the payment of debt or the granting of security or a guarantee, pursuant to the German Code on Avoidance (*Anfechtungsgesetz*). In the event such a transaction was successfully avoided, the holders of the notes would be under an obligation to repay the amounts received or to waive the guarantee or security.

The above principles of avoidance apply, in particular, to the guarantees or collateral granted by the German guarantors. In the case of such avoidance of a guarantee or security provided by a German guarantor, you would not have any claim in respect of the respective guarantee and any amounts obtained under the guarantee that are avoided would have to be repaid. The German principles on avoidance may therefore limit your ability to recover payments due on the guarantees.

Under German law there is no substantive consolidation of the assets and liabilities of a group of companies in the event of insolvency. Therefore, each insolvent company will be liquidated on a stand-alone basis and individual insolvency proceedings with potentially different insolvency administrators will be initiated.

Restrictions on Enforcement Reflecting German Corporate Law.

The enforcement of guarantees and security interests provided by our German subsidiaries incorporated as a GmbH or GmbH & Co. KG will be limited by language reflecting the capital maintenance rules imposed by German corporate law, which prohibit the direct or indirect repayment of a German limited liability company s stated share capital to its direct or indirect shareholders (including payments pursuant to guarantees in favor of the debts of such shareholders). Payments under the guarantees and/or enforcement of security interests will be

Table of Contents

limited if, and to the extent, such payments/enforcements would cause a German subsidiary s net assets to fall below the amount of its stated share capital or would further increase an existing shortfall, in each case in violation of Section 30 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung, GmbHG*).

The net assets of each of our German subsidiaries incorporated as a GmbH or, in case of a GmbH & Co. KG, its general partner (*Komplementär*) are measured at the time of enforcement of the guarantee or security, as the case may be, after taking into account, among other things, the direct debt and other obligations of the relevant German subsidiary incorporated as a GmbH or, in case of a GmbH & Co. KG, its general partner (*Komplementär*). Because our German subsidiaries are also guarantors of or security providers in respect of all obligations under the Senior Indebtedness and will also owe other obligations, we cannot assure you that the excess of the net assets of each German subsidiary incorporated as a GmbH, or in the case of a GmbH & Co. KG, its general partner (*Komplementär*) over its stated share capital will be adequate to cover any or all of the amounts outstanding under any guarantee provided by the relevant German subsidiary or the obligations secured by the security granted by the relevant German subsidiary.

German capital maintenance rules are subject to ongoing court decisions. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of their subsidiaries constituted in the form of a limited liability company or of a limited partnership, the general partner or general partners of which is, or are, a limited liability company, which can negatively affect our ability to make payment on the notes or of the subsidiaries to make payments on the guarantees.

Section 278 para. 3 in connection with Section 57 paras. 1 and 3 of the German Stock Corporation Act (*Aktiengesetz, AktG*) prohibits the granting of distributions and other benefits by a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) to its shareholders, with the exception of the distribution of the balance sheet profit (*Bilanzgewinn*). Benefits such as guarantees and security granted in violation of this prohibition are void and unenforceable. However, Section 278 para 3 in connection with Sections 57 para 1 and 291 para 3 of the German Stock Corporation Act expressly stipulates that this prohibition is not applicable to benefits granted while a domination agreement (*Beherrschungsvertrag*) or profit transfer agreement (*Gewinnabführungsvertrag*) exists between the partnership limited by shares and the shareholder on whose instructions the benefit is granted. Nonetheless, it is still conceivable that the granting of guarantees and/or security by SIG Euro Holding AG & Co. KGaA and by affiliated companies (especially subsidiaries) of SIG Euro Holding AG & Co. KGaA to secure liabilities of its direct or indirect shareholders could violate Section 278 para 3 in connection with Section 57 paras 1 and 3 of the German Stock Corporation Act and thus be void and unenforceable, if the instructions given to SIG Euro Holding AG & Co. KGaA by its shareholders to grant such guarantees and/or security constituted an unjustified and extreme infringement of SIG Euro Holding AG & Co. KGaA s own corporate interests and thus do not fall within the scope of benefits granted on the basis of legitimate instructions.

Section 278 para 3 in connection with Section 71a of the German Stock Corporation Act provides that the granting of guarantees and/or security by a partnership limited by shares which serve the purpose of supporting the acquisition of shares in such partnership limited by shares is prohibited. However, Section 278 para 3 in connection with Section 71a para 1 of the German Stock Corporation Act expressly stipulates that this prohibition is not applicable to guarantees and/or security granted while a domination agreement or profit transfer agreement exists between the partnership limited by shares and the entity on whose instructions the guarantee and/or security is granted. Nonetheless, it is still conceivable that the granting of guarantees and/or security by SIG Euro Holding AG & Co. KGaA and by affiliated companies (especially subsidiaries) of SIG Euro Holding AG & Co. KGaA to support the acquisition of shares in such partnership limited by shares could violate Section 278 para 3 in connection with Section 71a of the German Stock Corporation Act, in which case such guarantees and security would be void and unenforceable or subject to a redemption claim against the beneficiary, if the instructions given to SIG Euro Holding AG & Co. KGaA by the dominating entities to grant such guarantees and/or security constituted an unjustified and extreme infringement of SIG Euro Holding AG & Co. KGaA s own corporate interests and thus do not fall within the scope of benefits granted on the basis of legitimate instructions.

Recognition of the Laws of New York in German Proceedings

Although the choice of the laws of New York to govern the guarantees would be recognized by the competent courts of the Federal Republic of Germany, in case of a dispute before a German court, the German court would only recognize the substantive laws of New York and would apply the laws of the Federal Republic of Germany with respect to procedural matters. Further, a German court may refuse to apply and/or to enforce provisions governed by the laws of New York (as they apply to the guarantees) if the respective provision is contrary to the German *ordre public* (public policy) or compulsory provisions under German law or if the law of another jurisdiction must be applied regardless of the chosen law. In addition, if a German court finds that the facts of the case have only been connected with a jurisdiction other than New York at the time of the choice of law, the court may still apply those provisions which cannot be derogated by contract according to the laws of that jurisdiction. Finally, a German court may not recognize the choice of laws of New York if, or to the extent it is determined that, the choice of laws of New York was made to evade mandatory provisions or public policy considerations of the laws of another jurisdiction.

Release of Security Interests Governed by German Law.

If the realizable value of the security package at any date after entering into the German law security documents permanently and not just temporarily exceeds 110% of the amount of the secured obligations, such excessive part of the security must, on request of the respective security provider, be released, which would not affect the validity or enforceability of the remaining security. A security provider will be deemed to have a claim for release of the excess security even if the relevant documents do not expressively provide for release provisions. For practical purposes, such claim is commonly triggered if the market value of the encumbered assets exceeds the amount of the secured obligations by 50%.

Other Local Law Considerations

The beneficial owners of the senior secured notes from time to time will not be party to any of the security documents. Therefore, in Germany, there are risks regarding the enforceability of the security interests granted by the note guarantors in favor of the noteholders. In order to mitigate the risk, the collateral agent will enter into an abstract acknowledgement of indebtedness agreement and a parallel debt undertaking pursuant to which the collateral agent will become the holder of the secured claims equal to the principal amount of the notes plus certain other amounts for the benefit of the trustee and the holders of the notes. Accordingly, the rights of the holders will not be directly secured by the pledges of the collateral, but through this parallel claim. This parallel claim will be acknowledged by the applicable grantor by way of an abstract acknowledgement of indebtedness or a parallel debt undertaking to the collateral agent. The abstract acknowledgement of debt and parallel debt undertaking secures the notes and the collateral secures claims under the abstract acknowledgement of debt and parallel debt undertaking. There is uncertainty as to the enforceability of this procedure in Germany. This procedure has not yet been tested under German law, and we cannot assure you that it will eliminate or mitigate the risk of unenforceability posed by German law.

In order to create valid security interests over assets expressed to be subject to security interests under German law:

- the relevant company must be notified of the pledges over shares and partnership interests;
- pledges over the shares in SIG Euro Holding AG & Co. KGaA require delivery of the share certificates to the collateral agent;
- the relevant account bank must be notified of the pledges over bank accounts;

the notification/consent of the relevant insurer is required for the assignment of insurance receivables; and

the land charges and the deeds for submission to immediate enforcement *(Unterwerfung unter die sofortige Zwangsvollstreckung)* must be registered in the competent land register *(Grundbuch)*.

Table of Contents

Any enforceable copy *(vollstreckbare Ausfertigung)* that has been issued before an existing land charge has been assigned to the collateral agent has to be transcribed *(umgeschrieben)* in favour of the collateral agent before the existing deeds for submission to immediate enforcement *(Unterwerfung unter die sofortige Zwangsvollstreckung)* can be enforced.

Guernsey

One of the guarantors is incorporated under the laws of the Island of Guernsey. Therefore, any insolvency proceedings by or against such guarantor may be initiated in Guernsey and based on Guernsey insolvency laws. The insolvency laws of Guernsey are different from the insolvency laws of other jurisdictions, and this may limit your ability to recover payments on the notes to an extent exceeding the limitations arising under other insolvency laws.

Under Guernsey law, a guarantee can be avoided if there is no commercial benefit to the guarantor in issuing it. The directors of the Guernsey guarantor believe that the issue of the guarantees and the provision of security by the Guernsey guarantor are of commercial benefit to such guarantor. However, there can be no assurance that the issue of the guarantees or the provision of security will not be challenged by a liquidator, administrator or creditor, or that a court would support the directors commercial benefit analysis.

Under Guernsey customary law, if it can be shown that the granting of a guarantee was made at the time the guarantor was insolvent or that the guarantor became insolvent as a result of the guarantee, any person prejudiced by the guarantee may apply to the Royal Court of Guernsey to set the guarantee aside as a transaction defrauding creditors. This provision of Guernsey customary law may, in certain circumstances, be used by any person who claims to be the victim of the transaction, not only liquidators. If a court were to find that the granting of the guarantee constituted a transaction defrauding creditors, the court may make such orders as it thinks fit to protect the interests of those creditors and to restore the guarantor s position to what it would have been if the transaction had not been entered into, including by voiding the guarantee. There is not yet decisive case law as to what, if any, time limit there is on such a challenge.

Furthermore, if the Royal Court of Guernsey was asked to enforce a guarantee against the Guernsey guarantor, the Guernsey guarantor might be able to claim certain rights under Guernsey law, known as the droit de division and the droit de discussion , being respectively a right to require that any liability of the Guernsey guarantor be divided or apportioned with another person or persons and a right to require that the assets of the principal obligor (or any other person) be exhausted before any claim is enforced against the Guernsey guarantor unless the Guernsey guarantor has agreed to waive such rights. It is intended that the Guernsey guarantor will waive its rights under the droit de division and the droit de discussion under the indentures governing the senior secured notes.

Under Guernsey law, if the business of a company is carried on with intent to defraud creditors or for any fraudulent purpose, every person who is knowingly a party to the carrying on of the business in that manner is guilty of an offence. Civil liability can also arise where in the course of winding up a company it appears that the business of the company had been carried on with intent to defraud creditors. In that instance the Royal Court of Guernsey on application of a creditor, member, liquidator or administrator can declare that any person who was knowingly a party to the carrying on of the business in such manner is liable to make a contribution to the company s assets.

If in the course of an insolvent winding up of a Guernsey company it appears that at some time before the commencement of the winding up a director knew or ought to have concluded that there was no reasonable prospect of the company avoiding going into insolvent liquidation, the Royal Court of Guernsey on the application of the liquidator or any creditor or member of the company can declare that person is liable to make such contribution to the company s assets as the Court thinks proper.

If in the course of the winding up of a company it appears that any business of the company has been carried on with intent to defraud creditors (whether of the company or of any other person), or for any fraudulent purpose the Royal Court of Guernsey, on the application of the liquidator, administrator or any creditor or member of the company may declare that any persons who were knowingly parties to the carrying

Table of Contents

on of the business in such manner are liable to make such contributions to the company s assets as the Court thinks proper.

In Guernsey, if a liquidator can show that a company has given a preference to any person after the commencement of a period of six months prior to the onset of liquidation proceedings (or two years if the preference is to a connected person) and at the time of giving the preference such company was unable to pay its debts or became as a result of giving the preference unable to pay its debts, the Royal Court of Guernsey may make such order as it thinks fit for restoring the position to what it would have been if the company had not given the preference. A company is deemed to have given a preference to a person if that person is either one of the company s creditors or a surety or guarantor for any of the company s debts or liabilities, and the company does anything or permits anything to be done which improves that person s position in the company s liquidation. The Royal Court of Guernsey may not make an order regarding a preferential transaction unless it is satisfied that the company was influenced in deciding to give the preference by a desire to put that person in a better position in the company s liquidation, save where the person given a preference is connected with the company where such desire is presumed unless the contrary is shown. If the Royal Court of Guernsey finds that the guarantees are preferences, it has wide powers for restoring the position of the guarantor to what it would have been if that preference had not been given, which could include reducing payments under the guarantees. However, there is protection for a third party who enters into a preferential transaction in good faith, for value and without notice.

Under Guernsey law, parties may choose the laws of a foreign jurisdiction as the governing law of a guarantee so long as that choice is legal and bona fide. Under the indentures, the Guernsey guarantors have submitted to the jurisdiction of the courts of New York. A judgment of a New York court should be enforceable in Guernsey in accordance with the common law rules of private international law relating to the enforcement of foreign judgments, subject to certain qualifications more specifically set out in the section Enforcement of Civil Liabilities Guernsey.

Insolvency Proceedings

Under Guernsey law there are two substantive types of insolvency proceedings relating to non-cellular companies, namely administration and winding up proceedings.

Administration

An administration order may be made in respect of a Guernsey company if the Royal Court of Guernsey (the Court) is satisfied that a company does not satisfy or is likely to become unable to satisfy the solvency test prescribed by The Companies (Guernsey) Law, 2008 (as amended) and considers that the making of an administration order may achieve either:

- the survival of the company, and the whole or any part of its undertaking, as a going concern; or
- a more advantageous realization of the company s assets than would be effected on a winding up.

An administration order may be applied for by a company itself, the directors of the company, any member of the company, any creditor of the company, the Guernsey Financial Services Commission in respect of supervised companies and companies engaged in financial services business or, in the case of a company in respect of which the Court has made an order for winding up or which has passed a resolution for voluntary winding up, a liquidator.

In the period between the presentation of the application for an administration order and ending with the making of an order or the dismissal of the application:

no resolution may be passed or order made for the company s winding up; and

no proceedings may be commenced or continued against the company except with the leave of the Court and subject to such terms and conditions as the Court may impose. However, a creditor s rights of set-off and security interests created pursuant to the Security Interests (Guernsey) Law, 1993 and rights of enforcement thereof are unaffected and may be exercised without the leave of the Court.

However, the leave of the Court is not required for the presentation of an application for the company s winding up in that period.

Following an administration order and during the period for which the order is in force, the affairs, business and property of a company are managed by an administrator appointed by the Court, and no resolution may be passed or order made for the company s winding up and no proceedings may be commenced or continued against the company except with the consent of the administrator or the leave of the Court and subject to such terms and conditions as the Court may impose. However, a creditor s rights of set-off and security interests created pursuant to the Security Interests (Guernsey) Law, 1993, and rights of enforcement thereof are unaffected.

Winding Up

A Guernsey company may be wound up voluntarily if:

the period (if any) fixed by its memorandum or articles of incorporation for the duration of the company expires, provided that the company passes an ordinary resolution that it be wound up voluntarily; or

an event (if any) occurs on the occurrence of which the memorandum or articles of incorporation of the company provide that the company must be dissolved, provided that the company passes an ordinary resolution that it be wound up voluntarily; or

if the company passes a special resolution that it be wound up voluntarily.

From the commencement of a voluntary winding up (upon the passing of the resolution for voluntary winding up), the company must cease to carry on business, except insofar as may be expedient for the beneficial winding up of the company. The company, however, continues in existence until dissolution.

A company may be compulsorily wound up by the Court if the company, *inter alia*: has by special resolution resolved that it be wound up by the Court; has not commenced business within one year beginning on the date of its incorporation; suspends business for a whole year; has no members; or is unable to pay its debts. For this purpose, a company is deemed to be unable to pay its debts if a creditor to whom the company owes a sum exceeding £750 serves on the company through the office of H.M. Sergeant at the company s registered office a written demand for payment (commonly called a statutory demand), and the company, for a period of 21 days immediately following the date of service of the statutory demand, fails to pay the sum or to secure payment to the reasonable satisfaction of the creditor; or if it is proved to the satisfaction of the Court that the company fails to satisfy the solvency test as prescribed by The Companies (Guernsey) Law, 2008, as amended.

Arrangements can be entered into by a Guernsey company which is being voluntarily wound up with its creditors to delegate to its creditors the right to appoint a liquidator. Any arrangement entered into between a company and its creditors, subject to a right of appeal, is binding if sanctioned by a special resolution of the company and by 75% in number and value of its creditors. However, a creditor or shareholder of a company which has entered into such an arrangement may, within 21 days beginning on the date of the completion of the arrangement, apply to the Court for an order that the arrangement be set aside. The Court may make such order as it thinks fit for the setting aside, amendment, variation or confirmation of the arrangement.

On the making of an application for the compulsory winding up of a company or at any time thereafter, any creditor of the company may apply to the Court for an order restraining, on such terms and conditions as the Court thinks fit, any action or proceeding pending against the company; or appointing a provisional liquidator to ascertain the company s assets and liabilities, manage its affairs and do all acts authorized by the Court.

Hungary

Some of the guarantors are organized under the laws of Hungary. In the event of insolvency, insolvency proceedings may, therefore, be initiated in Hungary. In such cases the main proceeding would be governed by

Hungarian law. The insolvency laws of Hungary may substantially differ from the laws of other countries and may not be as favorable to your interests or even preclude your interests as creditors as the insolvency laws of other jurisdictions, including priority of creditors, enforceability of security interests and the duration of the insolvency proceedings, and therefore may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

Under Hungarian law, there are two types of insolvency proceedings, these are the bankruptcy and liquidation proceedings. These proceedings are regulated by Act XLIX of 1991 on Bankruptcy and Liquidation Proceedings (the Bankruptcy Act).

Bankruptcy Proceedings

The purpose of the bankruptcy procedure is to reorganise the debts of the debtor company in order to enable it to continue its business operations. Both directors and creditors of the company are entitled to file a petition for bankruptcy proceedings at court, pursuant to which an automatic 90 days moratorium is granted, resulting in the temporary suspension of its payment obligations. During the moratorium the company may only fulfil its certain privileged payment obligations (e.g. payment of wages). The moratorium may be extended to 365 days with the consent of the creditors. In the bankruptcy procedure the company may reach a composition with its creditors. The composition scheme will be compulsory for, and could be enforced against all creditors of the debtor company, even if not all of the creditors have consented to it, subject to the necessary ratio of creditors consenting to such composition scheme. In bankruptcy proceedings, creditors may compromise their rights (for example, by extending the repayment date, write-off a part of their claims, converting some of it to equity, or converting cash pay interest into payment in kind interest). The composition scheme is deemed as agreed if (i) a simple majority of the secured creditors and (ii) a simple majority of the unsecured creditors give their consent thereto.

Liquidation Proceedings

Liquidation proceedings means proceedings initiated by a creditor of the company or by the debtor company itself, in a situation where the company is insolvent and unable to perform its financial obligation. In addition to the foregoing, liquidation procedure may also be initiated by the court. Liquidation proceedings ends by the dissolution of the debtor company and the sale proceeds of the debtor s assets are distributed between its creditors in accordance with the waterfall set out in the Bankruptcy Act. In case of liquidation proceedings, the management and the shareholders are effectively displaced by the court appointed liquidator.

Limitations Arising from Insolvency Law

Your interests as creditors are subject to any limitations arising from insolvency, liquidation, bankruptcy, moratorium, reorganisation, enforcement (such as the Bankruptcy Act, V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings, LIII of 1994 on the Execution of Judicial Decisions and Council Regulation (EC) No. 1346/2000 of 29 May 2000 on insolvency proceedings) and similar laws affecting the rights of creditors or secured creditors generally.

> Under the term of the moratorium granted in the bankruptcy procedure, no securities may be enforced against the assets of the debtor, except for the enforcement of certain security deposits.
>
> Any creditor of an insolvent company or the liquidator has the right to challenge transactions concluded by such insolvent company which is of a type falling under any of the criteria set out under subparagraphs (i)-(iii) below. The persons referred to above have the right to challenge such transactions within 90 days from the date of becoming aware of the existence of such transactions, but in any event within one year from the date of

publication of a court order relating to the commencement of the liquidation proceedings. The types of transactions open to challenge are the following:

(i) Contracts concluded or legal declarations made by the insolvent company within five years of the date preceding the date when a competent court received a petition for the initiation of liquidation

1086

Table of Contents

proceedings or at any time thereafter, if such contract or legal declaration resulted in the decrease in the value of the insolvent company s assets, and the intent of the insolvent company was to defraud any or all of the creditors, and the contracting party, or beneficiary of the legal declaration had or should have had knowledge of such intent;

(ii) Contracts concluded or legal declarations made by the insolvent company within two years of the date preceding the date when a competent court received a petition for the initiation of liquidation proceedings or at any time thereafter, if the subject matter of such contract or legal declaration is (A) a free asset transfer by the insolvent company; (B) an undertaking by the insolvent company in respect of its assets for no consideration; or (C) an arrangement resulting in an evidently disproportional benefit in value to the contracting party; and

(iii) Contracts concluded or legal declarations made by the insolvent company within ninety days of the date preceding the date when a competent court received a petition for the initiation of liquidation proceedings or at any time thereafter, if the subject matter of such contract or legal declaration is to grant preference to any one creditor, in particular an amendment of an existing contract for the benefit of such creditor, or provision of collateral to an unsecured creditor.

The liquidator, acting on behalf of the insolvent company, is entitled to seek to recover within the time periods referred to above, any service rendered by the insolvent company within 60 days of the date preceding the date when a competent court received a petition for the initiation of liquidation proceedings or at any time thereafter, if the provision of such service resulted in a preference to any one creditor and was not made in its normal course of business. In particular payment of a debt prior to its original maturity is considered as granting preference to a creditor.

The liquidator is entitled to terminate all agreements concluded by the company and is entitled to rescind from the agreements of the company where no service has been fulfilled by the parties.

The contractual subordination of claims will be binding between the relevant parties (in accordance with and subject to governing law) but will not be recognized by an insolvency officer (in the event of insolvency proceedings in the Republic of Hungary) or a court bailiff (in the event of court enforcement proceedings in the Republic of Hungary), who will be bound by the statutory order of payments and ranking of claims.

When a Hungarian company is under liquidation, the guarantees granted by the company may no longer be enforceable by the creditors; however, assets of the company are sold by the liquidator and the creditors may be entitled to the proceeds of such sale in the order set out in the applicable Hungarian insolvency laws.

When a Hungarian company is under liquidation, securities created over the assets of the company may no longer be enforceable by the creditors (except for most of the security deposits); however, assets of the company are sold by the liquidator and the creditors may be entitled to the proceeds of such sale.

It is uncertain whether the claims secured by any security interest established under a foreign law governed security document concluded in relation to an asset of the Hungarian guarantor located abroad (the Foreign Security Document) would enjoy any form of priority or whether the beneficiaries of such security interest would have a preferred secured creditor status under Hungarian law in case of liquidation of a Hungarian guarantor by virtue of such Foreign Security Document. Nevertheless, the Hungarian liquidator will need to observe the provisions laid down under Council Regulation (EC) No. 1346/2000 of 29 May 2000 on insolvency proceedings, in particular in respect of the assets of the Hungarian guarantor located in another EU Member State which are subject to a security interest created under the laws of another EU Member State, insofar as the opening of insolvency proceedings in an EU Member State will not affect security interests over assets situated in another EU Member State. Notwithstanding the above, we believe that with respect to security interests created over movable and immovable assets located in Hungary there is a risk that foreign law governed securities would be deemed invalid under Hungarian law, if respective Hungarian law requirements are not met (e.g., registration), and thus such security interests would not be enforceable against such assets. Please note that pursuant to Hungarian law, applicable Hungarian legal formalities must be met if the asset is located in Hungary upon the creation of the security interest.

Other Local Law Considerations

In order to create valid security interests over the assets expressed to be subject to a security interest created under Hungarian law,

(a) quota charge agreements have to be registered with the relevant court of registration;

(b) floating charge agreements and the fixed charge agreements must be incorporated into notarial deeds and have to be registered with the registry of charges;

(c) real estate mortgage agreements must be registered with the relevant land registry; and

(d) certain pledges over IP rights (e.g. trademarks) must be registered with the Hungarian Patent Office.

It is standard practice in the Republic of Hungary that the collateral agent or the security trustee, acting on behalf and representing the interests of the creditors, enters into the security documents as chargee, pledgee, mortgagee or beneficiary in lieu of the creditors themselves. In the lack of jurisprudence and governing case law it is uncertain as to whether the noteholders (other than the collateral agent) may formulate valid claims against a Hungarian guarantor under the security agreements directly if they are not parties to the relevant Hungarian security documents.

Pursuant to the parallel debt provisions, each guarantor undertakes to pay to the collateral agent, as a creditor in its own right and not as representative of the other noteholders and such payment obligations also form part of the secured obligations. Whilst, to the best of our knowledge, there has been no judicial decision on the point, there is a risk that the parallel debt provisions may be set aside for public policy reasons under the Hungarian law, on the basis that a Hungarian court may consider that the debt owed to the collateral agent pursuant to the parallel debt did not have an adequate legal title because it did not arise from any funds actually lent by the collateral agent and therefore any security for such parallel debt will not be valid in Hungary even if it is legal, valid and binding under the law by which it is expressed to be governed.

In order to mitigate the risks associated with the aforementioned two points, the Hungarian security documents stipulate for two different legal bases, based on which the collateral agent may rely on to enforce the security interests established under the Hungarian security documents. These are: (i) pursuant to the parallel debt provisions and (ii) acting as a collateral agent on the basis of a power of attorney granted by each of the noteholders prior to the occurrence of an enforcement event. Whilst the two different legal bases set out above are stipulated in the Hungarian security documents to ensure that at least one of the legal basis will be recognized by the Hungarian courts (to the extent that the validity of such legal basis was ever challenged by an interested party), in the absence of jurisprudence this is uncertain. For the avoidance of doubt, the discussion set out in these paragraphs relates to the enforcement of the Hungarian security documents only and not to any of the other security interests created under laws other than Hungarian law.

Japan

Some of the guarantors which are organized under the laws of Japan may have their business or office premises in Japan or have assets in Japan. Any insolvency proceedings by or against such guarantors may be initiated in Japan under Japanese insolvency laws. The insolvency laws of Japan may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions. As a result, your ability to recover payments due on the notes may be more limited in Japan than in other jurisdictions.

There are four statutory insolvency procedures in Japan: (i) bankruptcy *(hasan)* proceedings under the Bankruptcy Law, (ii) civil rehabilitation *(minjisaisei)* proceedings under the Civil Rehabilitation Law, (iii) corporate reorganization *(kaishakosei)* proceedings under the Corporate Reorganization Law, and (iv) special liquidation *(tokubetsu Seisan)* proceedings under the Companies Act, each of which is available to a Japanese joint stock company *(kabushiki* kaisha) (including Closure Systems International Holdings (Japan)

Table of Contents

KK and Closure Systems International Japan, Limited). The following sets out an overview of the respective insolvency procedures.

Bankruptcy (hasan) Proceedings

Bankruptcy proceedings against a company (including foreign companies which have their business or office premises in Japan or have assets in Japan) may be commenced if (i) a debtor is unable to pay its debts in due time (shiharai funo) or (ii) the amount of the debtor s liabilities exceeds the aggregate amount of its assets (saimu choka). Bankruptcy proceedings will be commenced by an order of the court following a petition with the court by the debtor or its creditor. Upon the commencement of the proceedings, the directors of the debtor lose the authority to administer the assets of the debtor and a trustee (kanzai nin) who is appointed by the court will administer the assets of the debtor. Once the court orders the commencement of the proceedings, claims against the debtor that existed prior to the commencement of the proceedings may only be enforced through the proceedings (except for the secured claims). Creditors must file their claims with the court within a certain period of time (otherwise, in general, such creditors will not be entitled to any distributions from the debtor in respect of such claims). If the trustee admits such claims and other creditors do not make objections, the creditors will be entitled to a distribution pro rata to the admitted claims. If the trustee does not admit the claims, or other creditors make objections, the relevant creditor may file a petition with the court to determine whether or not to admit the claims. If the relevant creditor is not satisfied with the decision by the court in this regard, such creditor may file a formal lawsuit against the trustee or other creditors. The distributions to creditors shall be made pursuant to the order set out in the bankruptcy law. It should be noted that secured creditors may enforce their security outside the proceedings at any time. During the proceedings, the trustee may challenge certain transactions (including the provision of guarantee) if such transaction is entered into by the debtor with the knowledge to harm other creditors or if the provision of guarantee or repayment of debt is done with a knowledge that the debtor became unable to pay its debts or the commencement of the bankruptcy proceedings.

Civil Rehabilitation (minjisaisei) Proceedings

Civil Rehabilitation proceedings against a company (including foreign companies which have their business or office premises in Japan or have assets in Japan) may be commenced if there is a significant likelihood that (i) a debtor is unable to pay its debts in due time (shiharai funo) (ii) the amount of the debtor s liabilities exceeds the aggregate amount of its assets (saimu choka), or (iii) the debtor will be unable to pay its liabilities when due without substantially impeding its ability to carry on its business. Civil Rehabilitation proceedings will be commenced by an order of the court following the petition with the court by the debtor or its creditor (the creditor may file a petition only in the case of (i) and (ii) above). Even after the commencement of the proceedings, the directors of the debtor normally continue to administer the assets of the debtor, although the supervisor (kantoku iin) is usually appointed by the court to supervise the debtor. Once the court orders the commencement of the proceedings, claims against the debtor that existed prior to the commencement of the proceedings may only be enforced through the proceedings (except for the secured claims). Creditors must file their claims with the court within a certain period of time (otherwise, in general, such creditors will not be entitled to any distributions from the debtor in respect of such claims). If the debtor admits such claims and other creditors do not make objections, the creditors will be entitled to a distribution pro rata to the admitted claims (which is subject to further changes under the civil rehabilitation plan). If the company does not admit the claims, or other creditors object, the relevant creditor may file a petition with the court to determine whether or not to admit claims. If the relevant creditor is not satisfied with the decision by the court in this regard, such creditor may file a formal lawsuit against the debtor or other creditors. The distributions to creditors shall be made pursuant to the civil rehabilitation plan which will be resolved by the creditors and approved by the court. It should be noted that secured creditors may enforce their security outside the proceedings at any time. During the proceedings, the supervisor (or civil rehabilitation trustee, if elected) may challenge certain transactions (including the provision of guarantee) if such transaction is entered into by the debtor with the knowledge to harm other creditors or if the provision of guarantee or repayment of debt is done with a knowledge that the debtor became unable to pay its debts or the commencement of the civil rehabilitation proceedings.

Corporate Reorganization (kaisha kosei) Proceedings

Corporate Reorganization proceedings against a company (which only includes Japanese joint stock companies) may be commenced if there is a significant likelihood that (i) a debtor is unable to pay its debts in due time (shiharai funo), (ii) the amount of the debtors liabilities exceeds the aggregate amount of its assets (saimu choka) or (iii) the debtor will be unable to pay its liabilities when due without substantially impeding its ability to carry on its business. Corporate reorganization proceedings will be commenced by an order of the court following the petition by the debtor, the creditor(s) whose total amount of claims are 10% or more of the debtor company s capital or the shareholder(s) who in total have 10% or more of the voting rights of the debtor company (the creditor(s) or the shareholder(s) may file a petition only in the case of (i) and (ii) above). Upon the commencement of the proceedings, the directors of the debtor usually lose the authority to administer the assets of the debtor and a trustee (kanzai nin) who is appointed by the court will administer the assets of the debtor. Creditors must file their claims with the court within a certain period of time (otherwise, in general, such creditors will not be entitled to any distribution from the debtor in respect of such claims). Once the court orders the commencement of the proceedings, claims against the debtor that existed prior to the commencement of the proceedings may only be enforced through the proceedings (including the secured claims). If the trustee admits such claims and other creditors do not object with respect to the claims, the creditors will be entitled to a distribution pro rata to each class of admitted claims (which is subject to further changes under the corporate reorganization plan). If the trustee does not admit such claims or other creditors make objections, the relevant creditor may file a petition with the court to determine whether or not to admit the claims. If the relevant creditor is not satisfied with the decision by the court in this regard, such creditor may file a formal lawsuit against the trustee or other creditors. The distributions to creditors shall be made pursuant to the corporate reorganization plan which will be resolved by each class of stakeholders (the secured creditors, creditors and shareholders (if the debtor company is not in excess of debt)) and approved by the court. Unlike other insolvency procedures, under corporate reorganization proceedings, secured creditors may not enforce their security outside the proceedings and distributions to the secured creditors shall be made pursuant to the corporate reorganization plan. During corporate reorganization proceedings, the trustee may challenge certain transactions (including the provision of guarantee) if such transaction is entered into by the debtor with the knowledge to harm other creditors or if the provision of guarantee or repayment of debt is done with a knowledge that the debtor became unable to pay its debts or the commencement of the civil rehabilitation proceedings.

Special Liquidation (tokubetsu Seisan) Proceedings

Special Liquidation proceedings against a company (which only includes Japanese joint stock companies) may be commenced if a debtor is already in liquidation and (i) it is found that there is a significant impediment to the liquidation proceedings or (ii) it is suspected that the company s liabilities exceed its assets. Special Liquidation proceedings will be commenced by an order of the court following a petition by the creditor, the liquidator (usually a former director), the statutory auditor or the shareholder of the debtor. After the commencement of the proceedings, the liquidator of the debtor often continues to administer the assets of the debtor. Creditors must notify their claims with the debtor within a certain period of time (otherwise, in general, such creditors will not be entitled to any distributions from the debtor in respect of such claims). If the debtor and the respective creditor do not agree with the existence and/or amount of claim, such creditor may bring a lawsuit against the debtor. The distributions to creditors shall be made in proportion to the amount of their claims. It should be noted that secured creditors may enforce their security outside the proceedings at any time. A creditor may challenge certain transactions (including the provision of guarantee) if such transaction is entered into by the debtor with the knowledge to harm other creditors or if the provision of guarantee or repayment of debt is done with a knowledge that the debtor became unable to pay its debts or the commencement of the civil rehabilitation proceedings.

Table of Contents

Luxembourg

The Lux Issuer and some of the guarantors and security grantors are incorporated under the laws of the Grand Duchy of Luxembourg and there are assets located in Luxembourg which are subject to security interests.

Certain Insolvency Law Considerations

The Lux Issuer and some of the guarantors and security grantors are incorporated under the laws of the Grand Duchy of Luxembourg and have their registered offices in the Grand Duchy of Luxembourg (together the Luxembourg Obligors). Accordingly, Luxembourg courts should have, in principle, jurisdiction to open main insolvency proceedings with respect to these Luxembourg Obligors, as entities having their registered office and central administration *(administration centrale)* and centre of main interest (COMI), as used in the EC Regulation 1346/2000 of 29 May 2000 on insolvency proceedings (the EU Regulation), in the Grand Duchy of Luxembourg, such proceedings to be governed by Luxembourg insolvency laws. According to the EU Regulation, there is a rebuttable presumption that a company has its COMI in the jurisdiction in which it has the place of its registered office. As a result, there is a rebuttable presumption that the COMI of the Luxembourg Obligors is in the Grand Duchy of Luxembourg and consequently that any main insolvency proceedings (as defined in the EU Regulation) would be opened by a Luxembourg court and be governed by Luxembourg law.

However, the determination of where any of the Luxembourg Obligors has its COMI is a question of fact, which may change from time to time. Preamble 13 of the EU Insolvency Regulation states that the COMI of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. In the Eurofood IFSC Limited decision by the European Court of Justice (ECJ), the ECJ restated the presumption in the EU Regulation that the place of a company s registered office is presumed to be the company s COMI and stated that the presumption can only be rebutted if factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect.

Under Luxembourg insolvency laws, the following types of proceedings (the Insolvency Proceedings) may be opened against such Luxembourg Obligors:

- bankruptcy proceedings *(faillite)*, the opening of which is initiated by the relevant guarantor, by any of its creditors or by Luxembourg courts *ex officio*. The managers/directors of the Luxembourg Obligors have the obligation to file for bankruptcy within one month in case it is in a state of cessation of payment *(cessation de paiement)*.

Following such a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings, if the relevant guarantor (i) is in default of payment *(cessation des paiements)* and (ii) has lost its commercial creditworthiness *(ébranlement de crédit)*.

If a court finds that these conditions are satisfied, it may also open *ex officio* bankruptcy proceedings, absent a request made by the relevant Luxembourg Obligor.

The main effects of such proceedings are (i) the suspension of all measures of enforcement against the relevant Luxembourg Obligor, except, subject to certain limited exceptions, for secured creditors and (ii) the payment of the Luxembourg Obligor s creditors in accordance with their ranking upon the realization of the guarantor s assets:

- controlled management proceedings *(gestion controlée)*, the opening of which may only be requested by the relevant Luxembourg Obligor and not by its creditors; and composition proceedings *(concordat préventif de faillite)*, the obtaining of which is requested by the relevant guarantor only after having received a prior consent from a majority of its creditors holding 75% at least of the claims against such Luxembourg Obligor. The obtaining of such composition proceedings will trigger a provisional stay on enforcement of claims by creditors.

In addition to these proceedings, the ability of the holders of notes to receive payment on the notes may be affected by a decision of a court to grant a stay on payments *(sursis de paiements)* or to put the relevant guarantor into judicial liquidation *(liquidation judiciaire)*. Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious violation of the commercial code or of the laws governing commercial companies dated August 10, 1915, as amended (the Companies Act). The management of such liquidation proceedings will generally follow similar rules as those applicable to bankruptcy proceedings.

The Luxembourg Obligors liabilities in respect of the notes will, in the event of a liquidation of the Luxembourg Obligors following bankruptcy or judicial liquidation proceedings, rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those of the concerned obligor s debts that are entitled to priority under Luxembourg law. For example, preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- remuneration owed to employees.

For the avoidance of doubt, the above list is not exhaustive.

Assets in the form of shares or receivables over which a security interest has been granted and perfected will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized), and subject to application of the relevant priority rule and liens and privileges arising mandatorily by law.

During insolvency proceedings, all enforcement measures by unsecured creditors are suspended. In the event of controlled management proceedings, the ability of secured creditors to enforce their security interest may also be limited, automatically causing the rights of secured creditors to be frozen until a final decision has been taken by the court as to the petition for controlled management, and may be affected thereafter by a reorganization order given by the relevant Luxembourg court subject to the exceptions under the Luxembourg Collateral Law as referred to below. A reorganization order requires the prior approval of more than 50% of the creditors representing more than 50% of the relevant guarantor s liabilities in order to take effect.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the guarantor during the period before bankruptcy, the so-called suspect period *(periode suspecte)*, which is a maximum of six months, plus ten days, preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date, if the bankruptcy judgment was preceded by another insolvency proceedings (e.g., a suspension of payments or controlled management proceedings) under Luxembourg law.

In particular:

- pursuant to article 445 of the Luxembourg code of commerce, specified transactions (such as, in particular, the granting of a security interest for antecedent debts; the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets or entering into transactions generally without consideration or with substantially inadequate consideration) entered into during the suspect period (or the ten days preceding it) will be set aside or declared null and void, if so requested by the insolvency receiver; article 445 does not apply for financial collateral arrangements and set-off arrangements subject to the Luxembourg law of August 5, 2005 on financial collateral arrangements as amended (the Luxembourg Collateral Law), such as Luxembourg law pledges over shares or receivables.

pursuant to article 446 of the Luxembourg code of commerce, payments made for matured debts, as well as other transactions concluded for consideration during the suspect period, are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt s cessation of payments; article 446 does not apply for financial collateral arrangements and set-off arrangements subject to the Collateral Law, such as Luxembourg law pledges over shares or receivables.

regardless of the suspect period, article 448 of the Luxembourg Code of Commerce and article 1167 of the Luxembourg Civil Code *(action paulienne)* give any creditor the right to challenge any fraudulent payments and transactions made prior to the bankruptcy.

The Luxembourg Collateral Law provides that with the exception of the provisions of the Luxembourg law of December 8, 2000 on over-indebtedness (which only apply to natural persons), the provisions of Book III, Title XVII of the Luxembourg Civil Code, of Book 1, Title VIII and of Book III of the Luxembourg Commercial Code and national or foreign provisions governing reorganization measures, winding-up proceedings or other similar proceedings and attachments or other measures referred to in article 19(b) of the Luxembourg Collateral Law are not applicable to financial collateral arrangements (such as Luxembourg pledges over shares or receivables) and shall not constitute an obstacle to the enforcement and to the performance by the parties of their obligations. Certain preferred creditors of a Luxembourg company (including the Luxembourg tax, social security and other authorities) may have a privilege that ranks senior to the rights of the secured or unsecured creditors.

Security Interests Considerations

According to Luxembourg conflict of law rules, the courts in Luxembourg will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the creation, perfection and enforcement of security interests over such assets. As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank, receivables/claims governed by Luxembourg law and/or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities which are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc.

If there are assets located or deemed to be located in Luxembourg, the security interests over such assets will be governed by Luxembourg law and must be created, perfected and enforced in accordance with Luxembourg law. The Luxembourg Collateral Law governs the creation, validity, perfection and enforcement of pledges over shares, bank accounts and receivables located or deemed to be located in Luxembourg.

Under the Luxembourg Collateral Law, the perfection of security interests depends on certain registration, notification and acceptance requirements. A share pledge agreement must be (i) acknowledged and accepted by the company which has issued the shares (subject to the security interest) and (ii) registered in the shareholders register of such company. If future shares are pledged, the perfection of such pledge will require additional registration in the shareholders register of such company. A pledge over receivables becomes enforceable against the debtor of the receivables and third parties from the moment when the agreement pursuant to which the pledge was created is entered into between the pledgor and the pledgee. However, if the debtor has not been notified of the pledge or if he did not otherwise acquire knowledge of the pledge, he will be validly discharged if he pays the pledgor. A bank account pledge agreement must be notified to and accepted by the account bank. In addition, the account bank has to waive any pre-existing security interests and other rights in respect of the relevant account. If (future) bank accounts are pledged, the perfection of such pledge will require additional notification to, acceptance and waiver by the account bank. Until such registrations, notifications and acceptances occur, the pledge agreements are not effective and perfected against the debtors, the account banks and other third parties.

Article 11 of the Luxembourg Collateral Law sets out the following enforcement remedies available upon the occurrence of an enforcement event:

direct appropriation of the pledged assets at (i) a value determined in accordance with a valuation method agreed upon by the parties or (ii) the listing price of the pledged assets;

sale of the pledged assets (i) in a private transaction at commercially reasonable terms (conditions *commerciales normales)*, (ii) by a public sale at the stock exchange, or (iii) by way of a public auction;

court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court-appointed expert; or

set-off between the secured obligations and the pledged assets.

As the Luxembourg Collateral Law does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourses, and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the security interests might be substantially delayed.

Foreign law governed security interests and the powers of any receivers/administrators may not be enforceable in respect of assets located or deemed to be located in Luxembourg. Security interests/arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers/administrators might not be recognized or enforced by the Luxembourg courts, in particular where the Luxembourg security grantor becomes subject to Luxembourg Insolvency Proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if main insolvency proceedings (as defined in the EU Regulation) are opened under Luxembourg law and such security interests/arrangements constitute rights in rem over assets located in another Member State in which the EU Regulation applies, and in accordance of article 5 of the EU Regulation.

The perfection of the security interests created pursuant to the pledge agreements does not prevent any third party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled to priority over the proceeds of such sale (subject to preferred rights by operation of law).

Under Luxembourg law, certain creditors of an insolvent party have rights to preferred payments arising by operation of law, some of which may, under certain circumstances, supersede the rights to payment of secured or unsecured creditors, and most of which are undisclosed preferences *(privilèges occultes)*. This includes in particular the rights relating to fees and costs of the insolvency official as well as any legal costs, the rights of employees to certain amounts of salary, and the rights of the Treasury and certain assimilated parties (namely social security bodies), which preferences may extend to all or part of the assets of the insolvent party. This general privilege takes in principle precedence over the privilege of a pledgee in respect of pledged assets.

Intra-group Guarantees

Entities incorporated in Luxembourg have granted security interests and guarantees in order to secure, *inter alia*, the obligations under the notes.

The granting of cross- or up-stream security interests and guarantees by a Luxembourg company in order to secure the obligations of other entities may raise some corporate benefit issues, in particular in relation to the corporate interest of the Luxembourg company having to provide such security interests/guarantees. A Luxembourg company must act for its own benefit *(spécialité légale)* and in its own corporate interest. It cannot ultimately be excluded that granting of security interest/guarantee, which would be considered by a Luxembourg court as made in the absence of corporate interest, be declared void on the ground of illegal cause *(cause illicite)*. Following the French supreme court case law, to which Luxembourg courts might turn, a Luxembourg entity could find a benefit and a corporate interest in granting security interests and guarantees for the obligations of other group entities if certain conditions are met. Whether an action is in the corporate interest of a company is a matter of fact not a legal issue. The directors/managers of a company are those who are able to assess whether such company has a corporate benefit and interest in granting cross- or up-stream security interests or guarantees. In the present transaction, the directors/managers of all the Luxembourg entities granting security and/or guarantees in favor of other group entities have expressly declared that the granting of cross- and up-stream securities by their respective company is in its best corporate benefit and interest. It is further commonly considered that down-stream guarantees and security interests do not raise corporate benefit issues. In addition, the transaction documents, as approved in the corporate decisions to be taken by the directors/managers of all the Luxembourg entities granting security and/or guarantees in favor of other group entities are including a guarantee limitation wording which is likely to limit such risk.

Financial Assistance

Any guarantees granted by Luxembourg entities, which constitute breach of the provisions on financial assistance as defined by article 49-6 of the Luxembourg Company Law or any other similar provisions (to the extent applicable, as at the date of this prospectus, to a Luxembourg entity having the form of a private limited liability company) (together the Financial Assistance Provisions) might not be enforceable.

The guarantee and pledge agreements entered into by the Luxembourg entities provide that the obligations which would come into the scope of the Financial Assistance Provisions will not be guaranteed by such guarantees and pledges.

Registration in Luxembourg

The registration of the notes, the security interest agreements, the indentures, the guarantees and the transaction documents (and any document in connection therewith) with the Administration de l Enregistrement et des Domaines in Luxembourg may be required in the case of legal proceedings before Luxembourg courts or in the case that the notes, the security interest agreements, the indentures, the guarantees and the transaction documents (and any document in connection therewith) must be produced before an official Luxembourg authority *(autorité constituée)*. In such case, either a nominal registration duty or an ad valorem duty (or, for instance, 0.24% of the amount of the payment obligation mentioned in the document so registered) will be payable depending on the nature of the document to be registered. No ad valorem duty is payable in respect of security interest agreements, which are subject to the Luxembourg Collateral law.

The Luxembourg courts or the official Luxembourg authority may require that the notes, the security interest agreements, the indentures, the guarantees and the transaction documents (and any document in connection therewith) and any judgment obtained in a foreign court be translated into French or German.

Mexico

Some of the guarantors are organized under the laws of Mexico. In the event of insolvency, insolvency proceedings may, therefore, be initiated in Mexico. Mexican law would then govern those proceedings. The insolvency laws of Mexico may not be as favorable to your interests or may even preclude your interests as creditors as the insolvency laws of other jurisdictions, including in respect of priority of creditors, the enforceability of securities, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

The Mexican insolvency law *(Ley de Concursos Mercantiles)* contemplates a single proceeding for reorganization *(concurso mercantil)* and bankruptcy *(quiebra)* with two successive stages: the first stage, known as the mediation stage, is compulsory and is designed to reorganize the insolvent entity, and the second stage, known as the bankruptcy stage, provides for the bankruptcy and liquidation of the insolvent entity.

In Mexico, a person will be declared insolvent when it generally fails to pay its obligations as and when they become due. Insolvency of a person will be adjudicated upon the request of the insolvent entity, the Mexican attorney general s office or any creditor of the insolvent entity when (a) the insolvent entity has defaulted in its payment obligations with two or more creditors and (b) when, on the date of such request, (i) 35% or more of such obligations have been delinquent for more than 30 days; and/or (ii) the insolvent

1095

entity does not have sufficient liquid assets (namely, cash and cash equivalents, such as bank deposits and other receivables with a maturity of no more than 90 days, or securities that may be sold within 30 days, in each case, from the date of filing of the insolvency request) to pay at least 80% of its due and payable obligations on the date of filing of the insolvency request. If the insolvency request is filed voluntarily by the insolvent entity, only one of the conditions described in items (i) and (ii) of clause (b) above would have to be satisfied. If the insolvency request is filed by the attorney general s office or any creditor of the insolvent entity, both conditions described in items (i) and (ii) of clause (b) above would have to be satisfied. An insolvency presumption will exist with respect to any person or entity when, *inter alia*, its assets for attachment in aid of execution of a judgment or claim are insufficient; it has failed to pay two or more creditors; or it has participated in fraudulent or fictitious acts to avoid payment to creditors.

Upon filing of a petition for a judgment declaring insolvency, the court will instruct the Federal Institute of Insolvency Specialists *(Instituto Federal de Especialistas de Concursos Mercantiles)* to appoint an inspector *(visitador)* to visit the entity presumed to be insolvent. The inspector will then issue an opinion regarding the commercial entity s insolvency, which will enable the court to issue a judicial resolution declaring the legal insolvency of such person. Following the issuance of such insolvency judgment, the Federal Institute of Insolvency Specialists will designate and appoint a mediator *(conciliador)* who will facilitate the negotiations between the insolvent entity and its creditors in order to reach a creditors agreement. The issuance of the insolvency judgment and the appointment of the mediator will initiate the mediation stage of the insolvency proceeding. The insolvency proceeding in Mexico is at all times court controlled, and upon receipt of an insolvency petition, the insolvency court may take preliminary measures *(providencias precautorias)* to secure the property of the insolvent entity.

During the mediation stage, the insolvent entity and those creditors that have been recognized within the insolvency proceeding as creditors of the insolvent entity would negotiate an agreement with respect to the payment of the outstanding obligations of the insolvent entity. In order for such creditors agreement to become effective and binding, it must be entered into between the insolvent entity and those recognized creditors holding title to more than 50% of the sum of (i) the amount of all unsecured claims of all unsecured recognized creditors of the insolvent entity, and (ii) the amount of all secured claims of those secured recognized creditors that enter into such creditors agreement. The creditors agreement would then have to be approved by the insolvency court. A secured claim under the Mexican insolvency law is considered to be a claim secured under a pledge or a mortgage or otherwise benefiting from any other form of statutory privilege or priority of payment.

Under the Mexican insolvency statute, the creditors agreement would be deemed entered into by an unsecured recognized creditor (whether or not such creditor actually enters into the agreement) if the agreement expressly contemplates (a) the payment of all amounts due and payable to such creditor on the date of the respective insolvency judgment converted to *Unidades de Inversión*, (b) the payment of all amounts that would become due and payable to such creditor from the date of the insolvency judgment until the date of approval of the creditors agreement by the insolvency court, which would be converted into *Unidades de Inversión* on the date such amounts become due and payable, and (c) the payment of all amounts that would become due and payable to such creditor after the date of approval of the creditors agreement, also converted into *Unidades de Inversión* on the date such amounts become due and payable.

The creditors agreement could also provide, with respect to any unsecured recognized creditors that are not a party to such agreement, (i) a stay of such creditors claim (with a capitalization of ordinary interest), but only to the extent the term of such stay is at least equal to the shortest stay assumed by those unsecured creditors that are a party to the creditors agreement and whose claims amount to 30% of all aggregate recognized claims, (ii) a write-off of such creditors claim, but only to the extent such write-off is at least equal to the lowest write-off assumed by those unsecured creditors that are a party to the creditors agreement whose claims amount to 30% of all aggregate recognized claims, or (iii) a combination of a stay and a write-off of such creditors claim, to the extent it is identical to the combinations accepted by those unsecured creditors that are a party to the creditors agreement whose claims amount to 30% of all aggregate recognized claims.

Table of Contents

Secured recognized creditors that do not become a party to the creditors agreement may commence or continue foreclosure of their respective collateral; unless, the creditors agreement contemplates the payment of their respective claims or the payment of the price of the properties constituting such collateral. In this case, any excess with respect to the value of such properties would be deemed an unsecured claim for purposes of the insolvency proceeding.

At the request of the insolvent entity, if the mediation stage expires without the filing of an approved creditors agreement before the insolvency court or at the request of the mediator, the insolvency court would be required to issue a judgment declaring the bankruptcy of the insolvent entity. Upon such declaration of bankruptcy, the insolvency court would appoint a receiver *(síndico)* that would be charged with the management of the insolvent entity until its liquidation. The receiver would carry out the liquidation of the insolvent entity through the sale of its assets, in accordance with certain preset rules and conditions. The proceeds obtained from the liquidation of the assets of the insolvent entity would be applied by the receiver to make payments to creditors in the following order of priority:

first, payment of labor claims for salaries and severance for the two calendar years preceding the insolvency judgment;

second, payments to secured creditors (including costs and expenses relating to foreclosure and the enforcement of their respective rights), but only to the extent of the value of their respective collateral;

third, payment of liabilities and obligations of the estate of the insolvent entity (i.e., management costs, fees and expenses incurred after the insolvency judgment);

fourth, payment of litigation costs and expenses, and fees and expenses of the inspector, the mediator and any appointed receivers;

fifth, payment of other labor claims and tax claims;

sixth, payments to other creditors that qualify as privileged under Mexican commercial laws (e.g., creditors that are entitled to retain an asset until payment is made), but only to the extent of the value of the respective privilege; and

seventh, payments to unsecured creditors.

Generally, the issuance of an insolvency judgment may affect the enforceability of the guarantees granted by the Mexican guarantors and the security interests provided by such Mexican guarantors. On the date of an insolvency judgment issued against any of the Mexican guarantors, the obligations of such Mexican guarantor under the notes (i) would be converted into Mexican pesos at the exchange rate prevailing at the time of the insolvency judgment and then from Mexican pesos into *Unidades de Inversión*, a Mexican inflation-pegged accounting unit, and would not be adjusted to take into account any devaluation of the Mexican peso relative to the U.S. Dollar occurring after such conversion, (ii) would be subject to the outcome of, and priorities recognized in, the Mexican insolvency law, (iii) would cease to accrue interest from the date a reorganization proceeding is declared, and (iv) would be subject to certain statutory preferences including tax, social security and labor claims and claims of secured creditors.

Under Mexican law, the guarantees provide a basis for a direct claim against any Mexican guarantors; however, it is possible that the guarantees may not be enforceable under the Mexican insolvency law. While Mexican law does not prohibit the giving of guarantees and as a result does not prevent the guarantees of the notes from being valid, binding and enforceable against any Mexican guarantors, in the event that a Mexican guarantor becomes subject to an insolvency proceeding, the relevant guarantee may be deemed to have been a fraudulent transfer and declared void.

Under the Mexican insolvency law, any action consummated by a Mexican guarantor prior to the date of an insolvency judgment will be deemed fraudulent when the Mexican guarantor is knowingly defrauding its creditors, and the third party participating in any such action had actual knowledge of such fraudulent intent. If the action is gratuitous, the action will be deemed fraudulent even if the third party had no actual knowledge of the fraudulent intent. Any action consummated by a Mexican guarantor at any time after the date that is 270 calendar days prior to the date of the applicable insolvency judgment (i) will be deemed fraudulent when, *inter alia*, (a) the Mexican guarantor receives no consideration, or the consideration received or paid by the Mexican guarantor, or the terms and conditions of the transaction, are clearly or materially below market, or (b) the Mexican guarantor makes a payment of indebtedness not yet due, or forgives receivables owed to it and (ii) will be presumed fraudulent, unless the interested third party proves that it was acting in good faith, when (a) the Mexican guarantor grants or increases collateral that was not originally contemplated and (b) the Mexican guarantor makes any payments in-kind that were not originally contemplated. In addition, certain transactions among related parties will also be deemed fraudulent and may be set aside by the insolvency court. In Mexico, the obligations of the Mexican guarantors would be considered to be ancillary obligations *(obligaciones accesorias)* to the principal obligations that they secure. If the principal obligations were to be declared null and void by the insolvency court, the ancillary obligations would also be considered to be null and void.

As regards the creation by any Mexican guarantor of a security interest through the transfer of collateral to a security trust *(fideicomiso de garantía)* in Mexico, under Mexican law such assets should not be considered to be assets of such Mexican guarantor, but rather assets held by the trustee under such security trust exclusively for the purposes set forth therein. If such Mexican guarantor were to become insolvent, the exercise of rights of the secured parties under the security trust may be substantially delayed and could be adversely affected by the ensuing insolvency proceeding.

Other Local Law Considerations

Under Mexican law, the implementation of a security trust or a floating lien pledge *(prenda sin transmisión)* to create a security interest requires compliance with certain formalities. In the case of a security trust, if the assets being transferred to the trustee as collateral consist of movable property which amount is equal to or greater than the Mexican peso equivalent of 250,000 *unidades de inversion* (a Mexican inflation-pegged accounting unit), the parties to the related security trust agreement are required to ratify their signatures in the presence of a Mexican notary public. If the assets being transferred to the trustee as collateral consist of real estate property, the agreement documenting such assignment would have to be granted in a public deed in the presence of a Mexican notary public, and such public deed would have to be recorded in the Public Registry of Property of the jurisdiction where such real estate property is located in order for such transfer to become effective before third parties.

Similarly, in the case of a floating lien pledge, the related floating lien pledge agreement is required to be documented in writing and, when the secured obligations equal or exceed the Mexican peso equivalent of 250,000 *unidades de inversion*, the parties thereto shall ratify their signatures in the presence of a Mexican notary public. The floating lien pledge agreement will become effective among the parties on the execution date thereof; provided that such agreement will only become effective before third parties after it has been recorded in the Public Registry of Commerce.

New Zealand

Certain Insolvency Law Considerations

Two of the guarantors are incorporated under the laws of New Zealand. In the event of the insolvency of a New Zealand Guarantor, insolvency proceedings would likely proceed under, and be governed by, New Zealand insolvency law. However, as one of the New Zealand Guarantors holds shares in certain Luxembourg incorporated companies and the other New Zealand Guarantor holds shares in an Australian incorporated company, it is possible that insolvency proceedings could proceed in those jurisdictions. Please see the insolvency law considerations for Luxembourg and Australia for more information.

To the extent that any of the guarantors not incorporated in New Zealand has a connection with New Zealand (such as holding assets located in New Zealand), it is possible that insolvency proceedings in respect of that guarantor could proceed in New Zealand under New Zealand law. However, whether a judgment of the New Zealand Courts in relation to the status of a company incorporated in another jurisdiction, or its assets located in another jurisdiction, will be recognized and capable of enforcement in that jurisdiction will depend on the conflict of laws rules applied by the courts of that other jurisdiction.

Table of Contents

New Zealand insolvency laws are different from the insolvency laws of other jurisdictions and this may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

Liquidation

Liquidation involves the collection and realization of the assets of a company and the paying of creditors in a fixed order of priority from the proceeds of any realization.

All liquidations are commenced by the appointment of a liquidator. A liquidator can be appointed by a special resolution of shareholders, by the board of directors of the company, or by the Court on the application of the company, a director, a shareholder, a creditor, an administrator (see Voluntary Administration below) or the New Zealand Registrar of Companies. The Court may only appoint a liquidator if it is satisfied that (i) the company is unable to pay its debts; or (ii) the company has persistently or seriously failed to comply with the New Zealand Companies Act 1993; or (iii) the company does not comply with section 10 of the New Zealand Companies Act 1993 (which requires a company to have a name and at least one share, one shareholder and one director) or (iv) it is just and equitable that the company be put into liquidation.

The senior secured notes are guaranteed by the New Zealand Guarantors on a first ranking secured basis. In a liquidation of a New Zealand Guarantor, the claims of the holders of the senior secured notes would rank equally with the claims of the lenders under the Senior Secured Credit Facilities, and ahead of the claims of all unsecured and subordinated secured creditors of the New Zealand Guarantors (other than claims mandatorily preferred by New Zealand bankruptcy, insolvency and other laws of general application).

The senior notes are also guaranteed by the New Zealand Guarantors. In a liquidation of a New Zealand Guarantor, the claims of the holders of the senior notes would rank equally with claims of all other unsecured creditors of the New Zealand Guarantors (other than claims mandatorily preferred by New Zealand bankruptcy, insolvency and other laws of general application) but would rank after any secured indebtedness of the New Zealand Guarantors (including indebtedness outstanding under the senior secured notes and the Senior Secured Credit Facilities) to the extent of the value of the property securing such indebtedness.

Voluntary Administration

Voluntary administration is a procedure under the New Zealand Companies Act 1993 that aims to administer the affairs of a company that is, or may become, insolvent in a way that maximizes the chances of the company continuing in existence or, if that is not possible, in a way that results in a better return for the company s creditors and shareholders than would result from an immediate liquidation. It commences on the appointment of an administrator, who may be appointed by the board of directors of the company, by a liquidator, by the Court or by a secured creditor holding a charge over the whole, or substantially the whole, of the company s property. Voluntary administration imposes a moratorium which, subject to certain exceptions, prevents a secured creditor from enforcing its security or bringing proceedings against the company for the duration of the administration.

However, a secured creditor who holds a charge over the whole, or substantially the whole, of a New Zealand company s property will not be constrained by the moratorium, provided it enforces its charge within 10 working days after receiving notice of the administration. In respect of each New Zealand Guarantor, under the New Zealand law security documents granted by the New Zealand Guarantor in favor of the applicable collateral agent (being The Bank of New York Mellon in respect of Reynolds Group Holdings Limited and Wilmington Trust (London) Limited in respect of Whakatane Mill Limited) (for the benefit of the holders of the senior secured notes and the other beneficiaries of the collateral), the collateral agent has security over all of the New Zealand Guarantor s property so that the collateral agent would be able to take advantage of this exception to the moratorium provided that the collateral agent enforces the charge within the required time frame.

Table of Contents

Statutory Management

Statutory management is a procedure that may be imposed by the New Zealand Governor-General if a corporation is operating fraudulently or recklessly, or if it is considered desirable for the purpose of preserving the interests of the corporation s shareholders, creditors or beneficiaries, or the public interest, or to enable the affairs of the corporation to be dealt with in a more orderly or expeditious way. A statutory manager is appointed by the New Zealand Governor-General, acting on the advice of the Minister of Commerce and the recommendation of the New Zealand Financial Markets Authority.

Upon a corporation being declared subject to statutory management, all creditors are prevented from enforcing their security or bringing proceedings against the corporation for the duration of the statutory management except with the permission of the statutory manager or the Court.

In addition to the moratorium imposed by statutory management, a statutory manager also has wide reaching powers including the ability to suspend payment of money owing by the corporation, to carry on the business of the corporation or to sell all or part of the business undertaking of the corporation.

Receivership

Receivership is a process which enables a secured creditor to realize assets or manage the business of a company for the purposes of recovering the secured debt. A receiver may be appointed in respect of the property of a company under a deed or agreement to which the company is a party, or by the Court. The receiver has the powers conferred by the deed, agreement or order under which he or she was appointed, including the power to manage and dispose of assets. The receiver is under duties to act in good faith and for a proper purpose, and in the best interests of the creditor who appointed him or her. The receiver is only required to have regard to the interests of creditors with subordinate interests to the extent that those interests are consistent with the duties outlined in the previous sentence, or when exercising a power of sale. Under the New Zealand law security documents granted by the New Zealand Guarantors in favor of the applicable collateral agent (for the benefit of the holders of the senior secured notes and the other beneficiaries of the collateral), the collateral agent has the power to appoint a receiver over all or part of the relevant New Zealand Guarantor s assets in certain circumstances (for example, following a default under the senior secured notes).

Voidable Transactions

Under the voidable transactions provisions of the New Zealand Companies Act 1993, the guarantee of the notes and the provision of security in respect of that guarantee by a New Zealand Guarantor can be avoided by a liquidator in some circumstances. Broadly, these circumstances include, subject to certain exceptions, a New Zealand Guarantor being unable to pay its debts at the time the guarantee was entered into, or being unable to pay its due debts immediately after the security was granted. A liquidator can also make a claim for recovery under New Zealand law where a transaction, such as the provision of a guarantee, was entered into at undervalue and the relevant New Zealand Guarantor was unable to pay its debts at the time it entered into the transaction. However, a security interest will not be voidable if valuable consideration is given in good faith by the secured creditor at the time, or at any time after, the security is granted.

Certain Guarantee and Security Limitations

The enforceability of guarantees or security interests granted by a New Zealand Guarantor may be contested under New Zealand law by that New Zealand Guarantor (or its liquidator) if (i) entry into such guarantee or security interest has violated the New Zealand Companies Act 1993 or the constitution of that New Zealand Guarantor and (ii) the party which received the guarantee or security interest is or should have been aware of this violation by virtue of that party s position or relationship with that New Zealand Guarantor.

For example, New Zealand law requires the directors of a company to act in good faith and in the best interests of that company or its holding company (if the constitution of the company expressly permits it to act in the best interests of its holding company). Directors of a company giving a guarantee must therefore be satisfied that entry into the guarantee is in the best interests of the company (or its holding company, if

Table of Contents

applicable). Where the directors of a guaranteeing company act beyond its constitution and the New Zealand Companies Act 1993, the guarantee may be set aside if a Court considers that it is just and equitable to do so.

Special consideration must be given to whether the giving of a guarantee by a New Zealand Guarantor constitutes a major transaction for that New Zealand Guarantor. Broadly, a major transaction is an acquisition or disposition of assets or a transaction which has or is likely to have the effect of the company incurring obligations or liabilities, including contingent liabilities or acquiring rights or interests, greater than 50 per cent of the value of the company s assets. In the case of a guarantee, the giving of the guarantee will constitute a major transaction if the amount the company is guaranteeing is greater than 50% of the value of the company s assets before the relevant transaction. Under New Zealand law, a company is prohibited from entering into a major transaction unless it is approved, or is conditional upon approval, by a special resolution of shareholders. If the giving of the guarantee is a major transaction and the above requirements have not been satisfied, the guarantee may be set aside if a Court considers that it is just and equitable to do so.

If any director of a New Zealand company is interested in a transaction then, unless the company receives fair value under that transaction (which is presumed if the company enters into the transaction in the ordinary course of its business on usual terms and conditions) or all entitled persons of the company have concurred in the transaction under section 107 of the New Zealand Companies Act 1993, the company may avoid the transaction at any time prior to the expiration of the three-month period after that transaction is disclosed to all the shareholders of the company.

General principles of equity and common law defenses may also limit the enforceability of New Zealand guarantees and security interests. For example:

a provision in a guarantee that purports to excuse or protect a party for, or apply regardless of, that party s negligence, default or breach of duty may not be enforceable (the clean hands doctrine);

equitable remedies such as an order for specific performance or the issue of an injunction are discretionary, and are not usually ordered or granted, where damages would be an adequate alternative;

the enforceability of obligations may be subject to the availability of defenses such as set-off, counterclaim and misrepresentation; and

claims may become time barred under the New Zealand Limitation Act 2010.

A guarantee and a security agreement may constitute a credit contract within the meaning of the New Zealand Credit Contracts and Consumer Finance Act 2003 and, accordingly, may not be enforceable in accordance with its terms to the extent that a Court holds such terms, or the exercise of any creditor s rights and powers under that contract, to be oppressive, or to the extent that a New Zealand Guarantor has been induced to enter into the guarantee by oppressive means. In this context, the expression oppressive is defined as meaning oppressive, harsh, unjustly burdensome, unconscionable or in contravention of reasonable standards of commercial practice.

The obligations of a New Zealand Guarantor are also subject to all insolvency, moratorium, receivership, reorganization and similar laws and defenses generally affecting creditors rights.

The enforceability of a New Zealand security interest is subject to general law and statutory duties, obligations and limitations, including (a) the right of a debtor, in certain circumstances, to redeem secured property by tender of payment in full of the money secured at any time prior to the sale of that property; (b) the obligation of a secured party under the New Zealand Personal Property Securities Act 1999 to (i) exercise its rights (including its power of sale) in good faith and in accordance with reasonable standards of commercial practice and (ii) obtain the best price reasonably obtainable for any property sold; (c) the obligation of a mortgagee in possession of, or receiving income from, mortgaged property to account to the mortgagor; and (d) the prohibition on the exercise of a power of sale of land where default has been made in payment of any amount secured unless and until (i) notice requiring payment of that amount has been served on the debtor and (ii) the default has continued for a specified period from the service of the notice.

Table of Contents

Switzerland

Certain Choice of Law Considerations

The guarantees by the Swiss guarantors are, based on a choice of law, subject to the laws of New York. Should a Swiss court accept jurisdiction in proceedings on the merits based on the laws applicable in Switzerland, a Swiss court will generally recognize the choice of law. The scope of such choice of law is, usually, limited to the rules of the substantive law chosen by the parties; as to procedural matters, a Swiss court will apply Swiss procedural law. Due to the different nature of Swiss procedural law and the procedural law in common law jurisdictions (such as the United States of America and the United Kingdom) classification and delimitation issues between substantive and procedural law could occur. To establish the non-Swiss substantive law applicable to the merits, a Swiss court may, in pecuniary matters, request the parties to establish the non-Swiss substantive law; Swiss law will be applied, if the content of the foreign substantive law cannot be established. While a Swiss court will generally accept a choice of law, restrictively applied exceptions exist: Swiss courts may diverge from the chosen substantive law if such chosen law would lead to a result contrary to Swiss public policy, if the purpose of mandatory rules of Swiss law require, by their special aim, immediate application, or if the purpose of mandatory rules of another law, to which the dispute is closely connected, are considered legitimate under Swiss legal concepts and, upon weighing the interests of the parties involved, the clearly predominant interest(s) of one party so require.

Certain Insolvency Law Considerations

Some of the guarantors are organized under the laws of Switzerland. In the event of insolvency, insolvency proceedings relating to such guarantors guarantee and any security interests provided by such guarantors would likely be subject to Swiss insolvency law.

Swiss insolvency law provides for two primary insolvency regimes, namely: (i) the composition procedure (in German: *Nachlassvertrag)* and (ii) the bankruptcy procedure (in German: *Konkurs)*. The composition procedure is in general intended to restructure a debtor s critical financial situation and enable the debtor to continue its business on a reorganized financial basis. It can also be used to liquidate the debtor or the debtor s assets. Bankruptcy procedure is merely designed to liquidate the debtor s assets and to distribute the proceeds of the liquidation to the debtor s creditors. Both insolvency regimes are set forth in the Swiss Federal Act on Debt Enforcement and Bankruptcy (Bankruptcy Act ; *Bundesgesetz vom 11. April 1889 über Schuldbetreibung und Konkurs (SchK*G)).

The composition procedure will result in a settlement with all creditors called the composition agreement. It may take the form of: (i) a percentage agreement, where the debtor promises the creditors to pay only part of its debts and the creditors waive any excess claims; such percentage agreement can also be limited to a grant of a respite, where the debtor and the creditors agree on a payment plan according to which the debtor will pay its debts in full, but over time; or (ii) an assignment of assets (also called liquidation agreement), where the debtor assigns its assets (or parts of its assets) to the creditors and the creditors will be satisfied out of the proceeds of the liquidation of these assets. Exceeding claims will be deemed waived.

To initiate a composition procedure, an application for a moratorium of payments (in German: *Nachlassstundung)* will be made by the debtor itself. In certain circumstances, this can also be done by creditors. If the debtor s application meets the statutory prerequisites, i.e., if it seems possible to reach a composition agreement, the court will grant the debtor a moratorium. Such moratorium may last four to six months and can be extended to twelve months and, in particularly complex cases to twenty-four months. In the event of an extension exceeding twelve months, the creditors must be heard. The moratorium can also be granted provisionally. The provisional moratorium shall not exceed the duration of two months and during that period the debtor must reapply for the final moratorium.

A security interest granted by the debtor is generally not affected by the moratorium and private enforcement of pledged assets is still possible. However, enforcement proceedings cannot be initiated or continued as long as the moratorium is in effect, except for privileged (first class) claims and claims secured by a mortgage on real estate, but such mortgaged real estate may not under any circumstances be realized during the moratorium. At the debtor s request, the court may also suspend realization of mortgaged real estate for a period up to one year after confirmation of the composition agreement.

The moratorium affects the rights of unsecured creditors. In particular, the debtor is protected against involuntary bankruptcy, and the enforcement of final and enforceable judgments is stayed. Unless the composition agreement otherwise stipulates, claims of unsecured creditors no longer bear interest.

The court has to appoint an administrator (in German: *Sachwalter)*. His authority may range from supervision of the debtor s activities to actually taking over the management of the debtor.

The debtor and the administrator jointly draft a composition agreement to be discussed at a creditors meeting. The composition agreement is deemed ratified if prior to its confirmation by the court either the majority of creditors, representing two-thirds of all admitted claims, or one-quarter of all creditors, who shall represent at least three-quarters of all admitted claims, have given their consent to the composition agreement. Secured claims are only counted to the extent of the part which in the administrator s estimation is not covered by the security. Secured creditors are generally not affected by a composition agreement.

Prior to the end of the moratorium, the administrator shall file his report with the court with his recommendation to the court whether or not to confirm the composition agreement. The court will only confirm the agreement if the debtor s offer is reasonable compared to its financial capacities. In the case of a liquidation agreement, it is required that creditors receive a higher dividend than in a bankruptcy. Once confirmed, the composition agreement is binding on any pre-moratorium creditor and any creditor with a claim that has come into existence during the moratorium without approval by the administrator.

Under Swiss bankruptcy proceedings, bankruptcy may be the result of a creditor instituting a simple debt collection proceeding. In Switzerland, an entity is subject to bankruptcy if it is registered in the commercial register. Upon confirmation of the debt by the competent court, debt collection is continued by a specific request to the debt collection office, which for a corporation, if approved, leads to bankruptcy. In certain specific circumstances, especially if a debtor has ceased to pay its debts and when they fall due, the creditors may request that bankruptcy be opened without prior debt collection proceedings. Further, under Swiss corporate law, a corporation which is over-indebted (i.e., where its liabilities exceed the value of its assets) must apply for bankruptcy.

The goal of bankruptcy is to sell the debtor s assets in order to satisfy claims of the creditors who, whether secured or unsecured, all need to participate in the bankruptcy proceedings. The assets are generally liquidated and the proceeds distributed to the debtor s creditors in accordance with the respective rank and priority of their specific claims, with certain creditors having preferential or priority claims, such as secured creditors, debtor s employees or tax and social security authorities. With the opening of bankruptcy proceedings, interest ceases to accrue against the debtor. However, interest on claims secured by pledges continues to accrue until the realization of the pledge, provided the proceeds exceed the amount of the claim and the interest which had accrued by the date of the opening of bankruptcy proceedings.

Upon the opening of bankruptcy proceedings, the bankruptcy administrator will draw up an inventory of the assets and, further to a creditors call for the filing of claims, establish a schedule of claims (in German: *Kollokationsplan)*.

Any creditor wishing to contest the schedule of claims because his claim has been entirely or partially rejected by the administrator or not allocated in the rank requested must bring an action against the estate before the competent court. If any creditor wishes to contest the admission of another creditor to the schedule of claims or the allocated rank, he must bring an action against such creditor. Such court proceedings could cause holders of notes to recover less than the principal amount of their notes or less than they could recover in a United States liquidation. Such proceedings could also cause payment to the holders of the notes to be delayed, as compared with holders of undisputed claims.

Pledged assets form part of the bankruptcy estate. As a consequence, the private enforcement of pledged assets is not permitted and the enforcement mandatorily occurs according to the rules of the Bankruptcy Act. The priority rights of the pledgee, however, remain effective, and the proceeds from the sale of the pledged

Table of Contents

assets are used exclusively to satisfy the secured claims, unless the proceeds from the sale of the pledged assets exceed the secured claims, in which case the surplus is available for distribution to the unsecured creditors. If the enforcement proceeds are not sufficient to fully satisfy the secured claims, the remainder of the claims have equal rank as unsecured claims with all other unsecured and non-prioritized claims. If several pledges secure the same claim, the amount realized is applied proportionally to the claim.

Swiss law is unsettled with respect to the enforceability of future receivables assigned by way of security that come into existence after the date of the bankruptcy. Under the current jurisprudence of the Swiss Federal Supreme Court, the assignment of claims coming into existence after the adjudication of bankruptcy or similar insolvency proceedings that lead to the loss of the capacity of the relevant assignor to dispose of such rights or claims may generally not be enforceable by the secured creditor.

Under Swiss insolvency and other laws, a bankruptcy administrator can, under certain circumstances avoid any claim for the payment of debt, including any payments under guarantees or security interests or, if payment has already been made, require that the recipient return the payment to the relevant payor. The right of avoidance applies if any of the following applies: (i) an over-indebted company repays unmatured debts, settles a debt by unusual means of payment, or grants collateral for previously unsecured liabilities within one year before the opening of bankruptcy proceedings; (ii) a debtor disposes of assets for free or for inadequate consideration within one year before the opening of bankruptcy proceedings; and (iii) the debtor intentionally favors some creditors compared to others and in doing so damages the other creditors within five years before the opening of bankruptcy proceedings. The granting of guarantees and security interests is not voidable under (i) above as long as the creditor does not have or should not have any actual or constructive knowledge of the grantor s over-indebtedness. A bona fide creditor is therefore protected but bears the burden to plead and prove its good faith. In the event such disputed transactions are successfully avoided, the creditors (such as noteholders) are under an obligation to repay the amounts received or to waive the guarantee or security interest. The above principle of avoidance applies in particular to the guarantees or security interests granted by the Swiss guarantors. In the case of such avoidance of a guarantee or security interest granted by a Swiss guarantor, any amounts obtained by the note holders under the guarantee or security interest that is avoided would have to be repaid by the note holders. The note holders who have restituted the avoided amount paid to them regain their original claim against the Swiss guarantor and are entitled to list their claim in the schedule of claims in their respective rank and priority. The Swiss principles on avoidance may therefore limit the note holders ability to recover payments due on the guarantees or security interest.

In addition, all bankruptcy proceedings including the composition with creditors and avoidance actions are governed by Swiss law.

Certain Guarantee and Security Limitations

You may not be able to enforce, or recover any amounts under, the guarantees of, and security interests granted by or in, the Swiss subsidiaries due to restrictions on enforcement reflecting Swiss corporate law.

The enforcement of the guarantees and security interests provided by our Swiss subsidiaries will be limited by the financial assistance rules imposed by Swiss corporate law and Swiss tax law.

Financial assistance by any of our Swiss subsidiaries in respect of obligations of its shareholders (upstream) or of related persons or entities of its shareholders (cross-stream) is subject to certain Swiss corporate law rules that may significantly impact the value of the guarantees or security interests. In particular, upstream and cross-stream financial assistance must be within the corporate purpose and interests of our Swiss subsidiaries and cannot constitute a repayment of capital or a violation of legally protected reserves. In addition, the enforcement of the guarantees and security interests provided by our Swiss subsidiaries will be treated as a profit distribution to shareholders and, therefore, must be approved by the board of directors and shareholders of the relevant Swiss subsidiary. Such financial assistance will be limited to the freely distributable reserves of that Swiss subsidiary, as measured by an auditor s report at the time of the enforcement.

1104

Table of Contents

Payments under the guarantees and/or security interests provided by any of our Swiss subsidiaries will be subject to the dividend withholding tax at the rate of 35%, which, unless any such Swiss subsidiary has entered into a specific agreement with the Swiss Federal tax administration for a reduced rate of withholding, must be deducted from the gross payment. Non-Swiss residents can claim full or partial refund of the withholding tax on the basis of an applicable double taxation treaty between the country of residence of the recipient and Switzerland, including the Savings Tax Agreement signed between Switzerland and the European Union on October 26, 2004, which also covers dividends to EU parent companies, and the Treaty between the United States of America and Switzerland for the Avoidance of Double Taxation with Respect to Taxes on Income signed on October 2, 1996.

Financial assistance rules are unsettled under Swiss law. We can provide no assurances that future court rulings will not further restrict the enforceability, or deny the validity, of guarantees and security interests. Such rulings would negatively affect the ability to enforce the guarantees and security interests granted by our Swiss subsidiaries.

Because Swiss law governed pledges are subject to the doctrine of accessory (in German: *Akzessorietätsprinzip)*, the party secured by the pledge must be identical to the creditor of the secured claim. A pledge cannot be vested in a third party acting as security holder in its own name and right; rather, the pledge must be granted to the creditor or, in case of notes issues, to all of the note holders as a group.

Since the note holders, from time to time, will not be parties to any of the security documents in Switzerland, there are risks regarding the enforceability of the pledges granted in favor of the note holders. These risks may be mitigated by the use of a parallel debt structure, whereby the collateral agent becomes a joint creditor (in German: *Solidargläubige*r) of all obligations to be secured by the pledges and the pledges are granted to the collateral agent for the benefit of the note holders. Accordingly, the rights of the note holders will not be directly secured by the pledges of the collateral, but through the pledges granted to the collateral agent to secure these parallel claims. There is uncertainty as to the enforceability of this parallel debt structure in Switzerland. It has not yet been tested under Swiss law, and we cannot assure you that it will eliminate the risk of unenforceability posed by Swiss law.

The Netherlands

Some of the guarantors are incorporated under the laws of the Netherlands. In the event of insolvency of any Dutch guarantor, insolvency proceedings with respect to those guarantors would likely proceed under, and be governed by, Dutch insolvency law. Dutch insolvency laws are different from the insolvency laws of other jurisdictions, and this may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

Under Dutch law, there are two types of insolvency proceedings for the legal entities such as the Dutch guarantors: moratorium of payments *(surseance van betaling)* and bankruptcy *(faillissement)*.

A moratorium or suspension of payments (moratorium) is a court-ordered general suspension of a debtor s (unsecured and non-preferred) obligations to its creditors. Its purpose is to help the debtor avoid bankruptcy. A moratorium is available at the request of the debtor on the ground that the debtor will be unable to continue payments when they fall due and could be used as a defense by the debtor against a bankruptcy application by a third party. It may be ordered only by the district court located in the district in which the company has its statutory seat. Upon the filing of the request for a moratorium, the court will automatically grant the moratorium on a provisional basis and appoint at least one administrator *(bewindvoerder)* of the debtor s estate.

Subsequently, the unsecured and non-preferred creditors must vote in a meeting convened by the court as to whether a definitive moratorium should be granted. The court will then decide whether to grant a definitive moratorium or, alternatively, the court may declare the debtor bankrupt. The court will grant a definitive moratorium unless such moratorium is opposed by either (i) creditors having claims jointly exceeding one quarter of the total amount of claims represented at the meeting, or (ii) more than one third of creditors whose

1105

Table of Contents

claims are represented at the meeting. A moratorium takes effect retroactively from 0.00 hours on the day on which the court has granted the provisional suspension of payments.

During a moratorium, unsecured, non-preferred creditors cannot enforce their rights. Secured creditors, on the other hand, can exercise their rights, despite the moratorium. However, the court may call a freeze-order *(afkoelingsperiode)* for a maximum period of four months (consisting of an initial two months, with a possible two month extension), during which period the secured creditors cannot exercise their rights without the approval of the court or the bankruptcy judge *(rechter commissaris)*. Accordingly, a moratorium may prevent creditors from effecting a restructuring of a Dutch guarantor, and could reduce secured creditors recovery under a guarantee and/or security interest.

A moratorium may lead to (i) a normal resumption of payments to creditors, or (ii) a settlement of payments owed to creditors or, in the majority of cases (iii) a bankruptcy of the debtor.

Bankruptcy is a court-ordered general attachment of the assets of a debtor for the benefit of the debtor s collective creditors. The purpose of bankruptcy is to provide for an equitable liquidation and distribution of the proceeds of the debtor s assets among its creditors. Bankruptcy may be ordered only by the district court located in the district in which the company has its statutory seat. An application for bankruptcy can be made by either (i) one or more creditors of the debtor, (ii) the public prosecutor (if the public interest so requires), or (iii) the debtor itself, on the grounds that the debtor has ceased paying its debts. There is no legal duty for a debtor to file for its own bankruptcy. However, if the managing board of a company realizes that the company is or will be unable to pay its debts when they come due, it is required to take appropriate measures, which could include the cessation of trading, notification of creditors and the filing for either bankruptcy or a moratorium of payments (see above).

As a result of a bankruptcy, the debtor loses all rights to administer and dispose of its assets. Furthermore, all pending executions of judgments and any attachments on the debtor s assets will be terminated by operation of law, and any pending litigation on the date of the bankruptcy order is automatically suspended.

A bankruptcy order takes effect retroactively from 0.00 hours on the day the order is rendered. In the event of bankruptcy, a court will appoint a receiver in bankruptcy *(curator)* at its own discretion, which in most cases will be a practicing lawyer in the Netherlands. The receiver in bankruptcy manages the bankrupt estate, which consists of (almost) all of the debtor s assets that exist on the date on which the bankruptcy order became final, and of all assets acquired during the bankruptcy. The bankruptcy estate is not liable for obligations incurred by the debtor after the bankruptcy order, except to the extent that such obligations arise from transactions that are beneficial to the estate. A receiver operates under the supervision of a bankruptcy judge designated by the court, and thus most of a receiver s major decisions require the prior approval of the bankruptcy judge.

Secured creditors can normally exercise their rights during the bankruptcy. However, the bankruptcy judge (or the court) may call a freeze-order *(afkoelingsperiode)* for a maximum period of four months (consisting of an initial two months, with a possible two month extension), during which period the secured creditors cannot exercise their rights without the approval of the bankruptcy judge. The receiver in bankruptcy can force secured creditors to enforce their security rights within a reasonable period of time, failing which the receiver in bankruptcy will be entitled to sell the secured assets and distribute the proceeds. The receiver in bankruptcy is authorized to make such forced sales in order to prevent a secured creditor from delaying the enforcement of the security without good reason. If a receiver in bankruptcy does make a forced sale of secured assets, the secured creditors have to contribute to the general bankruptcy expenses *(algemene faillissementskosten)* and will receive payment from the proceeds of that sale prior to ordinary, non-preferred creditors having an insolvency claim, but after creditors of the estate *(boedelschuldeisers)*, and subject to satisfaction of higher-ranking claims of creditors. Dutch tax authorities *(belastingdienst)* have a preferential claim in respect of the collection of certain taxes, pursuant to which they are entitled to attach the inventory located on the debtor s premises *(bodembeslag)*. They may take recourse against such property irrespective of whether any security interests over such property exist. Excess proceeds of enforcement of security rights must

Table of Contents

be returned to the debtor in bankruptcy and may not be set-off against any unsecured claims that the secured creditors may have. Such set-off is, in principle, only allowed prior to the bankruptcy proceedings.

Voluntary payments *(onverplichte betalingen)* made by the debtor to a creditor may be successfully contested by the receiver in bankruptcy if the debtor and the creditor, at the time the payments were made, knew or ought to have known that other creditors would be prejudiced by such payment. Even payments that were due and payable to a creditor may be successfully contested by the receiver in bankruptcy if (i) the recipient of payment knew that an application for bankruptcy had already been filed at the time the payment was made or (ii) the debtor and the recipient of payment engaged in conspiracy in order to prefer the recipient of payment above other creditors.

Limitations on Enforcement of Guarantees

You may not be able to enforce, or recover any amounts under, the guarantees of interests granted by or in, the Dutch subsidiaries due to restrictions on the validity and enforceability of guarantees under Dutch law.

Under Dutch law, it is uncertain as to whether security interests can be granted to a party other than the creditor of the claim purported to be secured by such security interests. For that reason, the Security Documents use a parallel debt structure, whereby the Dutch subsidiaries, by separate and independent obligations, undertake to pay to the security trustee on behalf of the holders of the notes amounts equal to the amounts due by it to the other creditors. Such parallel debt structure therefore creates a separate and independent claim of the security trustee on behalf of the holders of the notes which can be secured by a security interest. Consequently, the security interests are granted to the security trustee on behalf of the holders of the notes in its own capacity as creditor acting in its own name pursuant to the parallel debt, and not as a representative (vertegenwoordiger) of the creditors. It is expressly agreed in such a parallel debt provision that the obligations of the debtor to the security trustee on behalf of the holders of the notes shall be decreased to the extent that the corresponding principal obligations to the creditors are reduced (and vice versa). However, such a parallel debt structure has never been tested before a Dutch court and we cannot assure you that it will mitigate or eliminate the risk of unenforceability posed by Dutch law.

Under Dutch law, receipt of any payment made by the Dutch subsidiaries under a guarantee or security interest may be adversely affected by specific or general defenses available to debtors under Dutch law in respect of the validity, binding effect and enforceability of such guarantee or security interest. The validity and enforceability of a guarantee of, or a security interest granted by or in, the Dutch subsidiaries may also be successfully contested by the Dutch subsidiaries (or their receiver in bankruptcy) on the basis of an ultra vires claim. The validity and enforceability of the obligations of the Dutch subsidiaries under a guarantee or security interest may also be successfully contested by any creditor, or by the subsidiaries respective receiver in bankruptcy when our subsidiary is in bankruptcy proceedings, if such obligation is prejudicial to the interests of any other creditor and the other requirements for voidable preference under the Dutch Civil Code or Dutch Bankruptcy Act are met. As a result, the value of the guarantee or security interest provided by the Dutch subsidiaries may be limited.

Recognition of the Laws of New York in Dutch Proceedings

In any proceedings for the enforcement of the contractual obligations of any Dutch guarantor under the guarantees or security, the courts of The Netherlands should give effect to the choice of New York law made in the guarantees and security on the basis and within the scope of, and subject to the limitations imposed by, Regulation (EC) No. 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations. However, the question whether the guarantees or security would be within the corporate objects (intra vires) of any Dutch guarantor and the question whether the guarantees or security would constitute unlawful financial assistance may be governed by Dutch law.

Financial Assistance

Under Dutch law a private or public company with limited liability may not, with a view to the subscription or acquisition by third parties of shares in its share capital or depositary receipts thereof grant

1107

security *(zekerheid stellen)*, provide guarantees *(koersgarantie geven)* or otherwise bind itself, whether jointly and severally or otherwise with or for third parties, and may only grant loans *(leningen verstrekken)* with such view to the extent permitted by and under the conditions set out under Dutch law. This prohibition also applies to its subsidiaries. The restrictions apply not only to new loans granted to acquire a company s shares, but also to loans used to repay other loans that were granted for that purpose.

The proceeds of the notes will be partly used to finance the acquisition of shares of non-Dutch entities. Although there is no case law on this subject, the view that is generally accepted in The Netherlands is that, from a Dutch law perspective, the laws of the jurisdiction of incorporation of the relevant non-Dutch entities whose shares are directly acquired in an acquisition are relevant in order to answer the question whether there are financial assistance issues in respect of the acquisition. However, there is minority opposing view according to which Dutch financial assistance regulations are still applicable whenever any Dutch entity is indirectly acquired as a part of an acquisition even though its shares are not directly acquired. In such an event, the guarantees and/or security provided by the Dutch subsidiaries, Closure Systems International B.V. , Reynolds Consumer Products International B.V., Evergreen Packaging International B.V. and Reynolds Packaging International B.V., may be held to be unenforceable and this may materially affect your ability to recover amounts due on the notes.

In order to enable Dutch subsidiaries to grant guarantees to a direct or indirect parent or sister company without violating Dutch rules on financial assistance, it is standard market practice for security and guarantees to contain so-called limitation language in relation to subsidiaries incorporated or established in The Netherlands. Pursuant to such limitation language, it is agreed between the relevant parties that such guarantee or security is deemed not to be given to the extent the same would constitute a violation of the Dutch rules on financial assistance. Accordingly, the security will contain such limitation language in connection with the guarantees provided and/or security granted therein by the Dutch guarantors.

Thailand

One of the guarantors is incorporated under the laws of Thailand. In the event of insolvency of the Thai guarantor, proceedings relating to such guarantor may be initiated in Thailand under its Bankruptcy Act, which would govern those proceedings. The insolvency laws of Thailand may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including in respect of the designation and priority of creditors. Under Thai law, you will be treated as an unsecured creditor. This status may limit your ability to recover payments due on the notes to an extent exceeding the limitations arising under other insolvency laws.

According to Thai bankruptcy law, creditors will be regarded as secured creditors only if they (i) hold preferential rights over the assets of a debtor under a mortgage, pledge or right of retention or (ii) possess preferential rights in the same nature as pledgees. Creditors who otherwise have only a contractual interest against the debtor, such as a guarantee, will be treated as unsecured creditors under Thai law. The rights of secured and unsecured creditors differ when claims are made for debt repayment and vary according to the class of the creditor under a business reorganization plan, as described below.

Thailand s Bankruptcy Act provides for both bankruptcy proceedings and business reorganization proceedings against a Thai guarantor (hereinafter referred to as a debtor who, in the case of a business reorganization, must be a juristic person). These proceedings may be initiated if the debtor is either (i) domiciled in Thailand or (ii) operates its business in Thailand, whether by itself or by its representative, at the time an application is filed or anytime within the year preceding the filing.

Bankruptcy Proceedings

An application for bankruptcy may be filed by (a) a creditor, whether secured or unsecured, if the debtor is insolvent and the debtor (if a juristic person) owes one or more creditors at least Baht 2,000,000, irrespective of maturity date or (b) the liquidator of a company, when the company is being wound-up and its fully paid up share capital is not sufficient to meet all its liabilities.

Table of Contents

If, during the hearing on the petition of the creditor, the Thai bankruptcy court finds that the facts set forth in the petition are true, the Thai bankruptcy court will order that the debtor enter absolute receivership. Upon a receivership order, the official receiver, appointed by the Minister of Justice, acting as independent government officer, will be empowered by the Thai Bankruptcy Act to manage the assets and business of the debtor and the debtor will no longer be able to take any action relating to its assets or business, unless such acts are otherwise ordered or approved by the Thai bankruptcy court, the official receiver, the administrator of the asset or of a creditors meeting.

To be eligible for debt repayment under bankruptcy proceedings, creditors must file a debt application with the official receiver within two months following the date of publication of the order of absolute receivership in the Government Gazette. For creditors residing outside Thailand, the official receiver may, in its discretion, extend the two-month period by up to an additional two months. If any creditor fails to file the debt application within such time, it will lose its claim against the debtor under the bankruptcy proceedings. A secured creditor may choose to receive repayment from security granted to it without filing a debt claim, but only if the secured creditor allows the receiver to inspect the security.

After the expiry of the debt application filing period, there will be a meeting to consider whether the debtor should become bankrupt, or if requested by the debtor, whether there should be a conciliation between the creditors and the debtor. If the creditors pass a resolution requesting that the debtor be declared bankrupt, or if any conciliation is not approved, the Thai bankruptcy court shall declare the debtor bankrupt. The receiver would then be empowered to collect and manage the assets of the debtor for distribution among all entitled creditors.

The secured creditors will have priority over the assets secured to them. If any proceeds remain after payment of the claims of the secured creditors, then the claims of unsecured creditors will be settled in the following order: (1) expenses for administration of a deceased debtor s estate; (2) expenses of the receiver in managing the debtor s assets; (3) funeral expenses of a deceased debtor proper to his status; (4) administration fees in connection with the collection of assets; (5) fees of the petitioning creditor and counsel s fee as the Thai bankruptcy court or the receiver may prescribe; (6) taxes that have become due within six months prior to the order for receivership of the assets and wages that employees of the debtor have the right to receive prior to the order for receivership of the assets for work performed for the debtor during the period of four months prior to the order of receivership (but not exceeding Baht 100,000 per employee), and pursuant to the law concerning labor protection and (7) other debts, which includes the obligations owed to the unsecured creditors.

Business Reorganization Proceedings

The Thai law on business reorganization proceedings is based on the United States insolvency proceedings. A business reorganization process can be initiated in Thailand either by a debtor or by a secured or unsecured creditor. In order to file a petition for business reorganization, (i) the debtor must be insolvent; (ii) it must owe an aggregate amount of not less than Baht 10,000,000 to one or more creditors, regardless of the maturity date of the debt; and (iii) there must be reasonable grounds and prospects to rehabilitate the business of the debtor.

When the Thai bankruptcy court accepts the petition for business reorganization proceedings, an automatic stay, or moratorium, applies to protect the debtor against actions by creditors such as litigation, enforcement of security and bankruptcy proceedings. As such, secured creditors would be unable to enforce their security outside the business reorganization proceedings, unless the Thai bankruptcy court approves. Creditors whose rights are restricted under the moratorium may submit an application to the Thai bankruptcy court requesting an order amending, modifying or annulling the limitations on their rights on the grounds that the restrictions are not necessary for the business reorganization process or because such restrictions do not sufficiently protect the rights of secured creditors. Subject to judicial discretion, the Thai bankruptcy court may (a) allow the enforcement of security; (b) order the debtor to provide additional collateral or (c) otherwise amend the restrictions of the moratorium. The moratorium will last until the earlier of (1) the scheduled date for completion of the business reorganization plan (as discussed below) (the plan); (2) the actual completion

1109

of the plan; (3) the date of dismissal or discharge of the petition; (4) the date of cancellation of the reorganization order (as discussed below) or (5) the date on which the receivership order is cancelled.

The moratorium also allows the plan to be prepared by a planner and submitted to creditors and the Thai bankruptcy court for approval. The planner must be the debtor, a person or entity related to the debtor or an independent third party appointed by the Thai bankruptcy court. A planner must prepare the plan and control the affairs of the debtor in the period prior to the approval of the plan. All of the powers of the debtor s directors and the rights of the debtor s shareholders, except the right to receive a dividend, are transferred to the planner.

After the Thai bankruptcy court orders that the debtor is subject to business reorganization proceedings, creditors are required to file debt repayment applications against the debtor with the official receiver within one month from the date on which the order appointing the planner is published in the Government Gazette. Failure to file a claim by the end of the one-month period (not extendable) will result in the creditor losing its claim against the debtor. A secured creditor may opt to receive repayment from security granted to it without filing a debt repayment claim. However, enforcement of security by the secured creditor is subject to the moratorium and, as discussed above, permission from the Thai bankruptcy court to enforce the security is required.

The procedure for creditors to vote on the approval or rejection of a plan depends upon the required threshold of creditors, both in terms of the number of creditors and the value of debt outstanding. The resolution approving the plan must be a special resolution (a majority of creditors whose debts equal three quarters of the total debts of creditors present at the creditors meeting in person by proxy, and voting on such resolution) by (i) the creditors meetings of each and every class of creditors (as classified below) or (ii) the creditors meeting of at least one group of the creditors (who is not the group of creditors receiving an offer to be repaid in full or to receive repayment under an existing contract or the subordinated creditor), and the total debt of the creditors who have approved the plan at the meeting of all groups of creditors is not less than 50% of the debt of the creditors attending the meeting in person or by proxy and voted on such resolution.

Under any given plan, the debt of creditors can either be written off, converted to equity or subject to extended payment conditions, interest rates and other terms. The business reorganization process also allows for the sale of assets and issue of new shares to be carried out under a plan.

Thai law requires that creditors be divided into different classes:

(i) Large Secured Creditor: This class can only contain one creditor, however there may be more than one large secured creditor class. To be classified as a large secured creditor, the creditor must hold secured debt amounting to more than 15% of the total debt for which a claim for repayment may be filed in the business reorganization of the debtor. The value of the secured debt for these purposes is calculated as the amount that a sale of the secured assets would realize upon the enforcement of security. If there is more than one creditor who would be classified as large secured creditors, then each of them would be placed in their own separate large secured creditor class;

(ii) Other Secured Creditors: This class comprises those creditors that do not meet the criteria of large secured creditors. This class can contain multiple creditors;

(iii) Unsecured Creditors: This class can be divided into subclasses, depending upon interests and claims. Separate subclasses of unsecured creditors may contain, for example, unsecured financial creditors, employee creditors, trade creditors, government creditors (for taxes and custom duties) and contingent creditors (i.e., creditors holding guarantees or performance bonds from the debtor); and

(iv) Subordinated Creditors: This class comprises creditors who, either by law or by contract, have the right to receive repayment only after other creditors have received repayment in full. This class can contain multiple creditors.

The business reorganization proceedings permit the debtor to remain in reorganization for up to five years, subject to two one-year extensions with creditor and Thai bankruptcy court approval. The conditions for full implementation of the plan do not have to include full repayment of the debt.

While the debtor is in business reorganization proceedings, it can only carry out acts in accordance with the plan, authorized by the Thai bankruptcy court or otherwise essential for the debtor to carry on its business as usual. There is no specific definition of what is essential for the debtor to carry on its business as usual and this condition is widely interpreted.

Subject to the automatic stay, transactions are still valid and binding against the debtor even if the debtor enters into the reorganization process. However, certain transactions may be refused or cancelled by the receiver or the Thai bankruptcy court if they are regarded as onerous contracts, fraudulent acts or as giving undue preference.

In the case of an onerous contract, the receiver is empowered to refuse or disclaim the right of the debtor under a contract if he considers that such right is subject to terms more onerous than the benefits receivable. The right to disclaim must be exercised within three months from the date the receiver knows about the terms of the contract. The exercise of this right in the context of an unperformed contract will involve an assessment of the costs of performance of the contract against the value of the benefits to be received. Where the right to disclaim is exercised, any person who suffers loss as a result of the exercise of that right can file a claim for such loss in the bankruptcy or business reorganization proceedings.

Any transaction entered into by the debtor with the knowledge that it would prejudice its creditors is regarded as a fraudulent act. The official receiver can file a motion with the Thai bankruptcy court for an order to cancel that fraudulent transaction if either (i) the person enriched by such transaction is, at the time of the transaction, aware of the fact that the transaction would prejudice the creditors, or (ii) it is a gratuitous transaction. A similar request can be made in a bankruptcy proceeding of a debtor. Furthermore, Thai insolvency law specifies that if the transaction occurs within a year prior to the filing of the bankruptcy petition or the business reorganization petition, or where the debtor receives less than a reasonable amount of compensation for that transaction, it shall be presumed that both the debtor and the person who is enriched by that transaction knew that such act would prejudice creditors. Under these circumstances, the fraudulent transaction can be nullified by order of the Thai bankruptcy court, after which any assets would be returned to the debtor to be made available to its creditors.

Thai insolvency law also provides for undue preferences to be unwound. A transaction can be cancelled if it was entered by a debtor with the intention of giving an undue preference to one of its creditors within three months prior to the filing of the bankruptcy petition or the business reorganization petition, or one year in the case of an undue preference extended to an insider. In that case, the assets would be returned to the debtor and made available to its creditors.

In addition, under Thai law, all appointments of an agent, including the grant of a power of attorney, appointment of a proxy or other authorization granted expressly (including, but not limited to, those expressed to be irrevocable) or by implication, are revocable by notice at any time. In particular, these appointments and authorizations terminate by law and without notice upon the bankruptcy of the grantor.

Parallel Debt Provision

There is uncertainty as to the enforceability of the parallel debt provision in Thailand. This is because there is no parallel debt concept under the Thai Bankruptcy Act. In addition, it is uncertain as to whether security interests can be granted to a party other than the creditor of the claim purported to be secured by such security interests.

A parallel debt undertaking in the security documents or guarantee entered into by the Thai guarantor results in (i) the collateral agent/trustee becoming the holder of the secured claims equal to the principal amount of the senior secured notes plus certain other amounts for the benefit of the collateral agent/trustee and the holders of the senior secured notes and (ii) the Thai guarantor undertaking, as a separate and independent obligation, to pay to the collateral agent/trustee on behalf of the holders of the senior secured notes the amounts equal to the amounts it is due to pay to the other creditors. It is obvious that the parallel debt undertaking creates debt which is owed to the collateral agent/trustee as creditor in its own right and not as a representative of the creditors. As a result, the collateral agent/trustee would be able to demand payment in the capacity of creditor, not as an agent of the actual creditors. In addition, if the actual creditor fails to take steps to preserve its entitlement to be paid, the collateral agent/trustee, under its own independent right created by the parallel debt provision, is entitled to demand the payment of such debt.

Under the Thai Bankruptcy Act, the parallel debt undertaking as described above might be challenged and it is doubtful as to its enforceability in several aspects. For example, in order for a creditor to be entitled to be paid under bankruptcy and business re-organization proceedings, the creditor must submit a claim to preserve its entitlement to its debt. Failure to do so would result in that debt becoming unrecoverable debt and the creditor s right would be forfeited. The parallel debt undertaking is contrary to this concept by allowing a creditor to recover a debt which was not submitted in bankruptcy or business re-organization proceeding, to be recoverable by the third party who is not a creditor but did submit its claim to the official receiver in a timely manner and such claim is over the same debt.

However, such a parallel debt undertaking has never been tested before a Thai bankruptcy court and as such we cannot assure the holders of the senior secured notes of its enforceability under Thai law.

Table of Contents

GLOSSARY OF SELECTED TERMS

Unless otherwise indicated or the context otherwise requires, in this prospectus:

2007 Notes refers to the 2007 Senior Notes and the 2007 Senior Subordinated Notes.

2007 Senior Notes refers to the 8.0% senior notes due 2016 issued by BP II on June 29, 2007, of which 480 million aggregate principal amount was outstanding at March 31, 2012.

2007 Senior Subordinated Notes refers to the 9.5% senior subordinated notes due 2017 issued by BP II on June 29, 2007, of which 420 million aggregate principal amount was outstanding at March 31, 2012.

2007 UK Intercreditor Agreement refers to the amended intercreditor agreement described in the section Description of Certain Other Indebtedness and Intercreditor Agreements 2007 UK Intercreditor Agreement.

2009 Notes refers to the 7.750% senior secured notes due 2016.

August 2011 Notes refers to the August 2011 Senior Secured Notes and the August 2011 Senior Notes.

August 2011 Senior Notes refers to the 9.875% senior notes due 2019 issued on August 9, 2011.

August 2011 Senior Secured Notes refers to the 7.875% senior secured notes due 2019.

BP I refers to Beverage Packaging Holdings (Luxembourg) I S.A., a direct subsidiary of RGHL. BP I guarantees the notes and the Senior Secured Credit Facilities.

BP II refers to Beverage Packaging Holdings (Luxembourg) II S.A., a sister company of BP I and a direct subsidiary of RGHL. BP II is the issuer of the 2007 Notes. BP II does not guarantee the notes or the Senior Secured Credit Facilities.

BP III refers to Beverage Packaging Holdings (Luxembourg) III S.à r.l., a direct subsidiary of BP I and an indirect wholly-owned subsidiary of RGHL. BP III guarantees the notes and the Senior Secured Credit Facilities.

CHH refers to Carter Holt Harvey Limited, a New Zealand company and an indirect wholly-owned subsidiary of Rank Group.

Closures refers to our caps and closures segment.

Dopaco refers to Dopaco, Inc. and Dopaco Canada, Inc. and, unless the context otherwise requires, Dopaco Canada, Inc. s subsidiaries. Dopaco Canada, Inc. and its subsidiaries were amalgamated into a subsidiary of RGHL.

Evergreen refers to our fresh carton packaging, liquid packaging board, carton board and freesheet segment.

February 2011 Notes refers to the February 2011 Senior Secured Notes and the February 2011 Senior Notes.

February 2011 Senior Notes refers to the 8.250% senior notes due 2021.

February 2011 Senior Secured Notes refers to the 6.875% senior secured notes due 2021.

February 2012 Notes refers to the 9.875% senior notes due 2019 issued on February 15, 2012.

First Lien Intercreditor Agreement refers to the intercreditor agreement described in the section Description of Certain Other Indebtedness and Intercreditor Agreements First Lien Intercreditor Agreement.

Graham Company refers to Graham Packaging Company Inc.

Graham Holdings refers to Graham Packaging Holdings Company, a wholly-owned subsidiary of Graham Company.

Graham Packaging refers to Graham Packaging Company Inc., and, unless the context otherwise requires, its subsidiaries.

Graham Packaging Notes refers to (i) the 9.875% senior subordinated notes due 2014 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Holdings, or the *Graham Packaging Senior Subordinated Notes*, (ii) the 8.25% Senior Notes due 2017 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Holdings, or the *Graham Packaging 2017 Notes*, and (iii) the 8.25% Senior Notes due 2018 issued by Graham Packaging Company, L.P. and GPC Capital Corp. I, which are wholly-owned subsidiaries of Graham Holdings, or the *Graham Packaging 2018 Notes*. The Graham Packaging Notes were repaid in connection with the 2012 Refinancing Transactions.

IP refers to International Paper Company.

Issuers or *issuers* refers to the US Issuers and the Lux Issuer. The Issuers are each wholly-owned indirect subsidiaries of RGHL.

Lux Issuer refers to Reynolds Group Issuer (Luxembourg) S.A., an indirect wholly-owned subsidiary of RGHL and co-issuer of the notes.

May 2010 Notes refers to the 8.500% senior notes due 2018.

New Incremental Senior Secured Credit Facilities refers to an amendment to the Senior Secured Credit Facilities that we entered into in connection with the Graham Packaging Transaction, pursuant to which we amended certain terms of the related credit agreement and incurred incremental borrowings used to partially finance the Graham Packaging Transaction.

new notes refers to the new senior secured notes and the new senior notes.

new senior notes refers to the registered May 2010 Notes, October 2010 Senior Notes, February 2011 Senior Notes and August 2011 Senior Notes.

new senior secured notes refers to the registered 2009 Notes, October 2010 Senior Secured Notes, February 2011 Senior Secured Notes and August 2011 Senior Secured Notes.

notes refers to the new notes and the old notes.

October 2010 Notes refers to the October 2010 Senior Secured Notes and the October 2010 Senior Notes.

October 2010 Senior Notes refers to the 9.000% senior notes due 2019.

October 2010 Senior Secured Notes refers to the 7.125% senior secured notes due 2019.

old notes refers to the old senior secured notes and the old senior notes.

old senior notes refers to the outstanding May 2010 Notes, October 2010 Senior Notes, February 2011 Senior Notes and August 2011 Senior Notes.

old senior secured notes refers to the outstanding 2009 Notes, October 2010 Senior Secured Notes, February 2011 Senior Secured Notes and August 2011 Senior Secured Notes.

Original Senior Secured Credit Facilities refers to the senior secured credit facilities governed by the credit agreement entered into on November 5, 2009, as amended from time to time. The Original Senior Secured Credit Facilities were repaid in full with proceeds from the term loans under the Senior Secured Credit Facilities and part of the proceeds from the offering of the February 2011 Notes.

The Original Senior Secured Credit Facilities consisted of: (i) $1,035 million of U.S. term loans, or the *Original U.S. Term Loans,* which were borrowed on November 5, 2009; (ii) $800 million of

1114

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.

Pactiv refers to Pactiv Corporation, which was subsequently renamed Pactiv LLC, and, unless the context otherwise requires, its subsidiaries.

Pactiv 2012 Notes refers to the 5.875% Notes due July 15, 2012 of Pactiv, which were repaid in connection with the 2012 Refinancing Transactions.

Pactiv 2018 Notes refers to the 6.400% Notes due January 15, 2018 of Pactiv, with an outstanding principal amount of $15.7 million (net of $1 million of unamortized discount) as of March 31, 2012.

Rank Group refers to Rank Group Limited, a private company based in New Zealand and wholly-owned by Mr. Graeme Hart, our strategic owner.

Reynolds Consumer Products refers to our consumer products segment, which (i) consisted of our Reynolds consumer products business prior to the Pactiv Acquisition and (ii) consists of our Reynolds consumer products business and our Hefty consumer products business following the Pactiv Acquisition.

RGHL refers to Reynolds Group Holdings Limited, the indirect parent of BP III and the Issuers, among others. RGHL guarantees the notes and the Senior Secured Credit Facilities.

RGHL Combined Group refers to RGHL and its consolidated subsidiaries, including Graham Packaging and Dopaco, 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 and the 2011 Refinancing Transactions. For information regarding the 2012 Refinancing Transactions, the Dopaco Acquisition, the Graham Packaging Transaction and the 2011 Refinancing Transactions, see The Transactions.

RGHL Group or *RGHL Group Successor* refers to RGHL and its consolidated subsidiaries after the Initial Evergreen Acquisition but prior to the Graham Packaging Transaction, unless the context otherwise requires.

RGHL Group Predecessor or *IP s Bev Pack Business* refers to the beverage packaging business of IP before the Initial Evergreen Acquisition.

senior notes refers to the old senior notes and the new senior notes.

Senior Secured Credit Facilities refers to the $2,325 million senior secured U.S. term loans, the 250 million senior secured European term loans, the $120 million senior secured revolving credit facility and the 80 million senior secured revolving credit facility and, following the consummation of the Graham Packaging Transaction, also includes the New Incremental Senior Secured Credit Facilities.

senior secured notes refers to the old senior secured notes and the new senior secured notes.

SIG refers to our aseptic carton packaging segment.

US Co-Issuer refers to Reynolds Group Issuer LLC, an indirect wholly-owned subsidiary of RGHL and co-issuer of the notes.

US Issuer refers to Reynolds Group Issuer Inc., an indirect wholly-owned subsidiary of RGHL and co-issuer of the notes.

US Issuers refers to US Issuer and US Co-Issuer.

ANNEX A

List of RGHL Subsidiaries

	Country of Incorporation	Ownership Interest (%)	Voting Interest (%)	Guarantor/ Non-Guarantor
Alusud Argentina S.R.L.	Argentina	100	100	Non-Guarantor
Graham Packaging Argentina S.A.	Argentina	100	100	Non-Guarantor
Graham Packaging San Martin S.A.	Argentina	100	100	Non-Guarantor
Lido Plast San Luis S.A.	Argentina	100	100	Non-Guarantor
SIG Combibloc Argentina S.R.L.	Argentina	100	100	Non-Guarantor
Whakatane Mill Australia Pty Limited	Australia	100	100	Guarantor
SIG Austria Holding GmbH	Austria	100	100	Guarantor
SIG Combibloc GmbH	Austria	100	100	Guarantor
SIG Combibloc GmbH & Co. KG	Austria	100	100	Guarantor
Gulf Closures W.L.L.	Bahrain	49	49	Non-Guarantor
Graham Packaging Belgium BVBA	Belgium	100	100	Non-Guarantor
Graham Packaging Lummen BVBA	Belgium	100	100	Non-Guarantor
Closure Systems International (Brazil) Sistemas de Vedacao Ltda.	Brazil	100	100	Guarantor
Graham Packaging do Brasil Industria e Comercio S.A.	Brazil	100	100	Non-Guarantor
Graham Packaging Parana, Ltda.	Brazil	100	100	Non-Guarantor
Resin Rio Comercio Ltda.	Brazil	100	100	Non-Guarantor
SIG Beverages Brasil Ltda.	Brazil	100	100	Guarantor
SIG Combibloc Do Brasil Ltda.	Brazil	100	100	Guarantor
CSI Latin American Holdings Corporation	British Virgin Islands	100	100	Guarantor
Reynolds Consumer Products Bulgaria EOOD	Bulgaria	100	100	Non-Guarantor
Evergreen Packaging Canada Company	Canada	100	100	Guarantor
Graham Packaging Canada Limited	Canada	100	100	Non-Guarantor
Pactiv Canada, Inc.	Canada	100	100	Guarantor
Alusud Embalajes Chile Ltda.	Chile	100	100	Non-Guarantor
SIG Combibloc Chile Limitada	Chile	100	100	Non-Guarantor
Closure Systems International (Guangzhou) Limited	China	100	100	Non-Guarantor
Closure Systems International (Wuhan) Limited	China	100	100	Non-Guarantor
CSI Closure Systems (Hangzhou) Co., Ltd.	China	100	100	Non-Guarantor
CSI Closure Systems (Tianjin) Co., Ltd.	China	100	100	Non-Guarantor
Dongguan Pactiv Packaging Co., Ltd.	China	51	51	Non-Guarantor
	China	100	100	Non-Guarantor

Evergreen Packaging (Shanghai) Co., Limited				
Graham Packaging Trading (Shanghai) Co., Ltd.	China	100	100	Non-Guarantor
Graham Packaging (Guangzhou) Co., Ltd.	China	100	100	Non-Guarantor
Reynolds Metals (Shanghai) Ltd.	China	100	100	Non-Guarantor
SIG Combibloc (Suzhou) Co. Ltd.	China	100	100	Non-Guarantor

Table of Contents

	Country of Incorporation	Ownership Interest (%)	Voting Interest (%)	Guarantor/ Non-Guarantor
Zhejiang Zhongbao Pactiv Packaging Co., Ltd.	China	62.5	62.5	Non-Guarantor
Alusud Embalajes Colombia Ltda.	Colombia	100	100	Non-Guarantor
CSI Closure Systems Manufacturing de Centro America, Sociedad de Responsabilidad Limitada	Costa Rica	100	100	Guarantor
SIG Combibloc s.r.o.	Czech Republic	100	100	Non-Guarantor
Closure Systems International (Egypt) LLC	Egypt	100	100	Non-Guarantor
Evergreen Packaging de El Salvador S.A. de C.V.	El Salvador	100	100	Non-Guarantor
Graham Packaging Company OY	Finland	100	100	Non-Guarantor
Graham Packaging Europe SNC	France	100	100	Non-Guarantor
Graham Packaging France, S.A.S.	France	100	100	Non-Guarantor
Graham Packaging Normandy S.A.R.L.	France	100	100	Non-Guarantor
Graham Packaging Villecomtal S.A.R.L.	France	100	100	Non-Guarantor
SIG Combibloc S.A.R.L.	France	100	100	Non-Guarantor
Closure Systems International Deutschland GmbH	Germany	100	100	Guarantor
Closure Systems International Holdings (Germany) GmbH	Germany	100	100	Guarantor
Omni-Pac Ekco GmbH Verpackungsmittel	Germany	100	100	Guarantor
Omni-Pac GmbH Verpackungsmittel	Germany	100	100	Guarantor
Pactiv Deutschland Holdinggesellschaft mbH	Germany	100	100	Guarantor
Pactiv Forest Products GmbH	Germany	100	100	Non-Guarantor
SIG Beteiligungs GmbH	Germany	100	100	Guarantor
SIG Beverages Germany GmbH	Germany	100	100	Guarantor
SIG Combibloc GmbH	Germany	100	100	Guarantor
SIG Combibloc Holding GmbH	Germany	100	100	Guarantor
SIG Combibloc Systems GmbH	Germany	100	100	Guarantor
SIG Combibloc Zerspanungstechnik GmbH	Germany	100	100	Guarantor
SIG Euro Holding AG & Co. KGaA	Germany	100	100	Guarantor
SIG Information Technology GmbH	Germany	100	100	Guarantor
SIG International Services GmbH	Germany	100	100	Guarantor
Crystal Insurance Comp. Ltd.	Guernsey	100	100	Non-Guarantor
SIG Asset Holdings Limited	Guernsey	100	100	Guarantor
Closure Systems International (Hong Kong) Limited	Hong Kong	100	100	Guarantor
Evergreen Packaging (Hong Kong) Limited	Hong Kong	100	100	Guarantor
Graham Packaging Asia Limited	Hong Kong	100	100	Non-Guarantor
Roots Investment Holding Private Limited	Hong Kong	100	100	Non-Guarantor
SIG Combibloc Limited	Hong Kong	100	100	Guarantor
CSI Hungary Manufacturing and Trading Limited Liability Company	Hungary	100	100	Guarantor

SIG Combibloc Kft.	Hungary	100	100	Non-Guarantor

Table of Contents

	Country of Incorporation	Ownership Interest (%)	Voting Interest (%)	Guarantor/ Non-Guarantor
Closure Systems International(I) Private Limited	India	100	100	Non-Guarantor
SIG Beverage Machinery and Systems (India) Pvt. Ltd. *(In liquidation)*	India	99.98	99.98	Non-Guarantor
PT Graham Packaging Indonesia	Indonesia	100	100	Non-Guarantor
Ha Lakoach He Neeman H Sheeshim Ou Shenayim Ltd.	Israel	100	100	Non-Guarantor
Graham Packaging Company Italia S.r.l.	Italy	100	100	Non-Guarantor
SIG Combibloc S.r.l	Italy	100	100	Non-Guarantor
S.I.P. S.r.l. Societa Imballaggi Plastici S.r.l. *(In liquidation)*	Italy	100	100	Non-Guarantor
Closure Systems International Holdings (Japan) KK	Japan	100	100	Guarantor
Closure Systems International Japan, Limited	Japan	100	100	Guarantor
Graham Packaging Japan Godo Kaisha	Japan	100	100	Non-Guarantor
Closure Systems International (Korea), Ltd.	Korea	100	100	Non-Guarantor
Evergreen Packaging Korea Limited	Korea	100	100	Non-Guarantor
SIG Combibloc Korea Ltd.	Korea	100	100	Non-Guarantor
Beverage Packaging Factoring (Luxembourg) S.à r.l	Luxembourg	100	100	Non-Guarantor
Beverage Packaging Holdings (Luxembourg) I S.A.	Luxembourg	100	100	Guarantor
Beverage Packaging Holdings (Luxembourg) II S.A.	Luxembourg	100	100	Non-Guarantor
Beverage Packaging Holdings (Luxembourg) III S.à r.l.	Luxembourg	100	100	Guarantor
Beverage Packaging Holdings (Luxembourg) IV S.à r.l	Luxembourg	100	100	Guarantor
Evergreen Packaging (Luxembourg) S.à r.l	Luxembourg	100	100	Guarantor
Graham Packaging European Holdings (Luxembourg) S.à r.l	Luxembourg	100	100	Non-Guarantor
Graham Packaging European Holdings (Luxembourg) I S.à r.l	Luxembourg	100	100	Non-Guarantor
Graham Packaging European Holdings (Luxembourg) II S.à r.l.	Luxembourg	100	100	Non-Guarantor
Reynolds Group Issuer (Luxembourg) S.A.	Luxembourg	100	100	Guarantor
Asesores y Consultores Graham, S. de R.L. de C.V.	Mexico	100	100	Non-Guarantor
Bienes Industriales del Norte, S.A. de C.V.	Mexico	100	100	Guarantor
CSI En Ensenada, S. de R.L. de C.V.	Mexico	100	100	Guarantor
CSI En Saltillo, S. de R.L. de C.V.	Mexico	100	100	Guarantor
CSI Tecniservicio, S. de R.L. de C.V.	Mexico	100	100	Guarantor
	Mexico	100	100	Guarantor

Evergreen Packaging Mexico, S. de R.L. de C.V.				
Graham Packaging Plastic Products de Mexico S. de R.L. de C.V.	Mexico	100	100	Non-Guarantor

	Country of Incorporation	Ownership Interest (%)	Voting Interest (%)	Guarantor/ Non-Guarantor
Grupo Corporativo Jaguar, S.A. de C.V.	Mexico	100	100	Guarantor
Grupo CSI de México, S. de R.L. de C.V.	Mexico	100	100	Guarantor
Middle America M.A., S.A. de C.V. *(In liquidation)*	Mexico	100	100	Non-Guarantor
Pactiv Foodservice Mexico, S. de R.L. de C.V.	Mexico	100	100	Guarantor
Pactiv Mexico, S. de R.L. de C.V.	Mexico	100	100	Guarantor
Reynolds Metals Company de Mexico, S. de R.L.. de C.V.	Mexico	100	100	Guarantor
Servicio Terrestre Jaguar, S.A. de C.V.	Mexico	100	100	Guarantor
Servicios Industriales Jaguar, S.A. de C.V.	Mexico	100	100	Guarantor
Servicios Integrales de Operacion S.A. de C.V.	Mexico	100	100	Non-Guarantor
Servicios Graham Packaging S. de R.L. de C.V.	Mexico	100	100	Non-Guarantor
SIG Combibloc México S.A. de C.V.	Mexico	100	100	Non-Guarantor
SIG Simonazzi México S.A. de C.V. *(In liquidation)*	Mexico	100	100	Non-Guarantor
Tecnicos de Tapas Innovativas, S.A. de C.V.	Mexico	100	100	Guarantor
Closure Systems International Nepal Private Limited	Nepal	76	76	Non-Guarantor
Beverage Packaging Holdings (Netherlands) B.V.	Netherlands	100	100	Non-Guarantor
Closure Systems International B.V.	Netherlands	100	100	Guarantor
Evergreen Packaging International B.V.	Netherlands	100	100	Guarantor
Graham Packaging Company B.V.	Netherlands	100	100	Non-Guarantor
Graham Packaging Holdings B.V.	Netherlands	100	100	Non-Guarantor
Graham Packaging Zoetermeer B.V.	Netherlands	100	100	Non-Guarantor
Pactiv Europe B.V.	Netherlands	100	100	Non-Guarantor
Reynolds Consumer Products International B.V.	Netherlands	100	100	Guarantor
Reynolds Packaging International B.V.	Netherlands	100	100	Guarantor
SIG Combibloc B.V.	Netherlands	100	100	Non-Guarantor
Whakatane Mill Limited	New Zealand	100	100	Guarantor
Alusud Peru S.A.	Peru	100	100	Non-Guarantor
Closure Systems International (Philippines), Inc.	Philippines	100	100	Non-Guarantor
Graham Packaging Poland Sp. z.o.o.	Poland	100	100	Non-Guarantor
Omni Pac Poland Sp. z.o.o.	Poland	100	100	Non-Guarantor
SIG Combibloc Sp. z.o.o.	Poland	100	100	Non-Guarantor
CSI Vostok Limited Liability Company	Russia	100	100	Non-Guarantor
OOO SIG Combibloc	Russia	100	100	Non-Guarantor
Pactiv Asia Pte Ltd.	Singapore	100	100	Non-Guarantor

Closure Systems International España, S.L.U	Spain	100	100	Non-Guarantor
Closure Systems International Holdings (Spain), S.A.	Spain	100	100	Non-Guarantor

1119

Table of Contents

	Country of Incorporation	Ownership Interest (%)	Voting Interest (%)	Guarantor/ Non-Guarantor
Graham Packaging Iberica S.L.	Spain	100	100	Non-Guarantor
Reynolds Food Packaging Spain, S.L.U.	Spain	100	100	Non-Guarantor
SIG Combibloc S.A.	Spain	100	100	Non-Guarantor
SIG Combibloc AB	Sweden	100	100	Non-Guarantor
SIG allCap AG	Switzerland	100	100	Guarantor
SIG Combibloc Procurement AG	Switzerland	100	100	Guarantor
SIG Combibloc (Schweiz) AG	Switzerland	100	100	Guarantor
SIG Combibloc Group AG	Switzerland	100	100	Guarantor
SIG Schweizerische Industrie-Gesellschaft AG	Switzerland	100	100	Guarantor
SIG Technology AG	Switzerland	100	100	Guarantor
Evergreen Packaging (Taiwan) Co. Limited	Taiwan	100	100	Non-Guarantor
SIG Combibloc Taiwan Ltd.	Taiwan	100	100	Non-Guarantor
SIG Combibloc Ltd.	Thailand	100	100	Guarantor
Closure Systems International Plastik Ithalat Ihracat Sanayi Ve Ticaret Limited Sirketi	Turkey	100	100	Non-Guarantor
Graham Plastpak Plastik Ambalaj Sanayi A.S.	Turkey	100	100	Non-Guarantor
SIG Combibloc Paketleme Ve Ticaret Limited Sirketi	Turkey	100	100	Non-Guarantor
Baker s Choice Products, Inc.	U.S.A.	100	100	Guarantor
BCP/Graham Holdings L.L.C.	U.S.A.	100	100	Guarantor
Blue Ridge Holding Corp.	U.S.A.	100	100	Guarantor
Blue Ridge Paper Products Inc.	U.S.A.	100	100	Guarantor
BRPP, LLC	U.S.A.	100	100	Guarantor
Closure Systems International Americas, Inc.	U.S.A.	100	100	Guarantor
Closure Systems International Holdings Inc.	U.S.A.	100	100	Guarantor
Closure Systems International Inc.	U.S.A.	100	100	Guarantor
Closure Systems International Packaging Machinery, Inc.	U.S.A.	100	100	Guarantor
Closure Systems Mexico Holdings LLC	U.S.A.	100	100	Guarantor
Coast-Packaging Company (California General Partnership)	U.S.A.	50	50	Non-Guarantor
CSI Mexico LLC	U.S.A.	100	100	Guarantor
CSI Sales & Technical Services Inc.	U.S.A.	100	100	Guarantor
Dopaco, Inc.	U.S.A.	100	100	Guarantor
Evergreen Packaging Inc.	U.S.A.	100	100	Guarantor
Evergreen Packaging International (US) Inc.	U.S.A.	100	100	Guarantor
Evergreen Packaging USA Inc.	U.S.A.	100	100	Guarantor
Graham Packaging Acquisition Corp.	U.S.A.	100	100	Guarantor
Graham Packaging GP Acquisition LLC	U.S.A.	100	100	Guarantor

Graham Packaging Comerc USA LLC	U.S.A.	100	100	Non-Guarantor
Graham Packaging Company Europe LLC	U.S.A.	100	100	Non-Guarantor
Graham Packaging Company Inc.	U.S.A.	100	100	Guarantor

1120

Table of Contents

	Country of Incorporation	Ownership Interest (%)	Voting Interest (%)	Guarantor/ Non-Guarantor
Graham Packaging Company, L.P.	U.S.A.	100	100	Guarantor
Graham Packaging Controllers USA LLC	U.S.A.	100	100	Non-Guarantor
Graham Packaging France Partners	U.S.A.	100	100	Non-Guarantor
Graham Packaging Holdings Company	U.S.A.	100	100	Guarantor
Graham Packaging International Plastic Products Inc.	U.S.A.	100	100	Non-Guarantor
Graham Packaging Latin America, LLC	U.S.A.	100	100	Non-Guarantor
Graham Packaging LC, L.P.	U.S.A.	100	100	Guarantor
Graham Packaging Leasing USA LLC	U.S.A.	100	100	Non-Guarantor
Graham Packaging LP Acquisition LLC	U.S.A.	100	100	Guarantor
Graham Packaging Minster LLC	U.S.A.	100	100	Guarantor
Graham Packaging PET Technologies Inc.	U.S.A.	100	100	Guarantor
Graham Packaging Plastic Products Inc.	U.S.A.	100	100	Guarantor
Graham Packaging Poland, L.P.	U.S.A.	100	100	Non-Guarantor
Graham Packaging PX Company	U.S.A.	100	100	Guarantor
Graham Packaging PX Holding Corporation	U.S.A.	100	100	Guarantor
Graham Packaging PX, LLC	U.S.A.	100	100	Guarantor
Graham Packaging Regioplast STS Inc.	U.S.A.	100	100	Guarantor
Graham Packaging Technological Specialties LLC	U.S.A.	100	100	Non-Guarantor
Graham Packaging West Jordan, LLC	U.S.A.	100	100	Guarantor
Graham Recycling Company L.P.	U.S.A.	100	100	Guarantor
GPACSUB LLC	U.S.A.	100	100	Guarantor
GPC Capital Corp. I	U.S.A.	100	100	Guarantor
GPC Capital Corp. II	U.S.A.	100	100	Guarantor
GPC Holdings LLC	U.S.A.	100	100	Guarantor
GPC Opco GP LLC	U.S.A.	100	100	Guarantor
GPC Sub GP LLC	U.S.A.	100	100	Guarantor
Newspring Industrial Corp.	U.S.A.	100	100	Guarantor
Pactiv Factoring LLC	U.S.A.	100	100	Guarantor
Pactiv Germany Holdings, Inc.	U.S.A.	100	100	Guarantor
Pactiv International Holdings Inc.	U.S.A.	100	100	Guarantor
Pactiv LLC	U.S.A.	100	100	Guarantor
Pactiv Management Company LLC	U.S.A.	100	100	Guarantor
Pactiv NA II LLC	U.S.A.	100	100	Non-Guarantor
Pactiv Retirement Administration LLC	U.S.A.	100	100	Guarantor
Pactiv RSA LLC	U.S.A.	100	100	Guarantor
PCA West Inc.	U.S.A.	100	100	Guarantor
Prairie Packaging, Inc.	U.S.A.	100	100	Guarantor
PWP Industries, Inc.	U.S.A.	100	100	Guarantor
RenPac Holdings Inc.	U.S.A.	100	100	Guarantor
Reynolds Consumer Products Holdings LLC	U.S.A.	100	100	Guarantor

Reynolds Consumer Products Inc.	U.S.A.	100	100	Guarantor
Reynolds Flexible Packaging Inc.	U.S.A.	100	100	Guarantor

1121

Table of Contents

	Country of Incorporation	Ownership Interest (%)	Voting Interest (%)	Guarantor/ Non-Guarantor
Reynolds Food Packaging LLC	U.S.A.	100	100	Guarantor
Reynolds Group Holdings Inc.	U.S.A.	100	100	Guarantor
Reynolds Group Issuer Inc.	U.S.A.	100	100	Guarantor
Reynolds Group Issuer LLC	U.S.A.	100	100	Guarantor
Reynolds Manufacturing, Inc.	U.S.A.	100	100	Guarantor
Reynolds Packaging Holdings LLC	U.S.A.	100	100	Guarantor
Reynolds Packaging Kama Inc.	U.S.A.	100	100	Guarantor
Reynolds Packaging LLC	U.S.A.	100	100	Guarantor
Reynolds Presto Products Inc.	U.S.A.	100	100	Guarantor
Reynolds Services Inc.	U.S.A.	100	100	Guarantor
SIG Combibloc Inc.	U.S.A.	100	100	Guarantor
SIG Holding USA, LLC	U.S.A.	100	100	Guarantor
Southern Plastics, Inc.	U.S.A.	100	100	Guarantor
Ultra Pac, Inc.	U.S.A.	100	100	Guarantor
Alpha Products (Bristol) Limited	United Kingdom	100	100	Non-Guarantor
Closure Systems International (UK) Limited	United Kingdom	100	100	Guarantor
Graham Packaging European Services, Ltd.	United Kingdom	100	100	Non-Guarantor
Graham Packaging Plastics Limited	United Kingdom	100	100	Non-Guarantor
Graham Packaging U.K. Limited	United Kingdom	100	100	Non-Guarantor
IVEX Holdings, Ltd.	United Kingdom	100	100	Guarantor
J. & W. Baldwin (Holdings) Limited	United Kingdom	100	100	Guarantor
Kama Europe Limited	United Kingdom	100	100	Guarantor
Omni-Pac UK Limited	United Kingdom	100	100	Guarantor
Pactiv (Caerphilly) Limited	United Kingdom	100	100	Non-Guarantor
Pactiv (Films) Limited	United Kingdom	100	100	Non-Guarantor
Pactiv (Stanley) Limited *(In liquidation)*	United Kingdom	100	100	Non-Guarantor
Pactiv Limited *(In liquidation)*	United Kingdom	100	100	Non-Guarantor
Reynolds Consumer Products (UK) Limited	United Kingdom	100	100	Guarantor
Reynolds Subco (UK) Limited	United Kingdom	100	100	Guarantor
SIG Combibloc Limited	United Kingdom	100	100	Guarantor
SIG Holdings (UK) Ltd.	United Kingdom	100	100	Guarantor
The Baldwin Group Ltd.	United Kingdom	100	100	Guarantor
Alusud Venezuela S.A.	Venezuela	100	100	Non-Guarantor
Graham Packaging Plasticos de Venezuela C.A	Venezuela	100	100	Non-Guarantor
SIG Vietnam Ltd.	Vietnam	100	100	Non-Guarantor

Index to the Financial Statements

Table of Contents

* **Refer to Summary Presentation of Financial Information for information concerning the requirements for the inclusion of these financial statements.**

Reynolds Group Holdings Limited

Interim unaudited condensed financial statements
for the three month periods ended
March 31, 2012 and March 31, 2011

F-3

Table of Contents

Reynolds Group Holdings Limited

Interim unaudited condensed statements of comprehensive income

	Note	For the three month period ended March 31, 2012	2011*
		(In $ million)	
Revenue		3,312	2,367
Cost of sales		(2,714)	(1,924)
Gross profit		**598**	**443**
Other income	7	91	23
Selling, marketing and distribution expenses		(85)	(82)
General and administration expenses		(208)	(152)
Other expenses	8	(70)	(57)
Share of profit of associates and joint ventures, net of income tax		5	6
Profit from operating activities		**331**	**181**
Financial income	9	137	101
Financial expenses	9	(372)	(381)
Net financial expenses		**(235)**	**(280)**
Profit (loss) before income tax		**96**	**(99)**
Income tax (expense) benefit	10	(33)	45
Profit (loss) for the period		**63**	**(54)**
Other comprehensive income (loss) for the period, net of income tax			
Exchange differences on translating foreign operations		19	(122)
Total other comprehensive income (loss) for the period, net of income tax		19	(122)
Total comprehensive income (loss) for the period		**82**	**(176)**
Profit (loss) attributable to:			
Equity holder of the Group		63	(54)
Non-controlling interests			
		63	**(54)**
Total other comprehensive income (loss) attributable to:			
Equity holder of the Group		19	(122)
Non-controlling interests			

19	**(122)**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

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

Table of Contents

Reynolds Group Holdings Limited

Interim unaudited condensed statements of financial position

	Note	As of March 31, 2012	As of December 31, 2011
		(In $ million)	
Assets			
Cash and cash equivalents		1,253	597
Trade and other receivables		1,521	1,506
Inventories	11	1,856	1,773
Current tax assets		38	39
Assets held for sale		24	70
Derivatives		4	1
Other assets		67	68
Total current assets		**4,763**	**4,054**
Non-current receivables		338	321
Investments in associates and joint ventures		125	119
Deferred tax assets		51	27
Property, plant and equipment	12	4,508	4,535
Investment properties		30	29
Intangible assets	13	12,477	12,531
Derivatives		210	122
Other assets		148	150
Total non-current assets		**17,887**	**17,834**
Total assets		**22,650**	**21,888**
Liabilities			
Bank overdrafts		3	3
Trade and other payables		1,843	1,758
Liabilities directly associated with assets held for sale			20
Borrowings	14	77	521
Current tax liabilities		133	164
Derivatives		10	16
Employee benefits		198	227
Provisions	15	112	98
Total current liabilities		**2,376**	**2,807**
Non-current payables		40	33
Borrowings	14	17,709	16,625

Deferred tax liabilities		1,568	1,539
Employee benefits		921	934
Provisions	15	131	127
Total non-current liabilities		**20,369**	**19,258**
Total liabilities		**22,745**	**22,065**
Net liabilities		**(95)**	**(177)**
Equity			
Share capital		1,695	1,695
Reserves		(1,194)	(1,213)
Accumulated losses		(618)	(681)
Equity attributable to equity holder of the Group		**(117)**	**(199)**
Non-controlling interests		22	22
Total equity (deficit)		**(95)**	**(177)**

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

Reynolds Group Holdings Limited

Interim unaudited condensed statements of changes in equity

	Share capital	Translation of foreign operations	Other reserves	Accumulated losses (In $ million)	Equity attributable to equity holder of the Group	Non-controlling interests	Total
Balance at the beginning of the period (January 1, 2011)	1,695	369	(1,561)	(262)	**241**	23	**264**
Total comprehensive income (loss) for the period:							
Profit (loss) after tax*				(54)	**(54)**		**(54)**
Foreign exchange translation reserve		(122)			**(122)**		**(122)**
Total comprehensive income (loss) for the period		**(122)**		**(54)**	**(176)**		**(176)**
Dividends paid to non-controlling interests						(1)	**(1)**
Balance at March 31, 2011	**1,695**	**247**	**(1,561)**	**(316)**	**65**	**22**	**87**
Balance at the beginning of the period (January 1, 2012)	1,695	348	(1,561)	(681)	**(199)**	22	**(177)**
Total comprehensive income (loss) for the period:							
Profit (loss) after tax				63	**63**		**63**
Foreign exchange translation reserve		19			**19**		**19**
Total comprehensive income (loss) for the period		**19**		**63**	**82**		**82**
Balance at March 31, 2012	**1,695**	**367**	**(1,561)**	**(618)**	**(117)**	**22**	**(95)**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

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

Table of Contents

Reynolds Group Holdings Limited

Interim unaudited condensed statements of cash flows

	For the three month period ended March 31,	
	2012	2011
	(In $ million)	
Cash flows from operating activities		
Cash received from customers	3,333	2,428
Cash paid to suppliers and employees	(2,897)	(2,229)
Interest paid	(294)	(58)
Income taxes (paid) refunded, net	(39)	28
Premium on extinguishment of loans and borrowings	(17)	
Net cash from operating activities	**86**	**169**
Cash flows used in investing activities		
Acquisition of property, plant and equipment and investment properties	(133)	(101)
Proceeds from sale of property, plant and equipment, investment properties and other assets	19	2
Acquisition of intangible assets	(3)	(4)
Disposal of business, net of cash disposed	94	
Disposal of other investments		1
Interest received	1	1
Dividends received from joint ventures	2	2
Net cash used in investing activities	**(20)**	**(99)**
Cash flows from (used in) financing activities		
Drawdown of loans and borrowings:		
February 2012 Senior Notes	1,250	
February 2011 Credit Agreement		2,666
February 2011 Notes		2,000
2009 Credit Agreement		10
Other borrowings	21	
Repayment of loans and borrowings:		
2011 Credit Agreement	(11)	
2009 Credit Agreement		(4,168)
Graham Packaging Notes	(388)	
Pactiv 2012 Notes	(249)	
Other borrowings	(11)	(1)
Payment of transaction costs	(30)	(56)
Dividends paid to related parties and non-controlling interests	(1)	(1)
Net cash from (used in) financing activities	**581**	**450**

Net increase (decrease) in cash and cash equivalents	**647**	**520**
Cash and cash equivalents at the beginning of the period	594	652
Effect of exchange rate fluctuations on cash held	9	10
Cash and cash equivalents at the end of the period	**1,250**	**1,182**
Cash and cash equivalents comprise		
Cash and cash equivalents	1,253	1,186
Bank overdrafts	(3)	(4)
Cash and cash equivalents at the end of the period	**1,250**	**1,182**

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

Table of Contents

Reynolds Group Holdings Limited

Interim unaudited condensed statements of cash flows (Continued)

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

	For the three month period ended March 31,	
	2012	2011*
	(In $ million)	
Profit (loss) for the period	63	(54)
Adjustments for:		
Depreciation of property, plant and equipment	191	132
Depreciation of investment properties		1
Amortization of intangible assets	97	71
Asset impairment charges	15	
Net foreign currency exchange loss (gain)	1	4
Change in fair value of derivatives	(9)	(4)
(Gain) loss on sale of property, plant and equipment and non-current assets	(2)	
Gain on sale of businesses	(66)	
Net financial expenses	235	280
Share of profit of equity accounted investees	(5)	(6)
Income tax expense (benefit)	33	(45)
Interest paid	(294)	(58)
Income taxes (paid) refunded, net	(39)	28
Premium on extinguishment of loans and borrowings	(17)	
Change in trade and other receivables	12	42
Change in inventories	(78)	(220)
Change in trade and other payables	(26)	38
Change in provisions and employee benefits	(28)	(41)
Change in other assets and liabilities	3	1
Net cash from operating activities	**86**	**169**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

Significant non-cash financing and investing activities

During the three month period ended March 31, 2012, related party interest income of $4 million (three month period ended March 31, 2011: $4 million) was capitalized as part of the non-current related party receivable balance included in other non-current receivables. Refer to note 17.

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

Table of Contents

Reynolds Group Holdings Limited

Interim unaudited condensed statements of cash flows (Continued)

Disposals of businesses

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Inflow (outflow) of cash:		
Cash receipts	80	
Cash received from the repayment of notes receivable for a previously disposed business	14	
	94	
Discharge of notes receivable relating to a previously disposed business	(14)	
Net assets disposed of	**80**	
Details of net assets disposed of:		
Trade and other receivables	11	
Inventories	15	
Other current and non-current assets	7	
Trade and other payables	(13)	
Provisions and employee benefits	(6)	
Net assets disposed of	**14**	
Gain on acquisition	66	
	80	

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012

1. Reporting entity

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

The interim unaudited condensed financial statements of the Company as of March 31, 2012 and for the three month periods ended March 31, 2012 and March 31, 2011 comprise the Company and its subsidiaries and their interests in associates and jointly controlled entities. Collectively, these entities are referred to as the Group.

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

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

2. Basis of preparation

2.1 Statement of compliance

The interim unaudited condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting . The disclosures required in these interim unaudited condensed financial statements are less extensive than the disclosure requirements for annual financial statements. The December 31, 2011 statement of financial position as presented in the interim unaudited condensed financial statements was derived from the Group s audited financial statements for the year ended December 31, 2011, but does not include the disclosures required by IFRS as issued by the IASB.

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

The interim unaudited condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2011.

The interim unaudited condensed financial statements were approved by the Board of Directors (the Directors) on May 14, 2012 in Chicago, Illinois (May 15, 2012 in Auckland, New Zealand).

2.2 Going concern

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

2.3 Basis of measurement

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

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

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

2.4 Presentation currency

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

2.5 Comparative information

As previously reported, the valuation of the acquired assets and assumed liabilities from the Pactiv Acquisition was finalized in conjunction with the approval of the interim unaudited condensed financial statements as of and for the period ended September 30, 2011. This resulted in changes to the preliminary values of certain assets and liabilities recognized at the date of the Pactiv Acquisition on November 16, 2010. The change in values of certain assets resulted in changes to the depreciation and amortization expenses recognized in the period since acquisition. In accordance with the accounting policy described in note 3.1(a) of the financial statements of the Group for the year ended December 31, 2011, all adjustments on finalization of the purchase accounting have been recognized retrospectively to the acquisition date. As a result, certain elements of the interim unaudited condensed statement of comprehensive income for the three month period ended March 31, 2011, presented for comparative purposes, have been revised. Cost of sales increased by $7 million, general and administration expenses increased by $5 million and income tax benefit increased by $5 million. The finalization of this purchase accounting had no effect on the Group s statement of cash flows, EBITDA or Adjusted EBITDA for the period ended March 31, 2011.

In connection with the integration of the acquired Pactiv operations into the Reynolds Consumer Products and Pactiv Foodservice segments, the Group has completed a number of internal reorganizations which now enable these segments to report inventory transfers as inter-segment revenue and cost of sales. As a result, the Group revised its policy for recording inventory transfers from the Pactiv Foodservice segment to the Reynolds Consumer Products segment to present the transfers as inter-segment revenue effective in the first quarter of 2012. Prior to this, inter-segment inventory transfers had been recorded within the combined businesses shared balance sheet and not as inter-segment revenue. To conform to the current period presentation, information with respect to business segment reporting as presented for the three month period ended March 31, 2011 has been revised for the Pactiv Foodservice segment. As a result of this revision, inter-segment revenue of the Pactiv Foodservice segment increased by $105 million for the three month period ended March 31, 2011, with a corresponding increase in the corporate inter-segment revenue elimination. The revision had no impact on segment gross profit, profit from operating activities, EBITDA, Adjusted EBITDA and net loss for the three month period ended March 31, 2011, and no impact on the interim unaudited condensed statement of cash flows for the three month period ended March 31, 2011.

2.6 Accounting policies and recently issued accounting pronouncements

The accounting policies applied by the Group in the interim unaudited condensed financial statements are consistent with those applied by the Group in its annual financial statements for the year ended December 31, 2011.

Recently Issued Accounting Pronouncements

There have been no issued accounting pronouncements during the three month period ended March 31, 2012 that impact the Group. In addition, there have been no material changes to any previously issued accounting pronouncements or to the Group s evaluation of the related impact as disclosed by the Group in the annual financial statements for the year ended December 31, 2011.

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

3. Use of estimates and judgments

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

The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

3.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill and indefinite life intangible assets are impaired requires estimation of the recoverable values of the cash generating units (CGU) to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the CGU being reviewed). Significant judgment is involved in estimating the fair value of a CGU. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(b) Other assets

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

3.2 Income taxes

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

3.3 Finalization of provisional acquisition accounting

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

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of March 31,

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

2012, certain amounts presented for the acquisition of Graham Packaging have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a) of the annual financial statements of the Group for the year ended December 31, 2011, any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively to the date of acquisition.

4. 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.

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

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

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.

5. Financial risk management

5.1 Financial risk factors

Exposure to market risk (including currency risk, interest rate risk and commodity prices), credit risk and liquidity risk arises in the normal course of the Group s business. During the three month period ended March 31, 2012, the Group continued to apply the risk management objectives and policies which were disclosed in the annual financial statements of the Group for the year ended December 31, 2011.

The interim unaudited condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group s annual financial statements for the year ended December 31, 2011.

5.2 Liquidity risk

As described in note 14, during the three month period ended March 31, 2012, the Group issued the February 2012 Senior Notes. As a result of the notes issuance and other changes in borrowings, the Group s contractual cash flows related to total borrowings as of March 31, 2012 are as follows:

	Total debt and interest	Less than one year	One to three years	Three to five years	Greater than five years
			(In $ million)		
March 31, 2012 *	28,078	1,501	2,928	5,848	17,801
December 31, 2011 *	26,617	1,879	3,453	5,841	15,444

* The interest rates on the floating rate debt balances have been assumed to be the same as the rates as of March 31, 2012 and December 31, 2011, respectively.

Trade and other payables that are due for payment in less than one year were $1,843 million and $1,758 million as of March 31, 2012 and December 31, 2011, respectively.

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

5.3 Fair value measurements recognized in the statement of comprehensive income

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

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
		(In $ million)		
March 31, 2012				
Financial assets and liabilities at fair value through profit or loss				
Derivative financial assets/(liabilities)				
Commodity derivatives, net		(6)		(6)
Embedded derivatives		210		210
Total		**204**		**204**
December 31, 2011				
Financial assets and liabilities at fair value through profit or loss				
Derivative financial assets/(liabilities)				
Commodity derivatives, net		(15)		(15)
Embedded derivatives		122		122
Total		**107**		**107**

There were no transfers between any levels during the three month period ended March 31, 2012. There have been no changes in the classifications of financial assets as a result of a change in the purpose or use of these assets.

6. Segment reporting

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

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

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. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. 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 paper products for commercial printing.

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

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.

Pactiv Foodservice Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers.

Graham Packaging Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 18).

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

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

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

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Business segment reporting

	For the three month period ended March 31, 2012							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate / unallocated*	Total
	(In $ million)							
Total external revenue	467	386	293	555	816	795		3,312
Total inter-segment revenue		17	3	18	104		(142)	
Total segment revenue	**467**	**403**	**296**	**573**	**920**	**795**	**(142)**	**3,312**
Gross profit	105	55	53	158	146	83	(2)	598
Expenses and other income	(72)	(14)	(26)	(56)	(29)	(65)	(10)	(272)
Share of profit of associates and joint ventures	5							5
Earnings before interest and tax (EBIT)	**38**	**41**	**27**	**102**	**117**	**18**	**(12)**	**331**
Financial income								137
Financial expenses								(372)
Profit before income tax								**96**
Income tax benefit								(33)
Profit after income tax								**63**
Earnings before interest and tax (EBIT)	**38**	**41**	**27**	**102**	**117**	**18**	**(12)**	**331**
Depreciation and amortization	62	14	19	32	68	93		288
Earnings before interest, tax, depreciation and amortization (EBITDA)	**100**	**55**	**46**	**134**	**185**	**111**	**(12)**	**619**

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

	For the three month period ended March 31, 2012							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
	(In $ million)							
Earnings before interest, tax, depreciation and amortization (EBITDA)	**100**	**55**	**46**	**134**	**185**	**111**	**(12)**	**619**
Included in EBITDA:								
Asset impairment charges					10	5		15
Business acquisition and integration costs				1	11	6	2	20
Equity method (profit)/losses not distributed in cash	(3)							(3)
Gain on sale of businesses					(66)			(66)
Non-cash pension expense (income)							(13)	(13)
Non-cash inventory charge				3	6			9
Operational process engineering-related consultancy costs					2			2
Restructuring costs/(recoveries)	16				3	8		27
SEC registration costs							4	4
Unrealized (gain)/loss on derivatives	(3)		(4)	(2)				(9)
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**110**	**55**	**42**	**136**	**151**	**130**	**(19)**	**605**
Segment assets as of March 31, 2012	**3,209**	**1,394**	**1,799**	**5,139**	**5,731**	**4,333**	**1,045**	**22,650**

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of March 31, 2012, Corporate / unallocated includes $1,563 million of provisional goodwill related to the Graham Packaging Acquisition (refer to note 18) that has not yet been allocated to the operating segments.

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

	For the three month period ended March 31, 2011							
	SIG	**Evergreen**	**Closures**	**Reynolds Consumer Products**	**Pactiv Foodservice**	**Graham Packaging**	**Corporate/ unallocated***	**Total**
	(In $ million)							
Total external revenue	461	382	292	529	703			2,367
Total inter-segment revenue		7	3	12	114		(136)	
Total segment revenue	**461**	**389**	**295**	**541**	**817**		**(136)**	**2,367**
Gross profit	102	63	42	128	108			443
Expenses and other income	(60)	(14)	(24)	(65)	(100)		(5)	(268)
Share of profit of associates and joint ventures	6							6
Earnings before interest and tax (EBIT)	**48**	**49**	**18**	**63**	**8**		**(5)**	**181**
Financial income								101
Financial expenses								(381)
Profit before income tax								(99)
Income tax expense								45
Profit after income tax								(54)
Earnings before interest and tax (EBIT)	**48**	**49**	**18**	**63**	**8**		**(5)**	**181**
Depreciation and amortization	62	15	19	37	70			203
Earnings before interest, tax, depreciation and amortization (EBITDA)	**110**	**64**	**37**	**100**	**78**		**(5)**	**384**
Included in EBITDA:								
					2			2

Business acquisition and integration costs								
Equity method profit not distributed in cash	(4)							(4)
Gain on sale of businesses								
Non-cash pension expense (income)				1	2		(15)	(12)
Operational process engineering-related consultancy costs				1	3		1	5
Restructuring costs	1		1	9	23		12	46
Unrealized gain on derivatives		(1)		(1)	(2)			(4)
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**107**	**63**	**38**	**110**	**106**		**(7)**	**417**
Segment assets as of December 31, 2011	3,218	1,373	1,759	4,882	5,826	4,305	525	21,888

In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The inter-segment revenue for the three month period ended March 31, 2011 has been revised to conform to the presentation of the three month period ended March 31, 2012. Refer to note 2.5.

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes $1,566 million of provisional goodwill related to the Graham Packaging Acquisition that has not yet been allocated to the operating segments.

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

7. Other income

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Gain on sale of business	66	
Income from facility management	1	3
Rental income from investment properties		2
Royalty income	1	1
Sale of by-products	6	7
Unrealized gains on derivatives	9	4
Other	8	6
Total other income	**91**	**23**

During the three month period ended March 31, 2012, the Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. Cash proceeds from the sale were $80 million (subject to customary post-closing working capital adjustments) resulting in a gain on sale of $66 million.

8. Other expenses

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Asset impairment charges	(15)	
Business acquisition and integration costs	(20)	(2)
Net foreign currency exchange loss	(1)	(4)
Operational process engineering-related consultancy costs	(2)	(5)
Restructuring costs	(27)	(46)
SEC registration costs	(4)	
Other	(1)	
Total other expenses	**(70)**	**(57)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

9. Financial income and expenses

	Note	For the three month period ended March 31, 2012	2011
		(In $ million)	
Interest income		1	1
Interest income on related party loans	17	4	4
Net gain in fair values of derivatives		81	
Net foreign currency exchange gain		51	96
Financial income		**137**	**101**
Interest expense:			
August 2011 Credit Agreement		(76)	
February 2011 Credit Agreement			(16)
2009 Credit Agreement			(29)
February 2012 Senior Notes		(15)	
August 2011 Notes		(54)	
February 2011 Notes		(39)	(25)
October 2010 Notes		(64)	(61)
May 2010 Senior Notes		(24)	(21)
2009 Senior Secured Notes		(33)	(35)
2007 Notes		(26)	(27)
Pactiv 2012 Notes		(3)	(4)
Pactiv 2017 Notes		(6)	(6)
Pactiv 2025 Notes		(6)	(6)
Pactiv 2027 Notes		(4)	(4)
Graham Packaging 2014 Notes		(7)	
Amortization of:			
Debt issuance costs			
August 2011 Credit Agreement		(2)	
2009 Credit Agreement(a)			(86)
August 2011 Notes		(1)	
October 2010 Notes		(2)	(3)
May 2010 Senior Notes		(1)	(1)
2009 Senior Secured Notes		(2)	(2)
2007 Notes		(1)	(1)
Fair value adjustment on acquired notes		10	2
Original issue discounts(a)		(2)	(38)
Embedded derivatives		8	2
Net loss in fair values of derivatives			(18)

Premium on extinguishment of debt	(17)	
Other	(5)	(2)
Financial expenses	**(372)**	**(381)**
Net financial expenses	**(235)**	**(280)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes and the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance cost of $86 million and unamortized original issue discount of $38 million related to the 2009 Credit Agreement were expensed during the three month period ended March 31, 2011. Refer to note 14 for details of the Group s borrowings.

10. Income tax

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Reconciliation of effective tax rate		
Profit (loss) before income tax	**96**	**(99)**
Income tax benefit (expense) using the New Zealand tax rate of 28%	(27)	28
Effect of differences in foreign jurisdictions	(1)	14
Effect of tax rates in state and local tax	(2)	3
Non-deductible expenses and permanent differences	1	(2)
Withholding tax	(4)	(2)
Tax rate modifications		(1)
Recognition of previously unrecognized tax losses and temporary differences	8	17
Unrecognized tax losses and temporary differences	(9)	(7)
Tax uncertainties	1	(1)
Other		(4)
Total income tax (expense) benefit	**(33)**	**45**

11. Inventories

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
Raw materials and consumables	498	556
Work in progress	261	229
Finished goods	1,012	898
Engineering and maintenance materials	157	159

Provision against inventories	(72)	(69)
Total inventories	**1,856**	**1,773**

During the three month period ended March 31, 2012, the raw materials elements of inventory recognized as a component of cost of sales totaled $1,668 million (2011: $1,166 million).

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

12. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress	Leased assets lessor	Finance leased assets	Total
				(In $ million)			
Cost	241	1,027	4,111	362	349	28	6,118
Accumulated depreciation		(201)	(1,221)		(164)	(5)	(1,591)
Accumulated impairment losses	(2)	(5)	(12)				(19)
Balance as of March 31, 2012	**239**	**821**	**2,878**	**362**	**185**	**23**	**4,508**
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Balance as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**

The total depreciation charge of $191 million and $132 million for the three month period ended March 31, 2012 and March 31, 2011 respectively, is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2012: $184 million; March 31, 2011: $126 million), selling, marketing and distribution expenses (March 31, 2012: $1 million; March 31, 2011: $1 million) and general and administration expenses (March 31, 2012: $6 million; March 31, 2011: $5 million).

During the three month period ended March 31, 2012, $14 million of impairment charges were recognized (three month period ended March 31, 2011: none.)

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

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

13. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & software	Other	Total
			(In $ million)			

Cost	6,291	2,071	3,785	1,101	244	13,492
Accumulated amortization		(27)	(510)	(362)	(116)	(1,015)
Balance as of March 31, 2012	**6,291**	**2,044**	**3,275**	**739**	**128**	**12,477**
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Balance as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**

The total amortization charge of $97 million and $71 million for the three month period ended March 31, 2012 and March 31, 2011 respectively, is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2012: $29 million; March 31, 2011: $22 million) and general and administration expenses (March 31, 2012: $68 million; March 31, 2011: $49 million).

Intangible assets include unallocated goodwill of $1,563 million in respect of the Graham Packaging Acquisition that has been determined on a provisional basis. Refer to note 18 regarding the details of the purchase price allocation and associated impact on the Group s financial statements.

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

13.1 Impairment testing for CGUs containing indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangible assets with indefinite useful lives and are therefore not subject to amortization. Instead, recoverable amounts are calculated annually as well as whenever there is an indication that they may be impaired. There were no indicators of impairment as of March 31, 2012.

14. Borrowings

	Note	As of March 31, 2012	As of December 31, 2011
		(In $ million)	
August 2011 Credit Agreement(a)(u)		47	247
Pactiv 2012 Notes(m)(y)			253
Non-interest bearing related party borrowings	17	1	1
Other borrowings(aa)		29	20
Current borrowings		**77**	**521**
August 2011 Credit Agreement(a)(u)		4,444	4,243
February 2012 Senior Notes(b)(v)		1,222	
August 2011 Senior Secured Notes(c)(w)		1,469	1,468
August 2011 Senior Notes(d)(w)		972	972
February 2011 Senior Secured Notes(e)(w)		999	999
February 2011 Senior Notes(f)(w)		993	993
October 2010 Senior Secured Notes(g)(w)		1,473	1,473
October 2010 Senior Notes(h)(w)		1,467	1,466
May 2010 Senior Notes(i)(w)		981	980
2009 Senior Secured Notes(j)(w)		1,663	1,642
2007 Senior Notes(k)(x)		626	606
2007 Senior Subordinated Notes(l)(x)		548	530
Pactiv 2017 Notes(n)(y)		314	314
Pactiv 2018 Notes(o)(y)		17	17
Pactiv 2025 Notes(p)(y)		269	269
Pactiv 2027 Notes(q)(y)		197	197
Graham Packaging 2014 Notes(r)(z)			367
Graham Packaging 2017 Notes(s)(z)			14
Graham Packaging 2018 Notes(t)(z)			19
Related party borrowings	17	24	23
Other borrowings(aa)		31	33

Non-current borrowings	**17,709**	**16,625**
Total borrowings	**17,786**	**17,146**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,572	4,574
Debt issuance costs	(63)	(65)
Original issue discount	(18)	(19)
Carrying amount	**4,491**	**4,490**
(b) February 2012 Senior Notes	1,250	
Debt issuance costs	(34)	
Embedded derivative	6	
Carrying amount	**1,222**	
(c) August 2011 Senior Secured Notes	1,500	1,500
Debt issuance costs	(33)	(33)
Original issue discount	(10)	(11)
Embedded derivative	12	12
Carrying amount	**1,469**	**1,468**
(d) August 2011 Senior Notes	1,000	1,000
Debt issuance costs	(27)	(27)
Original issue discount	(7)	(7)
Embedded derivative	6	6
Carrying amount	**972**	**972**
(e) February 2011 Senior Secured Notes	1,000	1,000
Debt issuance costs	(15)	(15)
Embedded derivative	14	14
Carrying amount	**999**	**999**
(f) February 2011 Senior Notes	1,000	1,000
Debt issuance costs	(17)	(17)
Embedded derivative	10	10
Carrying amount	**993**	**993**

(g) October 2010 Senior Secured Notes	1,500	1,500
Debt issuance costs	(35)	(35)
Embedded derivative	8	8
Carrying amount	**1,473**	**1,473**
(h) October 2010 Senior Notes	1,500	1,500
Debt issuance costs	(42)	(43)
Embedded derivative	9	9
Carrying amount	**1,467**	**1,466**
(i) May 2010 Senior Notes	1,000	1,000
Debt issuance costs	(27)	(28)
Embedded derivative	8	8
Carrying amount	**981**	**980**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(j) 2009 Senior Secured Notes	1,726	1,707
Debt issuance costs	(57)	(59)
Original issue discount	(16)	(17)
Embedded derivative	10	11
Carrying amount	**1,663**	**1,642**
(k) 2007 Senior Notes	641	621
Debt issuance costs	(15)	(15)
Carrying amount	**626**	**606**
(l) 2007 Senior Subordinated Notes	561	544
Debt issuance costs	(13)	(14)
Carrying amount	**548**	**530**
(m) Pactiv 2012 Notes		249
Fair value adjustment at acquisition		4
Carrying amount		**253**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	14
Carrying amount	**314**	**314**
(o) Pactiv 2018 Notes	16	16
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**
(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**
(q) Pactiv 2027 Notes	200	200

Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes		355
Fair value adjustment at acquisition		5
Embedded derivative		7
Carrying amount		**367**
(s) Graham Packaging 2017 Notes		14
Carrying amount		**14**
(t) Graham Packaging 2018 Notes		19
Carrying amount		**19**

(u) August 2011 Credit Agreement

The Company and certain members of the Group are parties to an amended and restated senior secured credit agreement dated August 9, 2011 (the August 2011 Credit Agreement), which amended and restated the terms of the February 2011 Credit Agreement (as defined in the Group s annual financial statements for

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

the year ended December 31, 2011). The August 2011 Credit Agreement comprises the following term and revolving tranches:

	Maturity date	Original facility value	Value drawn or utilized at March 31, 2012	Applicable interest rate for the three month period ended March 31, 2012
		(In $million)		
Term Tranches				
Tranche B Term Loan ($)	February 9, 2018	2,325	2,277	6.500%
Tranche C Term Loan ($)	August 9, 2018	2,000	1,969	6.500%
European Term Loan ( )	February 9, 2018	250	245	6.750%
Revolving Tranches(1)				
Revolving Tranche ($)	November 5, 2014	120	79	
Revolving Tranche ( )	November 5, 2014	80	17	

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

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

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. The additional principal amortization payments of $50 million per quarter are no longer applicable as, effective March 2012, the Graham Packaging Holdings Company and certain of its subsidiaries now guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. The Group also has a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of the Group, and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of the Group, in each case calculated in accordance with the August 2011 Credit Agreement and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of March 31, 2012, the Group was in compliance with all of its covenants.

(v) February 2012 Senior Notes

On February 15, 2012, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together, the Reynolds Issuers) issued $1,250 million principal amount of

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

9.875% senior notes due 2019 (the February 2012 Senior Notes). Interest is paid semi-annually on February 15 and August 15, commencing August 15, 2012.

(w) Additional notes outstanding

Certain of the Group s borrowings issued by the Reynolds Issuers are summarized below:

	Currency	Issue date	Principal amounts issued (In million)	Interest rate	Maturity date	Semi-annual interest payment dates
August 2011 Senior Secured Notes	$	August 9, 2011	1,500	7.875%	August 15, 2019	February 15 and August 15
August 2011 Senior Notes	$	August 9, 2011	1,000	9.875%	August 15, 2019	February 15 and August 15
February 2011 Senior Secured Notes	$	February 1, 2011	1,000	6.875%	February 15, 2021	February 15 and August 15
February 2011 Senior Notes	$	February 1, 2011	1,000	8.250%	February 15, 2021	February 15 and August 15
October 2010 Senior Secured Notes	$	October 15, 2010	1,500	7.125%	April 15, 2019	April 15 and October 15
October 2010 Senior Notes	$	October 15, 2010	1,500	9.000%	April 15, 2019	April 15 and October 15
May 2010 Senior Notes	$	May 4, 2010	1,000	8.500%	May 15, 2018	May 15 and November 15
2009 Senior Secured Notes (Dollar)	$	November 5, 2009	1,125	7.750%	October 15, 2016	April 15 and October 15
2009 Senior Secured Notes (Euro)		November 5, 2009	450	7.750%	October 15, 2016	April 15 and October 15

The August 2011 Senior Secured Notes and the August 2011 Senior Notes are collectively defined as the August 2011 Notes . The February 2011 Senior Secured Notes and the February 2011 Senior Notes are collectively defined as the February 2011 Notes . The October 2010 Senior Secured Notes and the October 2010 Senior Notes are collectively defined as the October 2010 Notes . The 2009 Senior Secured Notes (Dollar) and the 2009 Senior Secured Notes (Euro) are collectively defined as the 2009 Senior Secured Notes .

Assets pledged as security for loans and borrowings

The shares in Beverage Packaging Holdings (Luxembourg) I S.A. (BP I) (a wholly-owned subsidiary of the Company) have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, BP I and certain subsidiaries of BP I have pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Terms governing the Notes

As used herein Notes refers to the February 2012 Senior Notes, the August 2011 Notes, the February 2011 Notes, the October 2010 Notes, the May 2010 Senior Notes and the 2009 Senior Secured Notes.

Additional information regarding the Notes

The guarantee and security arrangements, indenture restrictions, early redemption options and change in control provisions for the February 2012 Senior Notes are consistent with the other series of Notes, which are unchanged from December 31, 2011.

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

U.S. Securities and Exchange Commission registration rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the May 2010 Senior Notes commenced on May 4, 2011 and ended on May 4, 2012. For the three month period ended March 31, 2012, the Group expensed additional interest of $1 million, $4 million, and $2 million related to the February 2011 Notes, the October 2010 Notes, and the May 2010 Senior Notes, respectively. As of March 31, 2012, the accrued additional interest related to these series of notes was $10 million.

(x) 2007 Notes

On June 29, 2007, Beverage Packaging Holdings (Luxembourg) II S.A (BP II) (a wholly-owned subsidiary of the Company) issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15.

The guarantee and security arrangements, indenture restrictions, and change of control provisions are unchanged from December 31, 2011.

(y) Pactiv Notes

As of March 31, 2012, the Group had outstanding the following notes issued by Pactiv LLC (formerly Pactiv Corporation) (defined below, and together the Pactiv Notes):

	Currency	Date acquired by the Group	Principal amounts outstanding (In $ million)	Interest rate	Maturity date	Semi-annual interest payment dates
Pactiv 2017 Notes	$	November 16, 2010	300	8.125%	June 15, 2017	June 15 and December 15

Pactiv 2018 Notes	$	November 16, 2010	16	6.400%	January 15, 2018	January 15 and July 15
Pactiv 2025 Notes	$	November 16, 2010	276	7.950%	December 15, 2025	June 15 and December 15
Pactiv 2027 Notes	$	November 16, 2010	200	8.375%	April 15, 2027	April 15 and October 15

The guarantee arrangements, indenture restrictions, and redemption terms are unchanged from December 31, 2011.

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

During the three month period ended March 31, 2012, the Group redeemed and discharged the Pactiv 2012 Notes (as previously defined in the Group s annual financial statements for the year ended December 31, 2011).

(z) Graham Packaging Notes

During the three month period ended March 31, 2012, the Group redeemed and discharged the Graham Packaging Notes (as previously defined in the Group s annual financial statements for the year ended December 31, 2011).

(aa) Other borrowings

As of March 31, 2012, in addition to the August 2011 Credit Agreement, the Notes, the 2007 Notes, and the Pactiv Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

As of March 31, 2012, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of March 31, 2012, the secured facilities were utilized in the amount of $32 million (December 31, 2011: $25 million) in the form of short-term bank overdrafts, letters of credit and bank guarantees.

Other borrowings as of March 31, 2012, also included finance lease obligations of $28 million (December 31, 2011: $28 million).

15. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Current	7	13	46	23	23	112
Non-current	30		3	25	73	131
Balance as of March 31, 2012	**37**	**13**	**49**	**48**	**96**	**243**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**

The restructuring actions across the Group have resulted in the recognition of $27 million and $45 million of restructuring expenses for the three month periods ended March 31, 2012 and March 31, 2011, respectively. These restructuring expenses are primarily related to employee severance and have been or will be settled in cash.

The main components of other provisions are lease provisions and environmental remediation provisions. Other provisions at March 31, 2012 included $27 million related to make good obligations with respect to leases assumed as part of the Pactiv, Graham Packaging and Dopaco Acquisitions, $17 million related to asset retirement obligations, which were assumed in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $9 million related to environmental remediation programs.

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

16. Equity

16.1 Share capital

Number of Shares	For the three month period ended March 31, 2012	For the twelve month period ended December 31, 2011
Balance at the beginning of the period	111,000,004	111,000,004
Issue of shares		
Balance	111,000,004	111,000,004

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

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

16.2 Other reserves

The interim unaudited condensed statement of financial position as of March 31, 2012 presents negative equity of $95 million compared to negative equity of $177 million as of December 31, 2011. The reduction in negative equity is primarily attributable to the current period profit. Total equity had been reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized as a reduction in equity. As of March 31, 2012, the common control transactions had generated a reduction in equity of $1,561 million.

16.3 Dividends

There were no dividends declared or paid during the three month period ended March 31, 2012 (2011: none) by the Company.

17. Related parties

Parent and ultimate controlling party

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

Related party transactions

The transactions and balances outstanding with joint ventures are with SIG Combibloc Obeikan FZCO and SIG Combibloc Obeikan Company Limited. All other related parties detailed below have a common

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

ultimate shareholder. The entities and types of transactions with which the Group entered into related party transactions during the three month periods ended March 31, 2012 and 2011, are detailed below:

	Transaction values for the three month period ended March 31,		Balances outstanding as of	
	2012	2011	March 31, 2012	December 31, 2011
	(In $ million)			
Transactions with the immediate and ultimate parent companies				
Loan payable to ultimate parent(a)			(1)	(1)
Transactions with joint ventures				
Sale of goods(b)	42	25	36	25
Purchase of goods(b)		(4)		
Transactions with other related parties				
Trade receivables				
BPC United States Inc.			4	4
Sale of services		1		
Carter Holt Harvey Limited				
Sale of goods		2		
Carter Holt Harvey Packaging Pty Limited				
Sale of goods		4		
Carter Holt Harvey Pulp & Paper Limited				
Sale of goods	1	1		
FRAM Group Operations LLC			1	1
United Components, Inc.			1	1
Trade payables				
Carter Holt Harvey Limited				(1)
Purchase of goods	(3)			
Carter Holt Harvey Pulp and Paper Limited			(3)	(5)
Purchase of goods	(7)	(9)		
Rank Group Limited			(52)	(47)
Recharges(c)	(9)	(9)		
Rank Group North America Inc.				
Recharges(d)	(7)			
Loans receivable				
Rank Group Limited(e)			292	271
Interest income	4	4		
Loans payable				
Reynolds Treasury (NZ) Limited(f)			(24)	(23)

Interest expense		
Receivable related to transfer of tax losses to:		
Carter Holt Harvey Limited	5	5

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

	Transaction values for the three month period ended March 31,		Balances outstanding as of	
			March 31,	December 31,
	2012	2011	2012	2011
			(In $ million)	
Payable related to transfer of tax losses to:				
BPC Finance (N.Z.) Limited			(3)	(3)
Evergreen Packaging New Zealand Limited			(3)	
Transfer of tax losses	(3)			
Rank Group Investments Limited			(3)	(2)
Reynolds Packaging Group (NZ) Limited			(7)	
Transfer of tax losses	(7)			

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

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

(c) Represents certain costs paid by Rank Group Limited on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to the Group s financing and acquisition activities.

(d) Represents certain costs paid by Rank Group North America Inc. on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to services provided.

(e) The loan receivable from Rank Group Limited accrues 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 the lender. During the period ended March 31, 2012, interest was charged at 5.99% (2011: 6.25%). The advance is unsecured and repayable on demand. This loan is subordinated on terms such that no payments can be made until the obligations under a senior secured credit facility of Rank Group Limited are repaid in full.

(f) On August 23, 2011, the Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited. 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.

18. Business combinations

18.1 Graham Packaging

On September 8, 2011, the Group acquired 100% of the outstanding shares of Graham Packaging Company Inc. (Graham Packaging) and units of Graham Packaging Holdings, L.P. for an aggregate purchase price of $1,797 million. The consideration was paid in cash. There is no contingent consideration payable.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets.

Funding for the purchase of the shares, the repayment of $1,935 million of certain existing indebtedness of Graham Packaging and associated transaction costs was provided through the combination of the $1,500 million principal amount of the August 2011 Senior Secured Notes, a portion of the $1,000 million principal amount of the August 2011 Senior Notes, the $2,000 million principal amount of the August 2011 Credit Agreement and available cash.

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

The following table provides a summary of the values allocated to assets, liabilities and contingent liabilities as of the date of acquisition. As noted in the table below, certain assets and liabilities have been recognized on a provisional basis. In respect of the preliminary valuations of property, plant and equipment and intangible assets (excluding goodwill), management, with the assistance of third party valuers, is still in the process of reviewing the preliminary valuation reports for these assets. In respect of the other account balances that continue to be recognized on a provisional basis, management is continuing to review the underlying reconciliations and supporting data in respect of certain components of these account balances. The finalization of these preliminary purchase price allocations will have implications on the measurement of deferred tax assets and liabilities. The preliminary valuations will be finalized no later than September 8, 2012.

	Amounts recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of March 31, 2012(c)
		(In $ million)	
Cash and cash equivalents	146		146
Trade and other receivables*	338		338
Inventories	300		300
Current tax assets*	3	1	4
Assets held for sale*	7		7
Investments in associates	1		1
Deferred tax assets*	7	1	8
Property, plant and equipment*	1,438	(37)	1,401
Intangible assets (excluding goodwill)*	1,679	695	2,374
Derivative assets	9		9
Other current and non-current assets*	19		19
Trade and other payables*	(694)	1	(693)
Current tax liabilities*	(10)	(33)	(43)
Borrowings	(2,852)		(2,852)
Deferred tax liabilities*	(405)	(183)	(588)
Provisions and employee benefits*	(201)	2	(199)
Net assets (liabilities) acquired	**(215)**	**447**	**232**
Goodwill on acquisition*	2,012	(447)	1,565
Net assets acquired	**1,797**		**1,797**
Consideration paid in cash	1,797		1,797
Net cash acquired	(146)		(146)

Net cash outflow	**1,651**	**1,651**

* Value determined on a provisional basis.

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to changes in the fair values of separately identifiable intangible assets. Other measurement period adjustments have arisen from changes in the estimated fair values of property, plant and equipment as the Group continues to revise the valuations of these assets with the third party valuation firms. The changes in fair values of the separately identifiable

F-34

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

intangible assets and property, plant and equipment resulted in a net increase in deferred tax liabilities. All measurement period adjustments were recorded during the period ended December 31, 2011.

(c) Represents the provisional allocation of the purchase price as March 31, 2012. Management is in the process of reviewing and finalizing balances.

In undertaking the Group s preliminary evaluation of the allocation of the purchase price, management has taken into consideration a number of market participant factors such as the historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market- based valuation techniques. These factors will continue to be refined and revised as necessary as management continues to finalize its preliminary assessment.

The provisional fair value of trade receivables is $319 million. The gross contractual amount of trade receivables is $321 million, of which $2 million is expected to be uncollectible.

The provisional goodwill of $1,565 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Graham Packaging into the Group. The procurement synergies will result primarily from leveraging raw material purchasing and sharing best practices across the Group. The operational synergies will result primarily from a more efficient plant footprint and sharing of manufacturing best practices across the Group. Goodwill of $411 million is expected to be deductible for income tax purposes.

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a provisional basis the following significant identifiable intangible assets and assessed their preliminary fair value and estimated useful life:

Types of identifiable intangible assets	**Fair value (In $ million)**	**Estimated useful lives**
Trade names	250	Indefinite
Customer relationships	1,574	18 to 22 years
Technology	547	10 to 15 years
Land use rights	3	43 years
	2,374	

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 arrangements and the value that is expected from the ongoing relationships beyond the existing contractual periods. The preliminary assessment of the average estimated useful life is 18 to 22 years.

Technology

Graham Packaging s operations include certain proprietary knowledge and processes that have been internally developed. The business operates in product categories where customers and end-users value the

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

technology and innovation that Graham Packaging s custom plastic containers offer as an alternative to traditional packaging materials. The preliminary assessment of the useful life is between 10 and 15 years.

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

Graham Packaging contributed revenues of $795 million, loss after income tax of $28 million, EBITDA of $111 million, and Adjusted EBITDA of $130 million to the Group for the period from January 1, 2012 to March 31, 2012. If the acquisition had occurred on January 1, 2011, management estimates that Graham Packaging would have contributed revenue of $757 million, profit after income tax of $8 million, EBITDA of $123 million and Adjusted EBITDA of $135 million in the three month period ended March 31, 2011.

18.2 Dopaco

On May 2, 2011, the Group acquired 100% of the outstanding shares of Dopaco Inc. and Dopaco Canada Inc. (collectively Dopaco) for an aggregate purchase price of $395 million (the Dopaco Acquisition). As reported in the annual financial statements for the year ended December 31, 2011, the allocation of the purchase price as of the date of acquisition has been finalized. If the acquisition had occurred on January 1, 2011, the Group estimates that Dopaco would have contributed additional revenue of $108 million, profit after income tax of $2 million, EBITDA of $9 million and Adjusted EBITDA of $12 million in the three month period ended March 31, 2011.

19. Contingencies

Litigation and legal proceedings

In addition to the amounts recognized as a provision in note 15, the Group has contingent liabilities related to other litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group s indebtedness described in note 14.

20. Condensed consolidating guarantor financial information

Certain of the Group s subsidiaries have guaranteed the Group s obligations under the Notes (as defined in note 14).

The following condensed consolidating financial information presents:

(1) The condensed consolidating statements of financial position as of March 31, 2012 and December 31, 2011 and the related statements of financial performance and cash flows for each of the three month periods ended March 31, 2012 and March 31, 2011 of:

a. Reynolds Group Holdings Limited, the Parent;

b. Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer Inc. and Reynolds Group Issuer LLC, the issuers of the Notes (together the Reynolds Issuers);

c. the other guarantor subsidiaries;

d. the non-guarantor subsidiaries; and

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

e. the Group on a consolidated basis.

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

The condensed consolidating statements of financial performance and consolidating statements of cash flows for periods ended March 31, 2012 and March 31, 2011 and the condensed consolidating statements of financial position as of March 31, 2012 and December 31, 2011 reflect the current guarantor structure of the Group.

Each guarantor subsidiary is 100% owned by the Parent. The Notes are guaranteed to the extent permitted by law and are subject to certain customary guarantee release provisions set forth in the indentures governing the Notes on a joint and several basis by each guarantor subsidiary. Provided below are condensed statements of financial performance, financial position and cash flows of each of the companies listed above, together with the condensed consolidating statements of financial performance, financial position and cash flows of guarantor and non-guarantor subsidiaries. These have been prepared under the Group s accounting policies disclosed in the annual financial statements for the year ended December 31, 2011 which comply with IFRS with the exception of investments in subsidiaries. Investments in subsidiaries are accounted for using the equity method. The guarantor subsidiaries and non-guarantor subsidiaries are each presented on a combined basis. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions.

Condensed consolidating statement of financial performance

	For the three month period ended March 31, 2012					
	Parent	Reynolds Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
	(In $ million)					
Revenue			3,011	387	(86)	3,312
Cost of sales			(2,469)	(331)	86	(2,714)
Gross profit			**542**	**56**		**598**
Other income, other expenses, and share of equity method earnings, net of income tax	60		98	(4)	(128)	26
Selling, marketing and distribution expenses			(74)	(11)		(85)
General and administration expenses			(193)	(15)		(208)
Profit (loss) from operating activities (EBIT)	**60**		**373**	**26**	**(128)**	**331**
Financial income	4	313	42	28	(250)	137

Financial expenses		(234)	(359)	(29)	250	(372)
Net financial income (expenses)	**4**	**79**	**(317)**	**(1)**		**(235)**
Profit (loss) before income tax	**64**	**79**	**56**	**25**	**(128)**	**96**
Income tax benefit (expense)	(1)	(30)	4	(6)		(33)
Profit (loss) for the period	**63**	**49**	**60**	**19**	**(128)**	**63**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Condensed consolidating statement of financial position

	Parent	Reynolds Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
	Balance as of March 31, 2012 (In $ million)					
Assets						
Cash and cash equivalents			1,082	171		1,253
Trade and other receivables	5		1,275	241		1,521
Inventories			1,642	214		1,856
Intra-group receivables		276		42	(318)	
Other assets			107	26		133
Total current assets	**5**	**276**	**4,106**	**694**	**(318)**	**4,763**
Investments in subsidiaries, associates and joint ventures (equity method)			1,362	121	(1,358)	125
Property, plant and equipment			3,842	666		4,508
Investment properties			30			30
Intangible assets			12,142	335		12,477
Intra-group receivables	16	11,273	296	1,236	(12,821)	
Other assets	292	216	208	31		747
Total non-current assets	**308**	**11,489**	**17,880**	**2,389**	**(14,179)**	**17,887**
Total assets	**313**	**11,765**	**21,986**	**3,083**	**(14,497)**	**22,650**
Liabilities						
Trade and other payables	12	281	1,260	290		1,843
Borrowings	1		60	16		77
Intra-group payables			318		(318)	
Other liabilities	6		391	59		456
Total current liabilities	**19**	**281**	**2,029**	**365**	**(318)**	**2,376**
Borrowings		11,239	5,292	1,178		17,709
Intra-group liabilities	411	25	12,506	290	(13,232)	
Other liabilities		32	2,570	58		2,660
Total non-current liabilities	**411**	**11,296**	**20,368**	**1,526**	**(13,232)**	**20,369**

Total liabilities	**430**	**11,577**	**22,397**	**1,891**	**(13,550)**	**22,745**
Net assets (liabilities)	**(117)**	**188**	**(411)**	**1,192**	**(947)**	**(95)**
Equity						
Equity attributable to equity holder of the Group	(117)	188	(411)	1,192	(969)	(117)
Non-controlling interests					22	22
Total equity (deficit)	**(117)**	**188**	**(411)**	**1,192**	**(947)**	**(95)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Condensed consolidating statement of cash flows

	For the three month period ended March 31, 2012					
	Parent	Reynolds Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
				(In $ million)		
Net cash from operating activities		**(188)**	**62**	**24**	**188**	**86**
Net cash from investing activities		**(1,032)**	**(71)**	**(72)**	**1,155**	**(20)**
Included in investing activities:						
Acquisition of property, plant and equipment and investment properties			(109)	(24)		(133)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			19			19
Disposal of business, net of cash disposed			94			94
Net related party (advances) repayments		(1,220)	(73)	(50)	1,343	
Net cash from financing activities		**1,220**	**622**	**82**	**(1,343)**	**581**
Included in financing activities:						
Drawdown of loans and borrowings		1,250		21		1,271
Repayment of loans and borrowings			(648)	(11)		(659)
Payment of liabilities arising from the Graham Packaging Acquisition						
Net related party borrowings (repayments)			1,270	73	(1,343)	
Payment of transaction costs		(30)				(30)

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Condensed consolidating statement of financial performance

	For the three month period ended March 31, 2011					
	Parent	Reynolds Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
	(In $ million)					
Revenue			2,216	226	(75)	2,367
Cost of sales			(1,815)	(184)	75	(1,924)
Gross profit			**401**	**42**		**443**
Other income, other expenses, and share of equity method earnings, net of income tax	(57)		(21)	2	48	(28)
Selling, marketing and distribution expenses			(73)	(9)		(82)
General and administration expenses	(1)		(144)	(7)		(152)
Profit (loss) from operating activities (EBIT)	**(58)**		**163**	**28**	**48**	**181**
Financial income	5	137	97	29	(167)	101
Financial expenses		(162)	(355)	(31)	167	(381)
Net financial income (expenses)	**5**	**(25)**	**(258)**	**(2)**		**(280)**
Profit (loss) before income tax	**(53)**	**(25)**	**(95)**	**26**	**48**	**(99)**
Income tax benefit (expense)	(1)	8	41	(3)		45
Profit (loss) for the period	**(54)**	**(17)**	**(54)**	**23**	**48**	**(54)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Condensed consolidating statement of financial position

	Balance as of December 31, 2011					
	Parent	Reynolds Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
	(In $ million)					
Assets						
Cash and cash equivalents			461	136		597
Trade and other receivables	5		1,258	243		1,506
Inventories			1,572	201		1,773
Intra-group receivables		234		33	(267)	
Other assets			146	32		178
Total current assets	**5**	**234**	**3,437**	**645**	**(267)**	**4,054**
Investments in subsidiaries, associates and joint ventures (equity method)			1,282	118	(1,281)	119
Property, plant and equipment			3,887	648		4,535
Investment properties			29			29
Intangible assets			12,144	387		12,531
Intra-group receivables	16	10,042	275	1,173	(11,506)	
Other assets	271	116	190	43		620
Total non-current assets	**287**	**10,158**	**17,807**	**2,369**	**(12,787)**	**17,834**
Total assets	**292**	**10,392**	**21,244**	**3,014**	**(13,054)**	**21,888**
Liabilities						
Trade and other payables	11	236	1,256	255		1,758
Borrowings	1		503	17		521
Intra-group payables			267		(267)	
Other liabilities	4		460	64		528
Total current liabilities	**16**	**236**	**2,486**	**336**	**(267)**	**2,807**
Borrowings		9,993	5,491	1,141		16,625
Intra-group liabilities	475	23	11,231	252	(11,981)	
Other liabilities			2,511	122		2,633
Total non-current liabilities	**475**	**10,016**	**19,233**	**1,515**	**(11,981)**	**19,258**

Total liabilities	**491**	**10,252**	**21,719**	**1,851**	**(12,248)**	**22,065**
Net assets (liabilities)	**(199)**	**140**	**(475)**	**1,163**	**(806)**	**(177)**
Equity						
Equity attributable to equity holder of the Group	(199)	140	(475)	1,163	(828)	(199)
Non-controlling interests					22	22
Total equity (deficit)	**(199)**	**140**	**(475)**	**1,163**	**(806)**	**(177)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the interim unaudited condensed financial statements (Continued)
For the three month period ended March 31, 2012

Condensed consolidating statement of cash flows

	For the three month period ended March 31, 2011					
	Parent	Reynolds Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Net cash from operating activities			**135**	**34**		**169**
Net cash from investing activities		**(1,971)**	**(89)**	**2**	**1,959**	**(99)**
Included in investing activities:						
Acquisition of property, plant and equipment and investment properties			(92)	(9)		(101)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			2			2
Net related party (advances) repayments		(1,971)	3	9	1,959	
Net cash from financing activities		**1,971**	**443**	**(5)**	**(1,959)**	**450**
Included in financing activities:						
Drawdown of loans and borrowings		2,000	2,676			4,676
Repayment of loans and borrowings			(4,168)	(1)		(4,169)
Net related party borrowings (repayments)			1,962	(3)	(1,959)	
Payment of transaction costs		(29)	(27)			(56)

21. Subsequent events

There have been no events subsequent to March 31, 2012 which would require accrual or disclosure in these financial statements.

Table of Contents

Reynolds Group Holdings Limited

Financial statements for the period ended

December 31, 2011

Table of Contents

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying statements of financial position and the related statements of comprehensive income, statements of changes in equity and statements of cash flows present fairly, in all material respects, the financial position of Reynolds Group Holdings Limited and its subsidiaries (the Company) at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, Illinois
March 28, 2012

Table of Contents

Reynolds Group Holdings Limited

Statements of comprehensive income

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Revenue	7	11,789	6,774	5,910
Cost of sales	*	(9,725)	(5,524)	(4,691)
Gross profit		**2,064**	**1,250**	**1,219**
Other income	8	87	102	201
Selling, marketing and distribution expenses	*	(347)	(231)	(211)
General and administration expenses	*	(628)	(392)	(366)
Other expenses	10	(268)	(80)	(96)
Share of profit of associates and joint ventures, net of income tax	23	17	18	11
Profit from operating activities		**925**	**667**	**758**
Financial income	12	22	66	21
Financial expenses	12	(1,420)	(752)	(513)
Net financial expenses		(1,398)	(686)	(492)
Income (loss) before income tax		**(473)**	**(19)**	**266**
Income tax benefit (expense)	13	56	(78)	(149)
Profit (loss) for the period		**(417)**	**(97)**	**117**
Other comprehensive income (loss) for the period, net of income tax				
Cash flow hedges				12
Exchange differences on translating foreign operations		(22)	243	(29)
Transfers from foreign currency translation reserve to profit and loss			49	
Total other comprehensive income (loss) for the period, net of income tax	14	(22)	292	(17)
Total comprehensive income (loss) for the period		**(439)**	**195**	**100**
Profit (loss) attributable to:				
Equity holder of the Group		(419)	(97)	117
Non-controlling interests		2		

	(417)	**(97)**	**117**
Total other comprehensive income (loss) attributable to:			
Equity holder of the Group	(21)	293	(17)
Non-controlling interests	(1)	(1)	
	(22)	**292**	**(17)**

* For information on expenses by nature, refer to notes 9, 11, 16, 18, 19, 22, and 34.

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

Reynolds Group Holdings Limited
Statements of financial position

	Note	As of December 31, 2011	2010
		(In $ million)	
Assets			
Cash and cash equivalents	15	597	664
Trade and other receivables	16	1,506	1,150
Inventories	18	1,773	1,281
Current tax assets	21	39	109
Assets held for sale	17	70	18
Derivatives	29	1	12
Other assets		68	62
Total current assets		**4,054**	**3,296**
Non-current receivables	16	321	303
Investments in associates and joint ventures	23	119	110
Deferred tax assets	21	27	23
Property, plant and equipment	19	4,535	3,266
Investment properties	20	29	68
Intangible assets	22	12,531	8,748
Derivatives	29	122	87
Other assets		150	75
Total non-current assets		**17,834**	**12,680**
Total assets		**21,888**	**15,976**
Liabilities			
Bank overdrafts		3	12
Trade and other payables	24	1,758	1,246
Liabilities directly associated with assets held for sale	17	20	
Borrowings	25	521	141
Current tax liabilities	21	164	146
Derivatives	29	16	1
Employee benefits	26	227	195
Provisions	27	98	74
Total current liabilities		**2,807**	**1,815**
Non-current payables	24	33	9
Borrowings	25	16,625	11,701
Deferred tax liabilities	21	1,539	1,130
Employee benefits	26	934	971
Provisions	27	127	86

Total non-current liabilities		**19,258**	**13,897**
Total liabilities		**22,065**	**15,712**
Net assets (liabilities)		**(177)**	**264**
Equity (deficit)			
Share capital	28	1,695	1,695
Reserves	28	(1,213)	(1,192)
Accumulated losses		(681)	(262)
Equity (deficit) attributable to equity holder of the Group		**(199)**	**241**
Non-controlling interests		22	23
Total equity (deficit)		**(177)**	**264**

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

Table of Contents

Reynolds Group Holdings Limited

Statements of changes in equity

	Note	Share capital	Translation of foreign operations	Other reserves	Hedge reserve	Accumulated losses	Equity (deficit) attributable to equity holder of the group	Non-controlling interests	Total
					(In $ million)				
Balance at the beginning of the period (January 1, 2009)		1,092	105	71	(12)	(246)	**1,010**	17	**1,027**
Issue of shares (net of issue costs)	28	1,670					**1,670**		**1,670**
Total comprehensive income for the period:									
Profit after tax						117	**117**		**117**
Exchange differences on translating foreign operations			(29)				**(29)**		**(29)**
Cash flow hedges					12		**12**		**12**
Total comprehensive income for the period			**(29)**		**12**	**117**	**100**		**100**
Common control transactions	32	(1,108)		(584)			**(1,692)**		**(1,692)**
Dividends paid to non-controlling interests								(1)	**(1)**
Balance as of December 31, 2009		**1,654**	**76**	**(513)**		**(129)**	**1,088**	**16**	**1,104**
Balance at the beginning of the period (January 1, 2010)		1,654	76	(513)		(129)	**1,088**	16	**1,104**
	28	947					**947**		**947**

Issue of shares (net of issue costs)								
Total comprehensive income for the period:								
Loss after tax					(97)	**(97)**		**(97)**
Exchange differences on translating foreign operations			293			**293**	(1)	**292**
Total comprehensive income for the period			**293**		**(97)**	**196**	**(1)**	**195**
Common control transactions	32	(906)		(1,048)		**(1,954)**		**(1,954)**
Purchase of non-controlling interest					3	**3**	(5)	**(2)**
Non-controlling interests acquired through business combinations							18	**18**
Disposal of business							(3)	**(3)**
Dividends paid	28				(39)	**(39)**	(2)	**(41)**
Balance as of December 31, 2010		**1,695**	**369**	**(1,561)**	**(262)**	**241**	**23**	**264**
Balance at the beginning of the period (January 1, 2011)		1,695	369	(1,561)	(262)	**241**	23	**264**
Total comprehensive loss for the period:								
Loss after tax					(419)	**(419)**	2	**(417)**
Exchange differences on translating foreign operations			(21)			**(21)**	(1)	**(22)**
Total comprehensive loss for the period			**(21)**		**(419)**	**(440)**	**1**	**(439)**
Dividends paid							(2)	**(2)**
Balance as of December 31, 2011		**1,695**	**348**	**(1,561)**	**(681)**	**(199)**	**22**	**(177)**

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

Table of Contents

Reynolds Group Holdings Limited

Statements of cash flows

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Cash flows from operating activities				
Cash received from customers		11,486	6,798	6,081
Cash paid to suppliers and employees		(9,868)	(5,635)	(4,941)
Interest paid		(1,003)	(451)	(262)
Income taxes paid, net of refunds received		(88)	(125)	(108)
Change of control payment and other acquisition costs		(84)	(181)	
Payment to related party for use of tax losses			(23)	
Net cash from operating activities		**443**	**383**	**770**
Cash flows used in investing activities				
Purchase of Whakatane Mill			(46)	
Acquisition of property, plant and equipment and investment properties		(511)	(319)	(244)
Proceeds from sale of property, plant and equipment, investment properties and other assets		71	32	41
Acquisition of intangible assets		(9)	(18)	(48)
Acquisition of businesses, net of cash acquired	33	(2,048)	(4,386)	4
Disposal of businesses, net of cash disposed			33	
Disposal of other investments			10	4
Pre-acquisition advance to Graham Packaging		(20)		
Receipt of related party advances			97	103
Interest received		7	5	4
Dividends received from joint ventures		8	4	1
Net cash used in investing activities		**(2,502)**	**(4,588)**	**(135)**
Cash flows from (used in) financing activities				
Acquisitions of business under common control			(1,958)	(1,687)
Drawdown of loans and borrowings:				
August 2011 Credit Agreement		4,666		
August 2011 Notes		2,482		
February 2011 Notes		2,000		
October 2010 Notes			3,000	
May 2010 Notes			1,000	
2009 Notes				1,789
2009 Credit Agreement		10	2,820	1,404
Other borrowings		13	2	100
Repayment of loans and borrowings:				
2011 Credit Agreement		(75)		

2009 Credit Agreement		(4,168)	(38)	
Graham Packaging borrowings acquired	33	(1,935)		
Graham Packaging 2017 Notes		(239)		
Graham Packaging 2018 Notes		(231)		
Pactiv borrowings acquired			(397)	
Blue Ridge Facility			(43)	
2008 Reynolds Senior Credit Facilities				(1,500)
2007 SIG Senior Credit Facilities				(742)
CHH Facility				(13)
Other borrowings		(4)	(4)	(127)
Payment of liabilities arising from Graham Packaging Acquisition		(252)		
Premium on Graham Packaging 2017 and 2018 Notes		(5)		
Proceeds from issues of share capital			322	578
Proceeds from related party borrowings		25		68
Repayment of related party borrowings				(180)
Payment of transaction costs		(279)	(317)	(190)
Purchase of non-controlling interests			(3)	
Dividends paid to related parties and non-controlling interests		(2)	(39)	(1)
Net cash from (used in) financing activities		**2,006**	**4,345**	**(501)**
Net increase (decrease) in cash and cash equivalents		**(53)**	**140**	**134**
Cash and cash equivalents at the beginning of the period		652	514	383
Effect of exchange rate fluctuations on cash held		(5)	(2)	(3)
Cash and cash equivalents as of December 31		**594**	**652**	**514**
Cash and cash equivalents comprise				
Cash and cash equivalents		597	664	515
Bank overdrafts		(3)	(12)	(1)
Cash and cash equivalents as of December 31		**594**	**652**	**514**

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

Table of Contents

Reynolds Group Holdings Limited

Statements of cash flows (Continued)

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

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Profit (loss) for the period	(417)	(97)	117
Adjustments for:			
Depreciation of property, plant and equipment	650	317	331
Depreciation of investment properties	1	2	2
Asset impairment charges	12	29	13
Amortization of intangible assets	321	185	169
Net foreign currency exchange loss	7	3	3
Change in fair value of derivatives	26	(4)	(129)
Loss (gain) on sale of property, plant and equipment and non-current assets	1	(5)	(4)
Gains on sale of businesses and investment properties	(5)	(16)	
CSI Americas gain on acquisition		(10)	
Net financial expenses	1,398	686	492
Share of profit of equity accounted investees	(17)	(18)	(11)
Income tax (benefit) expense	(56)	78	149
Interest paid	(1,003)	(451)	(262)
Income taxes paid, net of refunds received	(88)	(125)	(108)
Change in trade and other receivables	(56)	(45)	(43)
Change in inventories	(171)	41	92
Change in trade and other payables	(6)	13	(24)
Change in provisions and employee benefits	(154)	(202)	6
Change in other assets and liabilities		2	(23)
Net cash from operating activities	**443**	**383**	**770**

Significant non-cash financing and investing activities

During the period ended December 31, 2011, related party interest income of $16 million (2010: $14 million; 2009: $12 million) was capitalized as part of the non-current related party receivable balance. Refer to note 30.

During the period ended December 31, 2010, Evergreen Packaging Inc. (EPI) issued shares to Evergreen Packaging US, its parent company at the time of issue, in exchange for the novation of external borrowings, net of debt issue costs, in amounts of CA$30 million ($29 million), NZ$776 million ($568 million) and $28 million.

During the period ended December 31, 2009, the Company issued shares in exchange for the repayment of certain related party borrowings in the amount of NZ$60 million ($41 million). Further, the Company issued shares in exchange for the novation of certain related party borrowings in the amount of NZ$1,047 million ($749 million).

During the period ended December 31, 2009, Evergreen Packaging International B.V. s (EPIBV) parent company at the time, Evergreen Packaging (Antiilles) N.V., contributed 47 million ($61 million) as a non-stipulated share premium without the issuance of shares.

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

Table of Contents

Reynolds Group Holdings Limited

Statements of cash flows (Continued)

Acquisitions and disposals of businesses

	For the period ended December 31, (In $ million)					
	2011		**2010**		**2009**	
	Acquisitions	**Disposals**	**Acquisitions**	**Disposals**	**Acquisitions***	**Disposals**
Inflow (outflow) of cash:						
Cash receipts (payments)	(2,192)		(4,488)	33	4	
Net cash (bank overdraft) acquired (disposed of)	144		102			
Consideration received, satisfied in notes receivable				14		
Consideration subject to post-closing adjustments*				1	3	
	(2,048)		**(4,386)**	**48**	**7**	
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Net gain on sale before reclassification from foreign currency translation reserve				(10)		
Amounts reclassified from foreign currency translation reserve				1		
Net assets (acquired) disposed of	**(2,192)**		**(4,488)**	**39**	**7**	
Details of net assets (acquired) disposed of:						
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Trade and other receivables	(371)		(475)	12		
Current tax assets	(4)		(49)			
Assets held for sale	(10)					
Inventories	(359)		(557)	8		
Derivative assets	(9)					
Deferred tax assets	(12)		(38)			
Property, plant and equipment	(1,525)		(1,443)	23		
Intangible assets (excluding goodwill)	(2,462)		(2,719)			
Goodwill	(1,735)		(2,931)		7	
Other current and non-current assets	(25)		(60)			
Investment in associates and joint ventures	(1)			3		
Trade and other payables	717		425	(8)		
Current tax liabilities	43					
Loans and borrowings	2,852		1,485			
Deferred tax liabilities	628		877			

Provisions and employee benefits	225	1,071		
Net assets (acquired)/disposed of	**(2,192)**	**(4,516)**	**38**	**7**
Gain on acquisition		10		
Amounts reclassified from foreign currency translation reserve			1	
Non-controlling interests		18		
	(2,192)	**(4,488)**	**39**	**7**

Refer to note 33 for further details of acquisitions.

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

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements
For the period ended December 31, 2011

1. Reporting entity

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

The financial statements of Reynolds Group Holdings Limited as of and for the period ended December 31, 2011, comprise the Company and its subsidiaries and their interests in associates and jointly controlled entities. Collectively, these entities are referred to as the Group .

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

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

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements were approved by the Board of Directors (the Directors) on March 28, 2012 in Chicago, Illinois (March 29, 2012 in Auckland, New Zealand).

2.2 Going concern

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

The statement of financial position as of December 31, 2011 presents negative equity of $177 million compared to positive equity of $264 million as of December 31, 2010. The movement to negative equity is primarily attributable to the current period loss. The total equity was reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized as a reduction to equity. As of December 31, 2011, the common control transactions had generated a cumulative reduction to equity of $1,561 million.

2.3 Basis of measurement

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

certain components of inventory which are measured at net realizable value;

defined benefit pension plan liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and

certain assets and liabilities, such as derivatives, which are measured at fair value.

Information disclosed in the statement of comprehensive income, statement of changes in equity and statement of cash flows for the current period is for the twelve month period ended December 31, 2011.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

Information for the comparative periods is for the twelve month periods ended December 31, 2010 and December 31, 2009.

2.4 Presentation currency

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

2.5 Use of estimates and judgements

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

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

2.6 Comparative information

During the year, the Group made an adjustment to correct an understatement of the pension plan asset for one of the SIG segment s defined benefit pension plans. The understated pension plan asset existed from the date of acquisition of the SIG segment in May 2007. This adjustment reduced net income in the Corporate/Unallocated segment by $6 million for the period ended December 31, 2011, and reduced goodwill by $53 million, increased other non-current assets by $56 million and increased deferred income tax liabilities by $9 million as of December 31, 2011. This adjustment has no effect on the statement of cash flows and no effect on the Group s Adjusted EBITDA for the period ended December 31, 2011, or any previously reported period. Further, the plan asset understatement did not have a material impact on any current or previously reported financial statements.

As disclosed in note 32, indirect subsidiaries of the Company acquired the business operations of the Closures segment and the Reynolds consumer products business on November 5, 2009. On May 4, 2010, indirect subsidiaries of the Company acquired the business operations of Evergreen. On September 1, 2010 indirect subsidiaries of the Company acquired the business operations of the Reynolds foodservice packaging business. Prior to these transactions, these businesses were under the common ownership of the ultimate sole shareholder, Mr. Graeme Hart. This type of transaction is defined as a business combination under common control, which falls outside of the scope of IFRS 3 (revised) Business Combinations . In accordance with the Group s accounting policy for business combinations under common control, as outlined in note 3.1(d), the Group has compiled the comparative financial information as if the acquisition transactions had occurred from the earliest point that common control commenced.

2.7 Presentation of expenses by nature

Expenses in the statements of comprehensive income are presented by function. Supplemental disclosure of expenses by nature is presented in notes 9, 10, 11, 16, 18, 19, 22 and 34. The components of the Group s expenses not disclosed by nature in those notes primarily include energy consumption costs, freight costs, repairs and maintenance, other consultancy costs and professional fees, travel and entertainment, and

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

advertising costs. None of these other types of expenses have an individually significant impact on the Group s statements of comprehensive income for any period presented.

3. Significant accounting policies

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

3.1 Basis of consolidation

(a) Subsidiaries

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

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

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

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

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

Refer to note 33 for disclosure of acquisitions in the current and comparative financial periods.

(b) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies (generally accompanying a shareholding of between 20% and 50% of the

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

voting rights). Investments in associates are accounted for using the equity method of accounting (equity accounted investees) and are initially recognized at cost. Investments in associates include goodwill identified on acquisition, net of accumulated impairment losses (if any).

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

(c) Joint Ventures

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

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

(d) Transactions between entities under common control

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

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

debt forgiveness transactions;

transfer of assets for greater than or less than fair value; and

acquisition or disposal of subsidiaries for no consideration or consideration greater than or less than fair value.

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

predecessor value method requires the financial statements to be prepared using predecessor book values without any step up to fair values;

premium or discount on acquisition is calculated as the difference between the total consideration paid and the book value of the issued capital of the acquired entity, and is recognized directly in equity as a component of a separate reserve;

the financial statements incorporate the acquired entities results as if the acquirer and the acquiree had always been combined; and

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

the results of operations and cash flows of the acquired entity are included on a restated basis in the financial statements from the date that common control originally commenced (i.e. from the date the business was acquired by Mr. Graeme Hart) as though the entities had always been combined from the common control date forward.

(e) Transactions eliminated on consolidation

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

(f) Transactions with non-controlling interests

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

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

3.2 Foreign currency

(a) Functional currency

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

(b) Foreign currency transactions

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

Foreign currency differences arising on translation are recognized in the statement of comprehensive income as a component of the profit or loss, except for differences arising on the translation of

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation (refer to (c) below).

(c) Foreign operations

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

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

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

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

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

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

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

3.3 Non-derivative financial instruments

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

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

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

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

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

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of less than three months. Bank overdrafts are included within borrowings and are classified as current liabilities on the statement of financial position except if these are

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

repayable on demand, in which case they are included separately as a component of current liabilities. In the statement of cash flows, overdrafts are included as a component of cash and cash equivalents.

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

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

(c) Loans and receivables

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

(d) Other liabilities

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

(i) Trade and other payables

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

(ii) Interest bearing borrowings including related party borrowings

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

3.4 Derivative financial instruments

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

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

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

hedge accounting, recognition of any resulting gain or loss depends on the nature of the hedging relationship (see below).

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

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

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

(a) Cash flow hedges

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

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

(b) Fair value hedges

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

(c) Embedded derivatives

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

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

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

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

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

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

3.5 Inventories

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

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

(b) Engineering and maintenance materials

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

3.6 Property, plant and equipment

(a) Recognition and measurement

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

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

(b) Assets under construction

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

(c) Reclassification to investment property

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

(d) Borrowing costs

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

(e) Subsequent costs

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

(f) Depreciation

Depreciation is recognized in the statement of comprehensive income as a component of profit or loss on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

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

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

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

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

3.7 Investment property

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

3.8 Leases

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

(a) The Group as lessor finance leases

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

(b) The Group as lessee finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included within loans and borrowings as a finance lease obligation. Subsequent to initial recognition the liability is accounted

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

for in accordance with the accounting policy described in note 3.3(d)(ii) and the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.9 Intangible assets

(a) Goodwill

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

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

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

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

(b) Trademarks

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

(c) Customer relationships

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

(d) Research and development

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

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technologically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

asset. The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

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

(e) Other intangible assets

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

(f) Subsequent expenditures

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

(g) Amortization

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

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

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

3.10 Impairment

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

(a) Impairment of loans and receivables

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

Impairment losses on individual instruments that are considered significant are determined on an individual basis through an evaluation of the specific instruments exposures. For trade receivables which are

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

not significant on an individual basis, impairment is assessed on a portfolio basis taking into consideration the number of days overdue and the historical loss experiences on a portfolio with a similar number of days overdue.

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

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

(b) Non-financial assets

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

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

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

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

3.11 Assets and liabilities classified as held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group s accounting policies. Thereafter the assets (or disposal groups) are measured at the lower of their carrying amount or fair value less costs to sell. Upon reclassification the Group ceases to depreciate or amortize non-current assets classified as held for sale. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets on a pro-rata basis, except that no loss is allocated to

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

inventories, financial assets, deferred tax assets, employee benefit plan assets, and investment property, which continue to be measured in accordance with the Group s accounting policies. Impairment losses on initial classification of an asset to being held for sale and subsequent gains or losses on remeasurement are recognized in the statement of comprehensive income as a component of the profit or loss. Gains are not recognized in excess of any prior cumulative impairment losses.

3.12 Employee benefits

(a) Pension obligations

The Group operates various defined contribution and defined benefit plans.

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

Actuarial gains and losses are recognized in the statement of comprehensive income as component of profit or loss when the cumulative unrecognized actuarial gains and losses exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. These gains or losses are amortized on a straight-line basis over the expected remaining service lives of employees participating in the plan.

(b) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of comprehensive income as a component of the profit or loss as the related services are provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans and

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(c) Post-employment medical plans

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

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

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

(d) Other long-term employee benefits

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

(e) Termination benefits

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

(f) Incentive compensation plans

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

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.13 Provisions

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

(a) Warranties

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

(b) Business closure and rationalization

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

3.14 Self-insured employee obligations

(a) Self-insured employee workers compensation

The Group is self-insured in respect of its workers compensation obligations in the United States. As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities relating to these claims are included in provisions.

(b) Self-insured employee health insurance

The Group is self-insured for certain employee health insurance. The Group also maintains insurance coverage for large claims at levels that are customary and consistent with industry standards for companies of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities (based on the Group s historical claims) relating to these claims are included in trade and other payables.

3.15 Dividends

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

3.16 Share capital

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

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.17 Revenue

(a) Sale of goods

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

Transfers of risks and rewards of ownership vary depending on the individual terms of the contract of sale. This occurs either upon shipment of the goods or upon receipt of the goods and/or their installation at a customer location.

(b) Lease income

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

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

3.18 Lease payments

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

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

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

3.19 Financial income and expenses

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

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

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

3.20 Income tax

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

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

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

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

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

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

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

3.22 Discontinued operations

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

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3.23 New and revised standards and interpretations

(a) Interpretations and amendments to existing standards effective in 2011

During 2011, certain interpretations and standards which had not previously been early adopted were mandatory for the Group. This included improvements to various IFRSs 2010 various standards (effective for financial reporting periods beginning on or after July 1, 2010 and January 1, 2011). The adoption of the revisions to existing standards did not have a material impact on the financial statements of the Group for the period ended December 31, 2011.

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards are not yet effective for the period ended December 31, 2011, and have not been applied in preparing these consolidated financial statements:

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, 2015, with early adoption permitted. The Group is currently evaluating the impact of IFRS 9 on its 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 basis for consolidation is control regardless of the nature of the investee. The IASB has provided a series of indicators to determine control 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 are either accounted for (without choice) using the equity or proportional consolidation method (depending if separation can be established legally or through another form), 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 structured 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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

financial position, performance and cash flow. In addition, the standard introduces new disclosures about unconsolidated structured entities.

IFRS 13 defines the concept of fair value and establishes a framework for measuring fair value, while setting the disclosure requirements for fair value measurement. The new standard focuses on explaining how to measure fair value when required by other IFRS. Prior to the introduction of IFRS 13 there was no single source of guidance on fair value measurement.

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 post-employment plans, while introducing certain other new measurement and disclosure requirements. Under the requirements of 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 and additional guidance in terms of 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 requirements of the amended standard, the IASB requires an entity to present amounts recognized in other comprehensive income that the entity expects will be reclassified to the statement of comprehensive income in the future (even if contingent on future events) separately from those amounts that will 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 on or after January 1, 2013, with early adoption permitted. The Group currently accounts for its defined benefit post-employment plans using the corridor method. The Group is currently evaluating the effects of the amendments to IAS 1 and IAS 19 on its financial statements.

On December 16, 2011, the IASB published amendments to IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities and IAS 32 Financial Instruments: Presentation Offsetting Financial Assets and Financial Liabilities. The amendments are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments clarify the meaning of currently has a legally enforceable right of set off and simultaneous realization and settlement. Additional disclosures are also required about right of offset and related arrangements.

The requirements of the amended IFRS 7 must be applied to the financial year beginning on or after January 1, 2013 and of amended IAS 32 must be applied to the financial year beginning on or after January 1, 2014. Both require retrospective application for the comparative period. The Group is currently evaluating the effects of the amendments to IFRS 7 and IAS 32 on its financial statements.

4. Critical accounting estimates and assumptions

In the process of applying the Group s accounting policies management has made certain estimates and assumptions about the carrying values of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The key assumptions concerning the future and other key sources of

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

4.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill is impaired requires estimation of the recoverable values of a segment, which is the lowest level within the Group at which goodwill is monitored for internal management purposes. Determining whether indefinite life intangible assets are impaired requires estimation of the recoverable values of the segment or lower level group of CGUs to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the segment being reviewed). Significant judgment is involved with estimating the fair value of a segment. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the segment and a suitable discount rate in order to calculate present value. Details regarding the carrying amount of goodwill and indefinite life intangible assets and the assumptions used in impairment testing are provided in note 22.

(b) Other assets

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

4.2 Income taxes

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

4.3 Realization of deferred tax assets

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

4.4 Finalization of provisional acquisition accounting

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

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of December 31, 2011, the valuation of the assets acquired and liabilities assumed as a result of the Graham Packaging acquisition have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a), any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively from the date of acquisition.

4.5 Measurement of obligations under defined benefit plans

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

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

5. Determination of fair values

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

5.1 Property, plant and equipment

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

5.2 Intangible assets

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

5.3 Investment property

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

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

5. Determination of fair values (continued)

5.4 Inventory

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

5.5 Trade and other receivables

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

5.6 Derivatives

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

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

5.7 Non-derivatives financial liabilities

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

5.8 Pension and post-employment medical benefits

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

5.9 Fair value of borrowings acquired

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

6. Segment reporting

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

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

SIG Combibloc SIG Combibloc 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. SIG supplies

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. 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 paper products for commercial printing.

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

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. Prior to the Pactiv acquisition (refer to note 33), the Reynolds Consumer Products segment consisted solely of the Group s Reynolds consumer products business.

Pactiv Foodservice Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers. Prior to the Pactiv acquisition (refer to note 33), the Pactiv Foodservice segment consisted solely of the Group s Reynolds foodservice packaging business. Dopaco, which was acquired in May 2011, is being integrated with the Pactiv Foodservice segment.

Graham Packaging Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 33).

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

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

The CODM assesses the performance of the operating segments based on Adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net financial expenses, depreciation and amortization, adjusted to exclude certain 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.

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

Business segment reporting

	For the period ended December 31, 2011							
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Total external revenue	2,036	1,557	1,317	2,503	3,409	967		11,789
Total inter-segment revenue		46	12	56	39		(153)	
Total segment revenue	**2,036**	**1,603**	**1,329**	**2,559**	**3,448**	**967**	**(153)**	**11,789**
Gross profit	439	224	207	611	524	62	(3)	2,064
Expenses and other income	(234)	(69)	(97)	(258)	(402)	(86)	(10)	(1,156)
Share of profit of associates and joint ventures	15	2						17
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(13)**	**925**
Financial income								22
Financial expenses								(1,420)
Loss before income tax								**(473)**
Income tax benefit								56
Loss after income tax								**(417)**
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(13)**	**925**
Depreciation and amortization	260	60	81	150	292	129		972
	480	**217**	**191**	**503**	**414**	**105**	**(13)**	**1,897**

Earnings before interest, tax, depreciation and amortization (EBITDA)

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2011							
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Earnings before interest, tax, depreciation and amortization (EBITDA)	**480**	**217**	**191**	**503**	**414**	**105**	**(13)**	**1,897**
Included in EBITDA:								
Asset impairment charges	4		1		7			12
Business acquisition and integration costs				5	45	9	26	85
Business interruption costs (recoveries)	2		1	(1)				2
Change of control payments						12		12
Equity method profit not distributed in cash	(8)	(2)						(10)
Gain on modification of plan benefits							(25)	(25)
Gain on sale of businesses			(5)					(5)
Impact of purchase price accounting on inventory and leases					5	27		32
Non-cash inventory charge				1	2			3
Non-cash pension expense (income)				3	4		(49)	(42)
Operational process engineering-related consultancy costs				17	21		4	42
Restructuring costs	2		5	11	48	3	19	88
SEC registration costs							6	6
	2	2	2	17	3			26

Unrealized loss on derivatives								
VAT and custom duties on historical imports	1							1
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**483**	**217**	**195**	**556**	**549**	**156**	**(32)**	**2,124**
Segment assets	**3,218**	**1,373**	**1,759**	**4,882**	**5,826**	**4,305**	**525**	**21,888**
Included in segment assets are:								
Additions to property, plant and equipment	185	62	63	33	105	63		511
Additions to intangible assets	8		3	1		5	1	18
Additions to investment properties	4							4
Investments in associates and joint ventures	104	14				1		119
Segment liabilities	**2,031**	**412**	**804**	**1,396**	**861**	**3,931**	**12,630**	**22,065**

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

*** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes $1,566 million of provisional goodwill related to the Graham Packaging Acquisition (refer to notes 22 and 33) that has not yet been allocated to the operating segments.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
	SIG Combibloc	Evergreen	Closures*	Reynolds Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Total external revenue	1,846	1,580	1,167	1,334	847		6,774
Total inter-segment revenue		3	7	44	77	(131)	
Total segment revenue	**1,846**	**1,583**	**1,174**	**1,378**	**924**	**(131)**	**6,774**
Gross profit	464	209	185	327	65		1,250
Expenses and other income	(213)	(67)	(89)	(113)	(106)	(13)	(601)
Share of profit of associates and joint ventures	16	2					18
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(13)**	**667**
Financial income							66
Financial expenses							(752)
Loss before income tax							**(19)**
Income tax expense							(78)
Loss after income tax							**(97)**
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(13)**	**667**
Depreciation and amortization	243	62	79	62	58		504
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(13)**	**1,171**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from

November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
	SIG Combibloc	Evergreen	Closures *	Reynolds Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(13)**	**1,171**
Included in EBITDA:							
Adjustment related to settlement of a lease obligation				(2)			(2)
Asset impairment charges (reversals)	(1)				29		28
Black Liquor Credit		(10)					(10)
Business acquisition costs		1	1			10	12
Business interruption costs			2				2
CSI Americas gain on acquisition			(10)				(10)
Equity method profit not distributed in cash	(11)	(3)					(14)
Gain on sale of businesses and investment properties	(6)	(2)			(8)		(16)
Impact of purchase price accounting on inventories				25	38		63
Operational process engineering-related consultancy costs		2		6			8
Pension income						(5)	(5)
Related party management fees		1					1
Restructuring costs (recoveries)	11		3	(4)	(1)		9
Termination of supply agreement					7		7
Unrealized (gain) loss on derivatives		1	(1)	(2)	(1)		(3)
	10						10

VAT and custom duties on historical imports							
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**513**	**196**	**170**	**299**	**81**	**(8)**	**1,251**
Segment assets	**3,439**	**1,257**	**1,739**	**1,763**	**405**	**7,373**	**15,976**
Included in segment assets are:							
Additions to property, plant and equipment	151	47	82	13	10	12	315
Additions to intangible assets	13			5			18
Additions to investment properties	4						4
Investments in associates and joint ventures	97	13					110
Segment liabilities	**2,073**	**392**	**1,167**	**1,161**	**197**	**10,722**	**15,712**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009 (In $ million)						
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
Total external revenue	1,668	1,429	977	1,151	685		5,910
Total inter-segment revenue			3	39	54	(96)	
Total segment revenue	**1,668**	**1,429**	**980**	**1,190**	**739**	**(96)**	**5,910**
Gross profit	410	376	161	222	47	3	1,219
Expenses and other income	(229)	(85)	(79)	(31)	(45)	(3)	(472)
Share of profit of associates and joint ventures	9	2					11
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Financial income							21
Financial expenses							(513)
Profit before income tax							**266**
Income tax expense							(149)
Profit after income tax							**117**
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Depreciation and amortization	250	64	73	63	52		502
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009 (In $ million)						
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**
Included in EBITDA:							
Asset impairment charges	6	6			1		13
Black Liquor Credit		(214)					(214)
Business acquisition costs		1					1
Elimination of the effect of the historical Reynolds Consumer hedging policy				91	4		95
Equity method profit not distributed in cash	(8)	(2)					(10)
Inventory write-off arising on restructure					5		5
Korean insurance claim		(2)					(2)
Loss on sale of Baco assets				1			1
Manufacturing plant flood impact				5			5
Operational process engineering-related consultancy costs		13					13
Plant realignment costs				2			2
Related party management fees		3					3
Restructuring costs	38	3	3	5	9		58
Transition costs				24			24
Unrealized gain on derivatives	(4)		(10)	(102)	(13)		(129)
VAT and custom duties on historical imports	3						3
Write down of assets held for sale		1					1
Write off of receivables related to sale of Venezuela operations		1					1
Adjusted earnings before interest, tax, depreciation and	**475**	**167**	**148**	**280**	**60**		**1,130**

amortization (Adjusted EBITDA)							
Segment assets	**4,025**	**1,316**	**1,432**	**1,670**	**512**	**(1,193)**	**7,762**
Included in segment assets are:							
Additions to property, plant and equipment	77	61	69	31	4		242
Additions to intangible assets	21	2		22	3		48
Additions to investment properties	2						2
Investments in associates and joint ventures	90	10			4		104
Segment liabilities	**1,255**	**1,034**	**970**	**1,158**	**267**	**1,974**	**6,658**

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

Information about geographic area

The Group s revenue from external customers and information about its segment assets (total non-current assets excluding financial instruments, non-current receivables, deferred tax assets and post-employment

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

6. Segment reporting (continued)

benefit assets) by geographical origin are detailed below. In presenting information on a geographical basis, revenue and assets have been based in the location of the business operations:

	USA	Remaining North American Region	Europe	Asia	South America	Other*	Total
			(In $ million)				
Total external revenue							
For the period ended December 31, 2011	7,990	628	1,742	941	375	113	11,789
For the period ended December 31, 2010	3,829	299	1,498	759	292	97	6,774
For the period ended December 31, 2009	3,279	230	1,483	656	249	13	5,910
Non-current assets							
As of December 31, 2011	14,049	405	1,637	912	225	58	17,286
As of December 31, 2010	9,073	369	1,769	855	122	60	12,248

* Other includes revenue from external customers and total non-current assets in New Zealand, where the Company is domiciled. Revenue from external customers in New Zealand was $102 million for the period ended December 31, 2011 (2010: $63 million; 2009: none). Total non-current assets in New Zealand were $33 million as of December 31, 2011 (2010: $32 million).

Information about major customers

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

Information about major product lines

Supplemental information on net sales by major product line is set forth below:

	For the period ended December 31, 2011	2010	2009
		(In $ million)	
Foodservice packaging	3,448	924	739
Aseptic carton packaging	2,036	1,846	1,668
Caps and closures	1,329	1,174	980
Waste and storage products	992	509	433

Cooking products	822	768	757
Tablewares	745	101	
Cartons	775	755	757
Beverage containers	646		
Liquid packaging board	441	416	336
Paper products	387	412	336
Household product containers	175		
Other product containers	146		
Inter-segment eliminations	(153)	(131)	(96)
Total Revenue	**11,789**	**6,774**	**5,910**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

7. Revenue

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Sale of goods	11,699	6,692	5,845
Services	90	82	65
Total Revenue	**11,789**	**6,774**	**5,910**

8. Other income

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Adjustment related to settlement of a lease obligation		2	
CSI Americas gain on acquisition		10	
Gain on sale of businesses	5		
Gain on sale of investment properties		16	
Gain on sale of non-current assets		5	4
Income from facility management	12	11	15
Income from miscellaneous services	6	8	11
Insurance claims	6		4
Landfill tipping fees received	5		
Rental income from investment properties	6	6	5
Royalty income	4	2	2
Sale of by-products	29	25	18
Unrealized gains on derivatives		4	129
Other	14	13	13
Total other income	**87**	**102**	**201**

9. General and administration expenses

For the period ended
December 31,

	2011	2010	2009
		(In $ million)	
Research and development expenses	(145)	(107)	(99)
Auditors remunerations to PricewaterhouseCoopers, comprising:			
Audit fees	(12)	(11)	(7)
Other audit related fees(a)	(7)	(5)	(5)
Tax fees(b)	(1)	(1)	(12)

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

9. General and administration expenses (continued)

(b) In 2009, $12 million was incurred for tax advice from PricewaterhouseCoopers LLP regarding alternative fuel mixtures credits. These costs have been recognized as a component of cost of sales during the period ended December 31, 2009.

10. Other expenses

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Asset impairment charges		(12)	(29)	(13)
Business acquisition costs		(38)	(13)	
Business integration costs		(43)		
Net foreign currency exchange loss		(7)	(3)	(3)
Operational process engineering-related consultancy costs		(42)	(7)	(13)
Related party management fees	30		(1)	(3)
Restructuring costs		(88)	(9)	(58)
SEC registration costs		(6)		
Unrealized losses on derivatives		(26)		
VAT and custom duties on historical imports		(1)	(11)	(3)
Other		(5)	(7)	(3)
Total other expenses		**(268)**	**(80)**	**(96)**

11. Personnel expenses

Personnel expenses recognized in the statements of comprehensive income were $1,965 million for the period ended December 31, 2011 (2010: $1,229 million; 2009: $1,167 million). Personnel expenses include salaries, wages, employee related taxes, short-term employee benefits, pension benefits, post-employment medical benefits and other long-term employee benefits. For additional details related to the post-employment benefit plans, refer to note 26.

12. Financial income and expenses

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		

Interest income	6	5	6
Interest income on related party loans	16	17	13
Net change in fair value of derivatives		44	2
Financial income	**22**	**66**	**21**
Interest expense:			
August 2011 Credit Agreement	(168)		
2009 Credit Agreement	(29)	(135)	(13)
August 2011 Notes	(85)		
February 2011 Notes	(139)		
October 2010 Notes	(243)	(50)	

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

12. Financial income and expenses (continued)

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
May 2010 Notes		(88)	(56)	
2009 Notes		(147)	(134)	(20)
2007 Notes		(109)	(104)	(110)
Pactiv 2012 Notes		(15)	(2)	
Pactiv 2017 Notes		(24)	(3)	
Pactiv 2018 Notes		(1)		
Pactiv 2025 Notes		(22)	(3)	
Pactiv 2027 Notes		(17)	(2)	
Graham Packaging 2014 Notes		(12)		
Graham Packaging 2017 Notes		(3)		
Graham Packaging 2018 Notes		(3)		
2008 Reynolds Senior Credit Facilities				(66)
2007 SIG Senior Credit Facilities				(47)
CHH Facility			(8)	(22)
Blue Ridge Facility				(2)
Related party borrowings	30	(1)		(26)
Amortization of:				
Debt issue costs:				
2011 Credit Agreement		(4)		
2009 Credit Agreement(a)		(86)	(10)	(1)
August 2011 Notes		(2)		
February 2011 Notes		(2)		
October 2010 Notes		(10)	(2)	
May 2010 Notes		(3)	(2)	
2009 Notes		(8)	(9)	(1)
2007 Notes		(4)	(4)	(4)
2008 Reynolds Senior Credit Facilities				(19)
2007 SIG Senior Credit Facilities				(3)
CHH Facility				(1)
Debt commitment letter fees(b)(c)		(68)	(98)	
Credit Agreement amendment fees		(11)	(12)	
Fair value adjustment of acquired notes		14	1	
Original issue discounts(a)		(42)	(6)	(1)
Embedded derivatives		11	3	
Graham Packaging Notes tender offer fees		(5)		
Unamortized debt issue costs written off				(36)
Net change in fair values of derivatives		(20)		

Net foreign currency exchange loss	(55)	(103)	(134)
Other	(19)	(13)	(7)
Financial expenses	**(1,420)**	**(752)**	**(513)**
Net financial expenses	**(1,398)**	**(686)**	**(492)**

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

12. Financial income and expenses (continued)

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes as well as proceeds from the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance costs of $86 million and unamortized original issuance discount of $38 million related to the 2009 Credit Agreement were expensed during the period ended December 31, 2011.

(b) A debt commitment letter to fund the Graham Packaging Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $68 million of fees. The proceeds from the issuance of the August 2011 Notes and drawings under the August 2011 Credit Agreement were used to finance the Graham Packaging Acquisition (refer to note 33). As the commitments under the debt commitment letter were not utilized, the Group expensed $68 million of the fees during the period ended December 31, 2011.

(c) A debt commitment letter to fund the Pactiv Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $98 million of fees. The proceeds from the issuance of the October 2010 Notes and the additional borrowings under the 2009 Credit Agreement were used to finance the Pactiv acquisition. As the commitments under the debt commitment letter were not utilized, the Group expensed $98 million of fees during the period ended December 31, 2010.

Refer to note 25 for information on the Group s borrowings.

13. Income tax

	For the period ended December 31,		
	2011	**2010**	**2009**
		(In $ million)	
Current tax expense			
Current period	(152)	(120)	(116)
Adjustment for prior periods			(2)
	(152)	**(120)**	**(118)**
Deferred tax benefit (expense)			
Origination and reversal of temporary differences	189	36	(40)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	12
Adjustments for prior periods	(7)		1
	208	**42**	**(31)**

Income tax benefit (expense)	**56**	**(78)**	**(149)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

13. Income tax (continued)

13.1 Reconciliation of effective tax rate

	For the period ended December 31, 2011	2010	2009
	(In $ million)		
Reconciliation of effective tax rate			
Profit (loss) before income tax	**(473)**	**(19)**	**266**
Income tax using the New Zealand tax rate of 28% (2010 and 2009: 30%)	132	6	(80)
Effect of tax rates in foreign jurisdictions	47	(8)	29
Effect of tax rates in state and local tax	(1)	(5)	(13)
Non-deductible expenses and permanent differences	(95)	(32)	(4)
Tax exempt income and income at a reduced tax rate	9	10	6
Withholding tax	(28)	(10)	(3)
Controlled foreign corporation tax	2	(11)	(17)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	21
Unrecognized tax losses and temporary differences	(48)	(61)	(82)
Tax uncertainties	8		
Cellulosic biofuel credits		29	
Credits	4	2	
Other	3	(4)	(1)
Over (under) provided in prior periods	(3)		(1)
Total current period income tax (expense) benefit	**56**	**(78)**	**(149)**

14. Other comprehensive income

	For the period ended December 31, 2011 Pre-Tax	2011 Tax Effect	2010 Pre-Tax	2010 Tax Effect	2009 Pre-Tax	2009 Tax Effect
	(In $ million)					
Exchange difference on translating foreign operations	(22)		292		(29)	
Cash flow hedges					19	(7)
Total other comprehensive income	**(22)**		**292**		**(10)**	**(7)**

During the period ended December 31, 2010, the Group transferred $49 million of the exchange difference on translating foreign operations, which had been previously recognized in other comprehensive income to the profit or loss primarily as a result of the internal restructuring of legal entities within the SIG segment.

During the period ended December 31, 2009, the Group transferred $12 million of cash flow hedges which had been previously recognized in other comprehensive income to the profit or loss following the derivatives becoming ineffective hedges when the underlying borrowings were repaid.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

15. Cash and cash equivalents

	As of December 31, 2011	2010
	(In $ million)	
Cash at bank and on hand	445	592
Short-term deposits	152	72
Total cash and cash equivalents	**597**	**664**

16. Trade and other receivables

	As of December 31, 2011	2010
	(In $ million)	
Trade receivables	1,344	977
Provisions for doubtful debts	(25)	(22)
	1,319	**955**
Related party receivables (refer to note 30)	36	41
Other receivables	151	154
Total current trade and other receivables	**1,506**	**1,150**
Related party receivables (refer to note 30)	271	256
Other receivables	50	47
Total non-current receivables	**321**	**303**

16.1 Movement in provision for doubtful debts

	As of December 31, 2011	2010
	(In $ million)	
Balance at the beginning of the period	(22)	(22)

Doubtful debts charges recognized	(10)	(8)
Doubtful debts provision applied against trade receivable balance	1	6
Reversal of doubtful debts charges previously recognized	6	2
Balance at the end of the period	**(25)**	**(22)**

The doubtful debts charge recognized of $10 million for the period ended December 31, 2011 (2010: $8 million; 2009: $4 million) relates to increases required as a result of management s review of the trade receivable balances.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

16. Trade and other receivables (continued)

16.2 Balances net of provision for doubtful debts

	As of December 31, 2011	2010
	(In $ million)	
Current	1,211	842
Past due 0 to 30 days	81	91
Past due 31 days to 60 days	9	6
Past due 61 days to 90 days	5	2
More than 91 days	13	14
Balance at the end of the period	**1,319**	**955**

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

17. Assets and liabilities held for sale

	As of December 31, 2011	2010
	(In $ million)	
Assets		
Trade receivables	10	
Inventories	15	
Property, plant and equipment	44	18
Pension asset	1	
Total net assets held for sale	**70**	**18**
Liabilities		
Trade and other payables	14	
Other liabilities	6	
Liabilities directly associated with assets held for sale	**20**	

Net assets held for sale	**50**	**18**

During the period ended December 31, 2011, the Group decided to sell the Pactiv Foodservice laminating operations in Louisville, Kentucky and certain property, plant and equipment. The sale was completed on January 2012 (refer to note 38).

During the period ended December 31, 2010, the Group finalized the sale of the Downingtown facility and recorded an impairment charge of $7 million on the Richmond facility.

Efforts to dispose of the remaining net assets held for sale are currently progressing and are expected to be completed in the next twelve month period.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

18. Inventories

	As of December 31, 2011	2010
	(In $ million)	
Raw materials and consumables	556	379
Work in progress	229	167
Finished goods	898	646
Engineering and maintenance materials	159	146
Provision against inventory	(69)	(57)
Total inventory	**1,773**	**1,281**

During the period ended December 31, 2011, the raw materials elements of inventory recognized as a component of cost of sales totaled $5,750 million (2010: $3,053 million; 2009: $2,684 million). In addition, purchase price adjustments to inventory charged to cost of sales totaled $33 million for the period ended December 31, 2011 (2010: $64 million; 2009: none).

During the period ended December 31, 2011, there were no material write-downs of inventories to net realizable value (2010: $3 million; 2009: $10 million). There were no material reversals of write-downs during 2011 (2010: $2 million; 2009; none). The inventory write-downs and reversals are included in cost of sales.

The U.S. Internal Revenue Code provided a tax credit for companies that use alternative fuel mixtures to produce energy to operate their businesses. The credit, equal to $0.50 per gallon of alternative fuel contained in the mixture, was refundable to the taxpayer. During May 2009, the Group received notification that its application to be registered as an alternative fuel mixer at its Canton and Pine Bluff facilities (within the Evergreen segment) had been approved. For the year ended December 31, 2009, the Group filed claims for alternative fuel mixture credits covering eligible periods from January 2009 to December 2009, totaling approximately $235 million. As a result of these claims, the Group recognized during the period ended December 31, 2009 a reduction of $214 million in its cost of sales, being the claim value net of applicable expenses. In 2010, the Group filed for additional claims based on information released by the Internal Revenue Service in 2010 clarifying how the volume of alternative fuel mixture used in the production process that qualifies for the tax credit should be determined. As a result, the Group recognized during the period ended December 31, 2010 a reduction of $10 million in its cost of sales, being the claim value net of applicable expenses. The Group recognized no such credits in the period ended December 31, 2011.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

19. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress	Leased assets lessor	Financed leased assets	Total
				(In $ million)			
As of December 31, 2011							
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
As of December 31, 2010							
Cost	218	776	2,668	201	268	28	4,159
Accumulated depreciation		(83)	(686)		(114)	(2)	(885)
Accumulated impairment losses		(3)	(5)				(8)
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**
Carrying amount as of January 1, 2011	218	690	1,977	201	154	26	3,266
Acquisitions through business combinations (refer to note 33)	44	232	1,164	85			1,525
Additions		6	38	416	51		511
Capitalization of borrowing costs			2	2			4
Disposals	(1)	(9)	(6)		(2)		(18)
Depreciation for the period		(94)	(501)		(54)	(1)	(650)
Impairment losses	(2)	(5)	(1)				(8)
Transfers to intangible assets				(2)			(2)
Transfers to assets held for sale	(10)	(8)	(3)				(21)
Other transfers	(10)	39	303	(369)	33		(4)
Effect of movements in exchange rates	(2)	(10)	(48)	(3)	(4)	(1)	(68)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
	124	399	1,109	80	110	3	1,825

Carrying amount as of January 1, 2010							
Acquisitions through business combinations (refer to note 33)	83	328	944	64		24	1,443
Additions	10	1	47	223	71		352
Capitalization of borrowing costs				1			1
Disposals	(2)	(6)	(19)		(3)		(30)
Depreciation for the period		(30)	(240)		(46)	(1)	(317)
Impairment losses		(3)	(5)				(8)
Transfers to assets held for sale		12	(13)				(1)
Transfers to intangibles			(3)				(3)
Other transfers		(3)	154	(168)	17		
Effect of movements in exchange rates	3	(8)	3	1	5		4
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**

The depreciation charge of $650 million for the period ended December 31, 2011 (2010: $317 million; 2009: $331 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $625 million; 2010: $302 million; 2009: $318 million), selling, marketing and distribution expenses (2011: $4 million; 2010: $3 million; 2009: $4 million) and general and administration expenses (2011: $21 million; 2010: $12 million; 2009: $9 million).

During the period ended December 31, 2011, the Group incurred an impairment loss of $9 million (2010: $8 million; 2009: $5 million) related to closures of certain facilities. There were no reversals of impairment charges during the period ended December 31, 2011 (2010: none; 2009: none). The recognition and reversal of impairment charges is included in other expenses in the profit or loss component of the statements of comprehensive income.

Refer to note 34 for details of the leased assets lessor category of property, plant and equipment. Refer to note 25 for details of security granted over property, plant and equipment and other assets.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

20. Investment properties

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Cost	44	81
Accumulated depreciation	(9)	(7)
Accumulated impairment losses	(6)	(6)
Balance at the end of the period	**29**	**68**
Balance at the beginning of the period	68	76
Additions	4	4
Disposals	(43)	(16)
Depreciation	(1)	(2)
Transfer from property, plant and equipment	4	
Impairment (losses) reversals	(4)	1
Effect of movements in exchange rates	1	5
Balance at the end of the period	**29**	**68**
Fair value of investment properties	**29**	**68**

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

No contingent rents are charged.

The Group has no restrictions on the realizability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period ended December 31, 2011 totaled $3 million (2010: $3 million; 2009: $3 million).

There were no direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period ended December 31, 2011 (2010: none; 2009: none).

21. Current and deferred tax assets and liabilities

The current tax asset of $39 million (2010: $109 million) represents the amount of income taxes recoverable in respect of current and prior periods and that arise from the payment of tax in excess of the amounts due to the relevant tax authorities. The current tax liability of $164 million (2010: $146 million) represents the amount of income taxes payable in respect of current and prior periods.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

21.1 Unrecognized deferred tax assets

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Deductible/(taxable) temporary differences	31	20
Tax losses	231	284
Total unrecognized deferred tax assets	**262**	**304**

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

21.2 Unrecognized deferred tax liabilities

To the extent that dividends are expected to be remitted from overseas subsidiaries, joint ventures and associates, and would result in additional income taxes payable, appropriate amounts have been provided for in the statements of financial position. No deferred tax liabilities have been provided for unremitted earnings of the Group s overseas companies when these amounts are considered permanently reinvested in the businesses of these companies. As of December 31, 2011, the unrecognized deferred tax liabilities associated with unremitted earnings totaled approximately $12 million.

21.3 Movement in recognized deferred tax assets and liabilities

	Derivatives	Inventories	Property, plant and equipment	Investment property	Intangible assets	Employee benefits	Provisions	Tax loss carry-forwards	Interest	Tax credits	Unrecognized temporary differences	Unrealized foreign currency exchange	Other items	Net deferr tax asset (liabilit
	(In $ million)													
ance at the nning of period	2	(2)	(194)	(6)	(295)	51	27	104			(13)	7	6	(3
	(6)	27	(20)	6	56	7	(20)	(9)	9	16	(7)	(8)	(9)	

ognized in profit or													
uired in ness binations	(3)	(16)	(308)	(996)	311	27	42		18			86	(8
er luding ign hange and osals)	1		2										
ance as of ember 31, 0	**(6)**	**9**	**(520)**	**(1,235)**	**369**	**34**	**137**	**9**	**34**	**(20)**	**(1)**	**83**	**(1,1**
ognized in profit or	11	(5)	64	62	(10)	(11)	(71)	161	15	(3)	1	(6)	2
uired in ness binations		(2)	(165)	(925)	23	5	372		11	(9)		74	(6
er luding ign hange and osals)		(1)	1	9	(9)	(1)	1			1		2	
ance as of ember 31, 1	**5**	**1**	**(620)**	**(2,089)**	**373**	**27**	**439**	**170**	**60**	**(31)**		**153**	**(1,5**

F-92

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

	As of December 31, 2011	2010
	(In $ million)	
Included in the statement of financial position as:		
Deferred tax assets non-current	27	23
Deferred tax liabilities non-current	(1,539)	(1,130)
Total recognized net deferred tax liabilities	**(1,512)**	**(1,107)**

21.4 Movement in unrecognized deferred taxes

	Tax losses	Taxable temporary differences	Deductible temporary differences	Total unrecognized deferred tax asset
		(In $ million)		
Balance at the beginning of the period	230	1	13	244
Additions and reversals	56	(2)	7	61
Recognition	(6)			(6)
Acquired in business combinations	20			20
Other (including foreign exchange and disposals)	(16)	1		(15)
Balance as of December 31, 2010	**284**		**20**	**304**
Additions and reversals	44		4	48
Recognition	(17)	(1)		(18)
Acquired in business combinations	20		9	29
Other (including foreign exchange and disposals)	(100)	(5)	4	(101)
Balance as of December 31, 2011	**231**	**(6)**	**37**	**262**

22. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & Software	Other	Total
			(In $ million)			

As of December 31, 2011						
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
As of December 31, 2010						
Cost	4,630	1,803	2,147	535	288	9,403
Accumulated amortization		(12)	(280)	(219)	(129)	(640)
Accumulated impairment losses					(15)	(15)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

22. Intangible assets (continued)

	Goodwill	Trademarks	Customer relationships	Technology & Software	Other	Total
			(In $ million)			
Carrying amount as of January 1, 2011	4,630	1,791	1,867	316	144	8,748
Acquisitions through business combinations (refer to note 33)	1,735	256	1,651	547	8	4,197
Additions			5	8	5	18
Amortization for the period		(6)	(153)	(106)	(56)	(321)
Transfers from property, plant and equipment				2		2
Other transfers		(6)	(24)		30	
Other (refer to note 2.6)	(53)					(53)
Effect of movements in exchange rates	(26)	(1)	(35)	1	1	(60)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
Carrying amount as of January 1, 2010	1,730	654	635	184	76	3,279
Acquisitions through business combinations (refer to note 33)	2,931	1,114	1,323	189	93	5,650
Other additions			3	9	7	19
Amortization for the period		(5)	(88)	(59)	(33)	(185)
Impairment losses					(15)	(15)
Disposals				(1)		(1)
Transfers from property, plant and equipment				3		3
Other transfers				(15)	15	
Effect of movements in exchange rates	(31)	28	(6)	6	1	(2)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**

The amortization charge of $321 million for the period ended December 31, 2011 (2010: $185 million; 2009: $169 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $97 million; 2010: $83 million; 2009: $84 million) and general and administration expenses (2011: $224 million;

2010: $102 million; 2009: $85 million).

Refer to note 25 for details of security granted over the Group s intangible assets.

22.1 Impairment testing for indefinite life intangible assets

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

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

For the purposes of indefinite life intangible asset impairment testing, indefinite life intangible assets are tested at the segment or lower level group of CGUs that supports the indefinite life intangible assets.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

22. Intangible assets (continued)

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

	As of December 31,					
	2011			2010		
	Goodwill	Trademarks	Other	Goodwill	Trademarks	Other
	(In $ million)					
SIG Combibloc	807	297		881	298	
Evergreen	41	34		41	34	
Pactiv Foodservice	1,650	526	71			
Reynolds Consumer Products	1,845	850		394	301	
Closures	377			386		
Graham Packaging		250				
Unallocated	1,566			2,928	1,075	78
Total	**6,286**	**1,957**	**71**	**4,630**	**1,708**	**78**

As of the date of these financial statements, provisional goodwill and indefinite life intangible assets of $1,566 million and $250 million, respectively, acquired as a result of the Graham Packaging Acquisition are in the process of being reviewed (refer to note 33) . This process will be completed prior to September 8, 2012. Integration of the Graham Packaging business within the Group is expected to result in synergies within other segments of the Group. Therefore, part of the goodwill from the Graham Packaging Acquisition could be allocated to other segments within the Group. As this process has not yet been finalized, the provisional goodwill related to the Graham Packaging Acquisition is disclosed in the table above as unallocated as of December 31, 2011.

The impairment testing for allocated goodwill and indefinite life identifiable intangible assets was performed by comparing the estimated fair value less cost to sell to the segment s or group of CGUs carrying value of net assets, as applicable.

The estimated fair value has been determined using forecasted 2012 Adjusted EBITDA expected to be generated by the relevant segment or group of CGUs multiplied by an earnings capitalization rate (earnings multiple). The values assigned to key assumptions represent management s assessment of future trends in the segment s industry and are based on both external and internal sources. The forecasted 2012 Adjusted EBITDA has been prepared by segment management using certain key assumptions including selling prices, sales volumes and costs of raw materials. The Forecast 2012 Adjusted EBITDA is subject to review by the Group s CODM. Earnings multiples reflect recent sale and purchase transactions and comparable company EBITDA trading multiples in the same industry. The earnings multiples applied for December 31, 2011 ranged between 7.5x and 8.5x. Costs to sell were estimated to be 2% of the fair value of each segment or group of CGUs.

As of December 31, 2011, there was no impairment in respect of any allocated goodwill or indefinite life identifiable intangible assets (2010: none; 2009: none). If the forecasted 2012 Adjusted EBITDA or the earnings multiples used in calculating fair value less costs to sell had been 10% lower than those used as of December 31, 2011, no impairment would need to be recognized.

The Group did not perform a formal impairment test with respect to the indefinite life identifiable intangible assets and unallocated goodwill arising from the Graham Packaging Acquisition due to the proximity of the acquisition date to the statement of financial position date. However, the Group has performed procedures to determine whether there were triggering events that would indicate the unallocated

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

22. Intangible assets (continued)

goodwill and indefinite life identifiable intangible assets were impaired. In undertaking these procedures, the Group considered whether qualitative and quantitative factors indicated that an impairment triggering event had occurred. These factors included consideration of the forecasted 2012 Graham Packaging operation s EBITDA, expected future cost savings and general economic conditions compared to similar factors assessed as part of the Graham Packaging Acquisition. The assessments concluded that no impairment triggers existed and, as a result, no impairment existed with respect to the unallocated goodwill and indefinite life identifiable intangible assets as of December 31, 2011.

23. Investments in associates and joint venture equity accounted

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

	Country of Incorporation	Interest held	Reporting date	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Expenses	Profit after tax
				(In $ million)								
011												
IG ombibloc beikan ompany imited	Kingdom of Saudi Arabia	50.0%	December 31	69	32	101	(42)	(10)	(52)	114	(98)	16
IG ombibloc beikan ZCO	United Arab Emirates	50.0%	December 31	82	27	109	(60)	(2)	(62)	176	(161)	15
ucart vergreen ackaging td Ducart)	Israel	50.0%	December 31	12	2	14	(5)	(1)	(6)	21	(19)	2
anawi vergreen ackaging ompany imited Banawi)	Kingdom of Saudi Arabia	50.0%	December 31	5	7	12	(3)		(3)	12	(10)	2
clipse losures, LC	USA	49.0%	December 31				(1)		(1)		(1)	(1

raham low Pack rivate imited GBPPL)	India	22.0%	September 30	3	5	8	(2)	(3)	(5)			
				171	**73**	**244**	**(113)**	**(16)**	**(129)**	**323**	**(289)**	**34**
010												
IG ombibloc beikan ompany imited	Kingdom of Saudi Arabia	50.0%	December 31	65	30	95	(51)	(10)	(61)	90	(74)	16
IG ombibloc beikan ZCO	United Arab Emirates	50.0%	December 31	76	38	114	(64)	(4)	(68)	161	(145)	16
ucart vergreen ackaging td Ducart)	Israel	50.0%	December 31	13	2	15	(5)	(1)	(6)	19	(17)	2
anawi vergreen ackaging ompany imited Banawi)	Kingdom of Saudi Arabia	50.0%	December 31	6	6	12	(3)		(3)	13	(11)	2
				160	**76**	**236**	**(123)**	**(15)**	**(138)**	**283**	**(247)**	**36**

For the purpose of applying the equity method of accounting, the financial statements of the Ducart and Banawi operations for the periods ended November 30, 2011 and 2010 have been used with appropriate adjustments being made for the effects of significant transactions and the Group s share of results between these dates and December 31, 2011 and 2010, respectively. No adjustment was made with respect to PPPL for purposes of applying the equity method of accounting as there were no significant events or transactions that occurred between September 30, 2011 and December 31, 2011.

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

23. Investments in associates and joint venture equity accounted (continued)

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

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

The Eclipse Closures, LLC joint venture has an annual mandatory tax distribution on or before March 31 of each year to distribute cash to members according to their respective percentage of shares. The distribution is equal to the prior year s profit and highest combined federal and state income taxes at rates payable by any member. However, due to losses incurred, no mandatory tax distribution is due on March 31, 2012.

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

	As of December 31,	
	2011	2010
	(In $ million)	
Balance at the beginning of the period	110	104
Share of profit, net of income tax	17	18
Acquisition through business combination	2	
Disposal, decrease or dilution in investment in associates		(3)
Dividends received	(8)	(4)
Effect of movement in exchange rates	(2)	(5)
Balance at the end of the period	**119**	**110**
Amount of goodwill in carrying value of associates and joint ventures (equity method)	**52**	**56**

24. Trade and other payables

	As of December 31,	
	2011	2010
	(In $ million)	
Trade payables	847	712
Related party payables (refer to note 30)	58	24
Other payables and accrued expenses	886	519
Total trade and other payables	**1,791**	**1,255**

Current	1,758	1,246
Non-current	33	9
Total trade and other payables	**1,791**	**1,255**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings

	Note	As of December 31, 2011	2010
		(In $ million)	
August 2011 Credit Agreement(a)(u)		247	
2009 Credit Agreement(b)(v)			136
Pactiv 2012 Notes(m)(ac)		253	
Current portion of non-interest bearing related party borrowings	30	1	1
Other borrowings(ae)		20	4
Current borrowings		**521**	**141**
August 2011 Credit Agreement(a)(u)		4,243	
2009 Credit Agreement(b)(v)			3,890
August 2011 Senior Secured Notes(c)(w)		1,468	
August 2011 Senior Notes(d)(w)		972	
February 2011 Senior Secured Notes(e)(x)		999	
February 2011 Senior Notes(f)(x)		993	
October 2010 Senior Secured Notes(g)(y)		1,473	1,470
October 2010 Senior Notes(h)(y)		1,466	1,464
May 2010 Notes(i)(z)		980	978
2009 Notes(j)(aa)		1,642	1,648
2007 Senior Notes(k)(ab)		606	621
2007 Senior Subordinated Notes(l)(ab)		530	542
Pactiv 2012 Notes(m)(ac)			261
Pactiv 2017 Notes(n)(ac)		314	316
Pactiv 2018 Notes(o)(ac)		17	17
Pactiv 2025 Notes(p)(ac)		269	269
Pactiv 2027 Notes(q)(ac)		197	197
Graham Packaging 2014 Notes(r)(ad)		367	
Graham Packaging 2017 Notes(s)(ad)		14	
Graham Packaging 2018 Notes(t)(ad)		19	
Related party borrowings	30	23	
Other borrowings(ae)		33	28
Non-current borrowings		**16,625**	**11,701**
Total borrowings		**17,146**	**11,842**

As of December 31,

	2011	2010
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,574	
Transaction costs	(65)	
Original issue discount	(19)	
Carrying amount	**4,490**	
(b) 2009 Credit Agreement (current and non-current)		4,150
Transaction costs		(86)
Original issue discount		(38)
Carrying amount		**4,026**
(c) August 2011 Senior Secured Notes	1,500	
Transaction costs	(33)	
Original issue discount	(11)	
Embedded derivative	12	
Carrying amount	**1,468**	

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31,	
	2011	**2010**
	(In $ million)	
(d) August 2011 Senior Notes	1,000	
Transaction costs	(27)	
Original issue discount	(7)	
Embedded derivative	6	
Carrying amount	**972**	
(e) February 2011 Senior Secured Notes	1,000	
Transaction costs	(15)	
Embedded derivative	14	
Carrying amount	**999**	
(f) February 2011 Senior Notes	1,000	
Transaction costs	(17)	
Embedded derivative	10	
Carrying amount	**993**	
(g) October 2010 Senior Secured Notes	1,500	1,500
Transaction costs	(35)	(39)
Embedded derivative	8	9
Carrying amount	**1,473**	**1,470**
(h) October 2010 Senior Notes	1,500	1,500
Transaction costs	(43)	(46)
Embedded derivative	9	10
Carrying amount	**1,466**	**1,464**
(i) May 2010 Notes	1,000	1,000
Transaction costs	(28)	(31)
Embedded derivative	8	9
Carrying amount	**980**	**978**
(j) 2009 Notes	1,707	1,723

Transaction costs	(59)	(69)
Original issue discount	(17)	(19)
Embedded derivative	11	13
Carrying amount	**1,642**	**1,648**
(k) 2007 Senior Notes	621	638
Transaction costs	(15)	(17)
Carrying amount	**606**	**621**
(l) 2007 Senior Subordinated Notes	544	558
Transaction costs	(14)	(16)
Carrying amount	**530**	**542**
(m) Pactiv 2012 Notes	249	249
Fair value adjustment at acquisition	4	12
Carrying amount	**253**	**261**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	16
Carrying amount	**314**	**316**
(o) Pactiv 2018 Notes	16	16

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**
(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**
(q) Pactiv 2027 Notes	200	200
Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes	355	
Fair value adjustment at acquisition	5	
Embedded derivative	7	
Carrying amount	**367**	
(s) Graham Packaging 2017 Notes	14	
Carrying amount	**14**	
(t) Graham Packaging 2018 Notes	19	
Carrying amount	**19**	

(u) August 2011 Credit Agreement

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

Applicable interest

	Maturity date	Original facility value	Value drawn or utilized at December 31, 2011 (In million)	rate for the period ended December 31, 2011
Term Tranches				
Tranche B Term Loan ($)(1)	February 9, 2018	2,325	2,283	4.250% - 6.500%
Tranche C Term Loan ($)	August 9, 2018	2,000	1,974	6.500%
European Term Loan ( )	February 9, 2018	250	246	5.000% - 6.750%
Revolving Tranches(2)				
Revolving Tranche ($)	November 5, 2014	120	85	
Revolving Tranche ( )	November 5, 2014	80	17	

(1) In connection with the August 2011 Credit Agreement, the U.S. Term Loans under the February 2011 Credit Agreement were redesignated as Tranche B Term Loans .

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

On September 8, 2011, $2,000 million of incremental term loans were drawn under the August 2011 Credit Agreement. These proceeds, together with the proceeds of the August 2011 Notes (as defined below) and available cash of the Group, were used to finance the Graham Packaging Acquisition (refer to note 33) and to pay related fees and expenses.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

The Company and certain members of the Group have guaranteed on a senior basis the obligations under the August 2011 Credit Agreement and related documents to the extent permitted by law. Certain guarantors have granted security over certain of their assets to support the obligations under the August 2011 Credit Agreement. This security is expected to be shared on a first priority basis with the note holders under the 2009 Notes, the October 2010 Senior Secured Notes, the February 2011 Senior Secured Notes and the August 2011 Senior Secured Notes (each as defined below and together the Secured Notes). Graham Packaging Holdings Company and its subsidiaries (the Graham Group) have not guaranteed the August 2011 Credit Agreement or granted security to support the obligations under the August 2011 Credit Agreement.

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. Additional principal amortization payments of $50 million per quarter will be payable for so long as certain members of the Graham Group do not guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. The Group also has a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of the Group and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of the Group, in each case calculated in accordance with the August 2011 Credit Agreement (which excludes the assets and EBITDA of the Graham Group) and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of December 31, 2011, the Group was in compliance with all of its covenants.

(v) February 2011 Credit Agreement and 2009 Credit Agreement

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

(w) August 2011 Notes

On August 9, 2011, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together the Reynolds Issuers) issued $1,500 million principal amount of 7.875% senior secured notes due 2019 (the August 2011 Senior Secured Notes) and $1,000 million principal amount of 9.875% senior notes due 2019 (the August 2011 Senior Notes and, together with the August 2011 Senior Secured Notes, the August 2011 Notes). Interest on the August 2011 Notes is paid semi-annually on February 15 and August 15.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

(x) February 2011 Notes

On February 1, 2011, the Reynolds Issuers issued $1,000 million principal amount of 6.875% senior secured notes due 2021 (the February 2011 Senior Secured Notes) and $1,000 million principal amount of 8.250% senior notes due 2021 (the February 2011 Senior Notes and, together with the February 2011 Senior Secured Notes, the February 2011 Notes). Interest on the February 2011 Notes is paid semi-annually on February 15 and August 15.

(y) October 2010 Notes

On October 15, 2010, the Reynolds Issuers issued $1,500 million principal amount of 7.125% senior secured notes due 2019 (the October 2010 Senior Secured Notes) and $1,500 million principal amount of 9.000% senior notes due 2019 (the October 2010 Senior Notes and, together with the October 2010 Senior Secured Notes, the October 2010 Notes). Interest on the October 2010 Notes is paid semi-annually on April 15 and October 15.

(z) May 2010 Notes

On May 4, 2010, the Reynolds Issuers issued $1,000 million principal amount of 8.500% senior notes due 2018 (the May 2010 Notes). Interest on the May 2010 Notes is paid semi-annually on May 15 and November 15.

(aa) 2009 Notes

On November 5, 2009, the Reynolds Issuers issued $1,125 million principal amount of 7.750% senior secured notes due 2016 and 450 million principal amount of 7.750% senior secured notes due 2016 (collectively, the 2009 Notes). Interest on the 2009 Notes is paid semi-annually on April 15 and October 15.

Assets Pledged as Security for Loans and Borrowings

The shares in Beverage Packaging Holdings (Luxembourg) I S.A. (BP I) (a wholly owned subsidiary of the Company) have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, BP I and certain subsidiaries of BP I have pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Terms Governing the Notes

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

Certain Guarantee and Security Arrangements

All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the Notes to the extent permitted by law.

Certain guarantors have granted security over certain of their assets to support the obligations under the Secured Notes. This security is expected to be shared on a first priority basis with the creditors under the August 2011 Credit Agreement.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

Notes Indentures Restrictions

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

Early Redemption Option and Change in Control Provisions

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

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

U.S. Securities and Exchange Commission Registration Rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the 2009 Notes commenced on November 5, 2010 and ended on November 5, 2011. Additional interest on the May 2010 Notes commenced on May 4, 2011 and ends on May 4, 2012. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. For the period ended December 31, 2011, the Group expensed additional interest of $10 million, $3 million, and $2 million related to the 2009 Notes, May 2010 Notes and October 2010 Notes, respectively. As of December 31, 2011, the accrued additional interest related to these series of notes was $3 million.

(ab) 2007 Notes

On June 29, 2007, Beverage Packaging Holdings (Luxembourg) II S.A (BP II) (a wholly owned subsidiary of the Company) issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15.

The 2007 Senior Notes are secured on a second-priority basis and the 2007 Senior Subordinated Notes are secured on a third-priority basis, by all of the equity interests of BP I held by the Company and the receivables under a loan of the proceeds of the 2007 Notes made by BP II to BP I. All of the guarantors of the

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

August 2011 Credit Agreement have guaranteed the obligations under the 2007 Notes to the extent permitted by law.

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

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

(ac) Pactiv Notes

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

$249 million in principal amount of 5.875% Notes due 2012 which were issued by Pactiv (as defined in note 33) (the Pactiv 2012 Notes);

$300 million in principal amount of 8.125% Debentures due 2017 which were issued by Pactiv (the Pactiv 2017 Notes);

$16 million in principal amount of 6.400% Notes due 2018 which were issued by Pactiv (the Pactiv 2018 Notes);

$276 million in principal amount of 7.950% Debentures due 2025 which were issued by Pactiv (the Pactiv 2025 Notes); and

$200 million in principal amount of 8.375% Debentures due 2027 which were issued by Pactiv (the Pactiv 2027 Notes),

(together, the Pactiv Notes).

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

on the Pactiv 2012 Notes and the Pactiv 2018 Notes, January 15 and July 15;

on the Pactiv 2017 Notes and the Pactiv 2025 Notes, June 15 and December 15; and

on the Pactiv 2027 Notes, April 15 and October 15.

The Pactiv Notes are not guaranteed by any member of the Group and are unsecured.

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

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

Refer to note 38 for further information regarding the repayment of the Pactiv 2012 Notes subsequent to December 31, 2011.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ad) Graham Packaging Notes

As of December 31, 2011, the Group had outstanding:

$355 million in principal amount of 9.875% senior subordinated notes due 2014, which were issued by Graham Packaging Company L.P. and GPC Capital Corp. I (the Graham Issuers) (the Graham Packaging 2014 Notes);

$14 million in principal amount of 8.250% senior notes due 2017, which were issued by the Graham Issuers (the Graham Packaging 2017 Notes); and

$19 million in principal amount of 8.250% senior notes due 2018, which were issued by the Graham Issuers (the Graham Packaging 2018 Notes),

(together, the Graham Packaging Notes).

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

on the Graham Packaging 2014 Notes, April 15 and October 15;

on the Graham Packaging 2017 Notes, January 1 and July 1; and

on the Graham Packaging 2018 Notes, April 1 and October 1.

The Graham Packaging Notes are guaranteed by certain members of the Graham Group and are unsecured.

The respective indentures governing the Graham Packaging Notes all contain customary covenants which restrict the Graham Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets, making restricted payments and entering into certain transactions with affiliates (which would include transactions with members of the Group that are not members of the Graham Group), in each case except as permitted under the respective indentures governing the Graham Packaging Notes.

The Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption plus a premium. The Graham Packaging 2014 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to (i) from October 15, 2011 through October 14, 2012, 101.646% of the outstanding principal of amount thereof; and (ii) thereafter, 100% of the outstanding principal amount thereof; plus, in each case, any accrued and unpaid interest to the date of redemption.

On the date of the Graham Packaging Acquisition, the Group acquired principal amounts of $253 million and $250 million of the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes, respectively. Following the closing of the Graham Packaging Acquisition, the Graham Issuers launched a change of control offer on

September 16, 2011 (the Change of Control Offer) to re-purchase for cash any or all of the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes pursuant to the respective indentures governing such notes. On October 20, 2011 principal amounts of $239 million of the Graham Packaging 2017 Notes and $231 million of the Graham Packaging 2018 Notes were re-purchased pursuant to the Change of Control Offer. The Group paid a total of $482 million for the payment of principal, accrued interest and the change of control premium for the above notes tendered in the Change of Control Offer.

Refer to note 38 for further information regarding the repayment of the Graham Packaging Notes subsequent to December 31, 2011.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ae) Other borrowings

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

As of December 31, 2011, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of December 31, 2011, the secured facilities were utilized in the amount of $25 million (2010: $4 million) in the form of letters of credit and bank guarantees.

Other borrowings as of December 31, 2011, also included finance lease obligations of $28 million (2010: $28 million).

Term and debt repayment schedule

					As of December 31,			
	Currency	2011 Nominal Interest Rate	2010 Interest rate	Year of maturity	2011 Face value	2011 Carrying amount	2010 Face value	2010 Carrying amount
					(In $ million)			
August 2011 Credit Agreement:								
Tranche B Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	2,283	2,268		
Tranche C Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	1,974	1,906		
European Term Loan		EURIBOR with a floor of 1.500% + 5.250%		2018	317	316		
2009 Credit Agreement:								
Tranche A	$	LIBOR with a floor of 1.750% + 4.500%	6.250%	Repaid			500	485

Tranche B	$	LIBOR with a floor of 2.000% + 4.750%	6.750%	Repaid			1,016	980
Tranche C	$	LIBOR with a floor of 1.500% + 4.750%	6.250%	Repaid			790	767
Tranche D	$	LIBOR with a floor of 1.750% + 4.750%	6.500%	Repaid			1,520	1,474
European Term Loan		EURIBOR with a floor of 2.000% + 4.750%	6.750%	Repaid			324	320
August 2011 Senior Secured Notes	$	7.875%		2019	1,500	1,468		
August 2011 Senior Notes	$	9.875%		2019	1,000	972		
February 2011 Senior Secured Notes	$	6.875%		2021	1,000	999		
February 2011 Senior Notes	$	8.250%		2021	1,000	993		
October 2010 Senior Secured Notes	$	7.125%	7.125%	2019	1,500	1,473	1,500	1,470
October 2010 Senior Notes	$	9.000%	9.000%	2019	1,500	1,466	1,500	1,464
May 2010 Notes	$	8.500%	8.500%	2018	1,000	980	1,000	978
2009 Notes		7.750%	7.750%	2016	582	571	598	585
2009 Notes	$	7.750%	7.750%	2016	1,125	1,071	1,125	1,063
2007 Senior Notes		8.000%	8.000%	2016	621	606	638	621
2007 Senior Subordinated Notes		9.500%	9.500%	2017	544	530	558	542
Pactiv 2012 Notes	$	5.875%	5.875%	2012	249	253	249	261
Pactiv 2017 Notes	$	8.125%	8.125%	2017	300	314	300	316

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

25. Borrowings (continued)

	Currency	2011 Nominal Interest Rate	2010 Interest rate	Year of maturity	As of December 31, 2011 Face value	2011 Carrying amount	2010 Face value	2010 Carrying amount
					(In $ million)			
Pactiv 2018 Notes	$	6.400%	6.400%	2018	16	17	16	17
Pactiv 2025 Notes	$	7.950%	7.950%	2025	276	269	276	269
Pactiv 2027 Notes	$	8.375%	8.375%	2027	200	197	200	197
Graham Packaging 2014 Notes	$	9.875%		2014	355	367		
Graham Packaging 2017 Notes	$	8.250%		2017	14	14		
Graham Packaging 2018 Notes	$	8.250%		2018	19	19		
Related party borrowings	NZ$			n/a	1	1	1	1
Related party borrowings		EURIBOR with a floor of 2.000% + 4.875%		n/a	23	23		
Finance lease liabilities	Various	Various	Various	Various	28	28	28	28
Other borrowings	Various	Various	Various	Various	25	25	4	4
					17,452	**17,146**	**12,143**	**11,842**

Finance lease liabilities

Finance lease liabilities are payable as follows:

	As of December 31, 2011 Minimum lease payments	2011 Interest	2011 Principal	2010 Minimum lease payments	2010 Interest	2010 Principal
	(In $ million)					

Less than one year	3	1	2	5	2	3
Between one and five years	11	6	5	13	6	7
More than five years	27	6	21	26	8	18
Total finance lease liabilities	**41**	**13**	**28**	**44**	**16**	**28**

26. Employee Benefits

	As of December 31,	
	2011	2010
	(In $ million)	
Salary and wages accrued	128	134
Provision for annual leave	64	32
Provision for employee benefits	8	5
Provision for long service leave	15	5
Provision for sick leave	6	5
Defined contribution obligations	34	31
Defined benefit obligations:		
Pension benefits	766	785
Post-employment medical benefits	140	169
Total employee benefits	**1,161**	**1,166**
Current	227	195
Non-current	934	971

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

	As of December 31, 2011	2010
	(In $ million)	
Total employee benefits	**1,161**	**1,166**

26.1 Pension benefits

The Group makes contributions to defined benefit pension plans which define the level of pension benefit an employee will receive on retirement. The Group operates defined benefit pension plans in Austria, Canada, Germany, Japan, Switzerland, Taiwan, United Kingdom, Mexico and the United States. The Group s most significant plan as of December 31, 2011 is the Pactiv Retirement Plan, which comprises 80% (2010: 85%), of the Group s present value of obligations. The plan was assumed as part of the Pactiv Acquisition.

	As of December 31, 2011	2010
	(In $ million)	
Present value of unfunded obligations	157	228
Present value of funded obligations	5,276	4,708
Unrecognized actuarial gains (losses)	(484)	129
Total present value of obligations	**4,949**	**5,065**
Fair value of plan assets	(4,261)	(4,433)
Asset capping according to IAS 19, paragraph 58		135
Total pension benefits	**688**	**767**
Included in the statement of financial position as:		
Employee benefits liabilities	766	785
Assets held for sale	(1)	
Other non-current assets and non-current receivables	(77)	(18)
Total pension benefits	**688**	**767**

Movement in the defined benefit obligation

As of December 31,

	2011	2010
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	4,936	718
Defined benefit obligations assumed in business combinations	241	4,267
Current service cost	29	14
Past service cost		11
Interest cost	245	55
Contributions by plan participants	2	2
Benefits paid by the plan	(341)	(92)
Curtailments(a)	3	
Settlements(b)		(39)
Actuarial (gains) losses on plan liabilities	349	(40)
Changes in actuarial assumptions		1

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

	As of December 31, 2011	2010
	(In $ million)	
Reclassifications from employee benefits		(2)
Defined benefit obligations related to disposals of businesses(a)	(18)	
Effect of movements in exchange rates	(13)	41
Liability for defined benefit obligations at the end of the period	**5,433**	**4,936**

(a) During 2011, certain personnel participating under the SIG pension and welfare fund of SIG Schweizerische Industrie Gesellschaft AG were terminated without further plan benefits through a management buy-out which resulted in a curtailment loss of $3 million.

On September 1, 2011, the Group announced to participants in the Pactiv Retirement Plan that the plan was being frozen and that no future benefits would be earned effective January 1, 2012. There was no curtailment impact on comprehensive income as a result of freezing the plan and no effect on the plan s defined benefit obligation.

(b) Plan settlements were triggered from the change in control payments made as a result of the Pactiv Acquisition in November 2010 (refer to note 33). Certain settlements made in the period ended December 31, 2010, were not funded by plan assets.

Of the above liability for the defined benefit obligation, the liability related to the Pactiv Retirement Plan was $4,254 million as of December 31, 2011 (2010: $4,086 million).

Expense recognized in the statements of comprehensive income

	For the period ended December 31, 2011	2010	2009
		(In $ million)	
Current service cost	29	14	14
Past service cost		11	10
Interest cost	245	55	29
Expected return on plan assets	(312)	(67)	(29)
Curtailments	3		(3)
Asset capping according to IAS 19, paragraph 58		(37)	49
Changes in actuarial assumptions			1

Actuarial (gains) losses	10	34	(45)
Total plan net (income) expense	**(25)**	**10**	**26**

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

	For the period ended December 31,		
	2011	**2010**	**2009**
		(In $ million)	
Cost of sales	22	13	18
General and administration expenses	(47)	(3)	8
Total plan (income) expense	**(25)**	**10**	**26**

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

During the period ended December 31, 2011, the net plan income of the Pactiv Retirement Plan was $49 million (2010: $5 million net plan expense for the period from November 16, 2010 to December 31, 2010).

Movement in plan assets

	As of December 31,	
	2011	2010
	(In $ million)	
Fair value of the plan assets at the beginning of the period	4,433	736
Plan assets assumed in business combinations	123	3,546
Contributions by the Group	27	67
Contributions by plan participants	2	2
Benefits paid by the plans	(341)	(92)
Expected return on plan assets	312	67
Actuarial gains (losses) on plan assets	(277)	81
Settlements		(39)
Plan assets related to disposals of businesses	(18)	
Effects of movements in exchange rates		63
Transfer of assets to the plan		2
Fair value of plan assets at the end of the period	**4,261**	**4,433**

The above plan assets as of December 31, 2011 and 2010 include the Pactiv Retirement Plan assets of $3,362 million and $3,622 million, respectively. In addition to the above plan assets, the Group is required to hold assets as collateral against certain unfunded defined benefit obligations assumed as part of the Pactiv Acquisition. As of December 31, 2011 and 2010, $27 million and $28 million in cash, respectively, included in other non-current assets in the statements of financial position, was held as collateral against these obligations.

Plan assets consist of the following:

	As of December 31,	
	2011	2010
	(In $ million)	
Equity instruments	2,620	2,858
Debt instruments	1,270	1,304
Property	214	207
Other	157	64

Total plan assets	**4,261**	**4,433**
Actual return on plan assets	**35**	**148**

The actual return on plan assets includes the actual return on plan assets of the Pactiv Retirement Plan of $21 million for the period ended December 31, 2011 and $125 million for the period from November 16, 2010 to December 31, 2010.

The Group expects to contribute $36 million to the pension plans during the annual period beginning after the reporting date.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Actuarial assumptions all plans

	For the period ended December 31,		
	2011	2010	2009
Discount rates at December 31	1.8% - 8.25%	1.8% - 6.0%	2.0% - 6.1%
Expected returns on plan assets at January 1	2.0% - 9.0%	1.5% - 8.0%	0.0% - 8.0%
Future salary increases	0.0% - 5.0%	0.0% - 4.0%	1.8% - 4.0%
Future pension increases	0.0% - 4.0%	0.0% - 2.0%	0.0% - 2.0%

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

The actuarial assumptions on the Group s most significant defined benefit pension plan for the period ended December 31, 2011 and 2010, being the Pactiv Retirement Plan, are as follows:

	For the period ended December 31,	
	2011	2010
Discount rates at December 31	4.8%	5.2%
Expected returns on plan assets at January 1	7.8%	7.8%
Future salary increases	%	4.0%
Future pension increases	%	2.7%

The actuarial assumptions on the Group s most significant defined benefit pension plan prior to the Pactiv Acquisition in November 2010, being the SIG Combibloc Group AG plan, are as follows:

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

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Historical information

	For the period ended December 31, 2011	2010	2009	2008	2007
	(In $ million)				
Liability for the defined benefit obligations	(5,433)	(4,936)	(718)	(694)	(621)
Fair value of plan assets	4,261	4,433	736	665	674
Plan (deficit) surplus	**(1,172)**	**(503)**	**18**	**(29)**	**53**
Experience adjustments arising on plan liabilities	(99)	(3)	(4)	1	
Experience adjustments arising on plan assets	(277)	14	(46)	9	

The assumed discount rates have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in assumed discount rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	7	(5)
Effect on the defined benefit obligation	(274)	267

The expected rates of return on plan assets have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in expected rates of return on plan assets would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	22	(22)
Effect on the defined benefit obligation		

26.2 Post-employment medical benefits

The Group operates post-employment medical benefit plans mainly in the United States. The liability for the post-employment medical benefits has been assessed using the same assumptions as for the pension benefits, together with the assumption of a weighted average healthcare cost trend rate of 8.0% in 2011 (2010: 7.9% and 2009: 8.0%).

The main actuarial assumption is the published mortality rates within the RP2000 combined mortality rate table for 2011 and 2010.

	As of December 31,	
	2011	**2010**
	(In $ million)	
Present value of unfunded obligations	147	158
Unrecognized actuarial gains (losses)	(7)	3
Unrecognized past service costs	5	8
Total present value of obligations	145	169
Fair value of plan assets		
Total post-employment medical benefits	**145**	**169**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

The Group expects to contribute $9 million to the post-employment medical benefit plans during the annual period ending December 31, 2012.

Movement in the defined benefit obligation

	For the period ended December 31,	
	2011	**2010**
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	158	87
Defined benefit obligations assumed in a business combination	1	71
Current service cost	3	2
Interest cost	8	5
Past service cost(b)	(7)	
Contributions by plan participants	4	1
Benefits paid by the plan	(12)	(3)
Plan amendments(a)		(1)
Curtailments(b)	(17)	
Actuarial (gains) losses recognized	9	(4)
Liability for defined benefit obligations at the end of the period	**147**	**158**

(a) During 2010, the Evergreen segment replaced post-65 AARP coverage with an HRA which resulted in a plan amendment credit of $1 million.

(b) On August 8, 2011, the Group terminated Pactiv retiree medical coverage, except for those who retired prior to 2003, which resulted in a curtailment gain of $17 million. The Group also capped the retiree life insurance benefit associated with the retiree medical plan. These actions resulted in a reduction of $7 million in past service costs during the period ended December 31, 2011.

Expense recognized in the statements of comprehensive income

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Current service cost	3	2	3

Interest cost	8	5	5
Past service cost	(10)	(2)	(2)
Curtailments	(17)		5
Actuarial losses recognized			1
Plan amendments		(1)	
Total (income) expense recognized in the statement of comprehensive income	**(16)**	**4**	**12**

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

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

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Cost of sales	5	4	7
General and administration expenses	(21)		5
Total plan (income) expense	**(16)**	**4**	**12**

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

	Increase	**Decrease**
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	4	(3)

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

	Increase	**Decrease**
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	(8)	9

Historical information

	For the period ended December 31,				
	2011	**2010**	**2009**	**2008**	**2007**
	(In $ million)				
Present value of the defined benefit obligation	147	158	87	86	25

Experience adjustments arising on plan liabilities	3	5	(1)

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

27. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Balance as of December 31, 2010	41	12	17	35	55	160
Acquisitions through business combinations	12	4	1	12	20	49
Provisions made	2	8	90	18	18	136
Provisions used	(9)	(13)	(69)	(15)	(9)	(115)
Provisions reversed	(5)	(2)	(2)		(1)	(10)
Transfers to other liabilities	(3)	2	(1)		9	7
Effect of movements in exchange rates	(1)				(1)	(2)
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Total Provisions as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	16	12	17	17	12	74
Non-current	25			18	43	86
Total Provisions as of December 31, 2010	**41**	**12**	**17**	**35**	**55**	**160**

Legal

The Group is subject to litigation in the ordinary course of operations. Provisions for legal claims are recognized when estimated costs associated with settling current legal proceedings are considered probable. Provisions may include estimated legal and other fees associated with settling these claims. While it is not possible to predict the outcome of any of these matters, based on management s assessment of the facts and circumstances now known, management does not believe any of these matters, individually or in the aggregate, will have a material effect on the Group s financial position, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on the Group s financial position, results of operations or cash flows in a particular future period.

Warranty

A provision for warranty is recognized for all products under warranty as of the reporting date based on sales volumes and past experience of the level of problems reported and product returns.

Restructuring

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

Workers compensation

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

27. Provisions (continued)

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

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

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

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

Other provisions

The main components of other provisions are lease provisions and contingent liabilities recognized in acquisitions, environmental remediation, asset retirement obligations, brokerage provisions for customs duties, and rent contracts related to investment properties. Other provisions as of December 31, 2011 included $26 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition and the Dopaco Acquisition, $17 million related to asset retirement obligations, which were acquired in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $10 million related to environmental remediation programs. Other provisions as of December 31, 2010 included $29 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition, $5 million related to a contingent tax liability acquired in the Pactiv Acquisition and $9 million related to environmental remediation programs.

28. Equity

28.1 Share capital

The reported share capital balance as of December 31, 2011 is that of the Company, which is the sole parent of the Group.

In accordance with the Group s accounting policy in respect of common control transactions (refer to note 3.1(d)), financial information presented in these financial statements has been recast to include the balances of the combined entities as though the common control transactions occurred on the date that the common control originally commenced rather than the date that the common control transactions actually occurred. As a result, the reported share capital balance as of January 1, 2010, is that of the Company, EPI, Evergreen Packaging International B.V. (EPIBV), Reynolds Packaging Inc. (RPI) (now named Reynolds Packaging Holdings LLC), and Reynolds Packaging International B.V. (RPIBV).

On September 1, 2010, the issued capital of RPI and RPIBV was acquired by entities controlled by the Company. From this date, each of RPI and RPIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $149 million difference between the consideration paid of $342 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $193 million has been recognized as a debit to other reserves which is a component of equity.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

28. Equity (continued)

On May 4, 2010, the issued capital of EPI and EPIBV was acquired by entities controlled by the Company. From this date, each of EPI and EPIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $899 million difference between the consideration paid of $1,612 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $713 million has been recognized as a debit to other reserves which is a component of equity.

On November 5, 2009, the issued capital of Reynolds Consumer Products Holdings Inc. (RCPHI) (now named Reynolds Consumer Products Holdings LLC), Reynolds Consumer Products International B.V. (RCPIBV) and Closure Systems International B.V. (CSIBV) was acquired by entities controlled by the Company. From this date, each of RCPHI, RCPIBV, and CSIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $584 million difference between the consideration paid of $1,692 million (representing the fair value of the businesses acquired determined at the date of the common control acquisitions) and the share capital acquired of $1,108 million has been recognized as a debit to other reserves which is a component of equity.

A summary of the impact of these transactions recognized in other reserves within equity is as follows:

	Reynolds Consumer	Closures	Evergreen	Reynolds Foodservice
		(In $ million)		
Total consideration	984	708	1,612	342
Net book value of share capital of the acquired businesses	(641)	(467)	(713)	(193)
Difference between total consideration and book value of share capital of the acquired business (recognized in other reserves within equity)	343	241	899	149

During the period ended December 21, 2010, the Group recognized a total adjustment of $1,048 million (2009: $584 million) for the above common control transaction related to the Evergreen and Reynolds Foodservice acquisitions as a component of other reserves within equity.

Further information regarding Reynolds Group Holdings Limited issued capital is detailed below:

	For the period ended December 31,		
	2011	2010	2009
	Number of shares		
Balance as of the beginning of the period	111,000,004	111,000,003	51,000,001
Issue of shares		1	60,000,002

Balance as of December 31	**111,000,004**	**111,000,004**	**111,000,003**

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

On November 16, 2010, the Company issued to its sole shareholder, Packaging Finance Limited (PFL), 1 fully paid ordinary share at an issue price of NZ$414 million ($322 million) per share.

On November 6, 2009, the Company issued to PFL, 1 fully paid ordinary share at an issue price of NZ$760 million ($544 million) per share.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

28. Equity (continued)

On September 29, 2009, loans payable by the Company to BPC Finance (N.Z.) Limited (BPCF) in the amount of NZ$478 million ($342 million), to CHHL in the amount of NZ$473 million ($338 million) and to Packaging Holdings Limited (PHL) in the amount of NZ$96 million ($69 million) were novated in exchange for the issue of 1 ordinary share to PFL at an issue price of NZ$1,047 million ($749 million).

On August 14, 2009, the Company issued to PFL 60,000,000 fully paid ordinary shares at an issue price of NZ$1 per share (NZ$60 million, or $41 million) in exchange for payment of outstanding related party borrowings.

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

28.2 Reserves

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Translation reserve	348	369	76
Other reserves	(1,561)	(1,561)	(513)
Balance	**(1,213)**	**(1,192)**	**(437)**

Translation reserve

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

Other reserves

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

In accordance with the Group s accounting policy for transactions under common control (refer to note 3.1(d)), the Group has recognized in other reserves the difference between the total consideration paid for the businesses acquired and the book value of the issued capital of the parent companies acquired for the transactions which occurred on November 5, 2009, May 4, 2010 and September 1, 2010 (refer to Note 28.1).

The Group has also recognized in other reserves the net contributions from related parties in respect of the acquisition from Alcoa of the packaging and consumer divisions.

28.3 Dividends

There were no dividends declared or paid during the period ended December 31, 2011 (2010: none; 2009: none) by the Company.

On August 31, 2010, RPI paid a dividend of $39 million, of which $38 million was paid in cash and $1 million was settled through reductions in related party balances payable, to its shareholder at the time, Reynolds Packaging (NZ) Limited, in advance of the acquisition of the Reynolds foodservice packaging business by the Group on September 1, 2010.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

28. Equity (continued)

28.4 Capital management

The Directors are responsible for monitoring and managing the Group s capital structure. Capital is comprised of equity and external borrowings.

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

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

29. Financial risk management

29.1 Overview

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

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

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

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

29.2 Market risk

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

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

(a) Foreign exchange risk

Translation risk

As a result of the Group s international operations, foreign exchange risk exposures exist on sales, purchases, financial assets and borrowings that are denominated in foreign currencies (i.e. currencies other than $). The currencies in which these transactions primarily are denominated are Euro ( ), Mexican Pesos (MXN), New Zealand Dollars (NZ$) and Canadian Dollars (CA$).

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

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

Exposure to foreign exchange risk

		MXN	**NZ$**	**CA$**
		(In $ million)		
As of December 31, 2011				
Cash and cash equivalents	99	11		7
Trade and other receivables	141	73	22	21
Non-current receivables	7		271	
Trade and other payables	(209)	(43)	(18)	(12)
Loans and borrowings:				
August 2011 Credit Agreement	(316)			
2009 Notes	(571)			
2007 Senior Notes	(606)			
2007 Senior Subordinated Notes	(530)			
Other borrowings	(1)			
Related party borrowings	(23)		(1)	
Total exposure	**(2,009)**	**41**	**274**	**16**
Embedded derivative	9			
Commodity derivative	(3)			
Effect of derivative contracts	6			
Net exposure	**(2,003)**	**41**	**274**	**16**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

		MXN	**NZ$**	**CA$**
		(In $ million)		
As of December 31, 2010				
Cash and cash equivalents	81	9	1	14
Trade and other receivables	120	47	11	13
Non-current receivables	24		256	
Trade and other payables	(152)	(16)	(10)	(2)
Loans and borrowings:				
2009 Credit Agreement	(320)			
2009 Notes	(585)			
2007 Senior Notes	(621)			
2007 Senior Subordinated Notes	(542)			
Other borrowings	(2)			
Related party borrowings			(1)	
Total exposure	**(1,997)**	**40**	**257**	**25**
Embedded derivative	16			
Commodity derivative				
Effect of derivative contracts	16			
Net exposure	**(1,981)**	**40**	**257**	**25**

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

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

Significant exchange rates

The following significant exchange rates applied during the period:

	Average rate for the period ended December 31,		**As of December 31,**	
	2011	**2010**	**2011**	**2010**

1	1.39	1.33	1.32	1.33
10 MXN	0.80	0.79	0.71	0.81
1 NZ $	0.79	0.72	0.77	0.77
1 CA $	1.01	0.97	0.98	1.00

Sensitivity analysis

A change in exchange rates would impact future payments and receipts of the Group s assets and liabilities denominated in foreign currencies. A 10% strengthening or weakening of the $ against the following currencies at the reporting date would have (increased) decreased comprehensive income in the statement of

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The same basis has been applied for all periods presented.

	Comprehensive income for the period ended December 31, 2011 10% strengthening of $	10% weakening of $
	(In $ million)	
	(200)	200
MXN	4	(4)
NZ $	27	(27)
CA $	2	(2)

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

Transaction risk

The Group has $1,583 million of $ denominated notes in an entity with a functional currency of . A 10% strengthening of the $ against the would have resulted in a $158 million loss recognized as a financial expense in the statement of comprehensive income. A 10% weakening would have an equal but opposite effect.

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

(b) Interest rate risk

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

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

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

The Group has adopted a policy, which is consistent with the covenants under the August 2011 Credit Agreement, to ensure that at least 50% of its overall exposure to changes in interest rates on borrowings is on a fixed rate basis.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

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

	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(In $ million)			
As of December 31, 2011						
Fixed rate instruments						
Loans and borrowings:						
August 2011 Senior Secured Notes	(1,500)					(1,500)
August 2011 Senior Notes	(1,000)					(1,000)
February 2011 Senior Secured Notes	(1,000)					(1,000)
February 2011 Senior Notes	(1,000)					(1,000)
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,707)				(1,707)	
2007 Senior Notes	(621)					(621)
2007 Senior Subordinated Notes	(544)					(544)
Pactiv 2012 Notes	(249)		(249)			
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Graham Packaging 2014 Notes	(355)				(355)	
Graham Packaging 2017 Notes	(14)					(14)
Graham Packaging 2018 Notes	(19)					(19)
Other borrowings	(33)	(4)	(1)	(2)	(4)	(22)
Total fixed rate instruments	**(12,834)**	**(4)**	**(250)**	**(2)**	**(2,066)**	**(10,512)**
Floating rate instruments						
Cash and cash equivalents	597	597				
Related party receivables	271	271				
Bank overdrafts	(3)	(3)				
Loans and borrowings:						
August 2011 Credit Agreement	(4,574)	(4,574)				
Related party borrowings	(24)	(24)				
Other borrowings	(20)	(19)		(1)		
Total variable rate instruments	**(3,753)**	**(3,752)**		**(1)**		

Total	**(16,587)**	**(3,756)**	**(250)**	**(3)**	**(2,066)**	**(10,512)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(In $ million)			
As of December 31, 2010						
Fixed rate instruments						
Loans and borrowings:						
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,723)					(1,723)
2007 Senior Notes	(638)					(638)
2007 Senior Subordinated Notes	(558)					(558)
Pactiv 2012 Notes	(249)			(249)		
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Other borrowings	(31)	(1)	(2)	(1)	(1)	(26)
Total fixed rate instruments	**(7,991)**	**(1)**	**(2)**	**(250)**	**(1)**	**(7,737)**
Floating rate instruments						
Cash and cash equivalents	664	664				
Related party receivables	256	256				
Bank overdrafts	(12)	(12)				
Loans and borrowings:						
2009 Credit Agreement	(4,150)	(4,150)				
Related party borrowings	(1)	(1)				
Other borrowings	(3)	(3)				
Total variable rate instruments	**(3,246)**	**(3,246)**				
Total	**(11,237)**	**(3,247)**	**(2)**	**(250)**	**(1)**	**(7,737)**

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

Fair value sensitivity analysis

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

Cash flow sensitivity analysis

A change in interest rates would impact future interest payments and receipts on the Group s floating rate assets and liabilities. An increase or decrease in interest rates of 100 basis points at the reporting date would impact the statement of comprehensive income result and equity by the amounts shown below, based on the assets and liabilities held at the reporting date, and a one year time frame. This analysis assumes that all other

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

variables, in particular foreign currency exchange rates, remain constant. The analysis is performed on the same basis for comparative periods.

As of December 31, 2011, most of the Group s debt has been issued with a fixed interest rate. While interest on the August 2011 Credit Agreement is at a floating rate, there is a LIBOR/EURIBOR floor of between 1.25% and 1.50%. Given current LIBOR/EURIBOR rates, a 1% decrease in interest rates would have no impact on interest expense on this facility due to the LIBOR floor. However, a 1% increase in interest rates would have a $3 million impact on interest expense.

(c) Commodity and other price risk

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

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

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

The following table provides the detail of out outstanding derivative contracts as of 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 the Group would pay or receive to terminate the contracts. During the period ended December 31, 2011, the Group recognized an unrealized loss of $26 million (2010: unrealized gain of $4 million; 2009: unrealized gain of $129 million) as a component of other income in the statements of comprehensive income. During the period ended December 31, 2011, the Group recognized a realized gain of $7 million (2010: realized loss of $11 million; 2009: realized loss of $96 million) as a component of cost of sales in the statements of comprehensive income.

The impact on the statement of comprehensive income from a revaluation of derivative contracts at December 31, 2011 assuming a ten percent parallel upwards movement in the price curve used to value the contracts is a gain of $15 million (2010: none; 2009: gain of $13 million) assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the statement of comprehensive income.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

29.3 Credit risk

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

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

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

The Group s exposure to credit risk is primarily in its trade and other receivables and is influenced mainly by the individual characteristics of each customer. Refer to note 16.

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

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

29.4 Liquidity risk

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

The Group evaluates its liquidity requirements on an ongoing basis using a 13 week rolling forecast and a 12 month rolling forecast and ensures that it has sufficient cash on demand to meet expected operating expenses including the servicing of financial obligations.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It also has credit lines in place to cover potential shortfalls. As of December 31, 2011, the Group had undrawn lines of credit under the revolving facilities of the August 2011 Credit Agreement totaling $35 million and 63 million ($82 million) (2010: $71 million and 56 million ($74 million) under the 2009 Credit Agreement). In addition, the Group has local working capital facilities in various jurisdictions which are available if needed to support the cash management of local operations.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

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

	Carrying amount	Total	6 months or less	6 to 12 months (In $ million)	1 to 2 years	2 to 5 years	More than 5 years
As of December 31, 2011							
Non-derivative financial liabilities							
Bank overdrafts	(3)	(3)	(3)				
Trade and other payables	(1,758)	(1,758)	(1,758)				
Non-current payables	(33)	(33)			(33)		
Loans and borrowings:							
August 2011 Credit Agreement	(4,490)	(6,142)	(271)	(267)	(522)	(1,471)	(3,611)
August 2011 Senior Secured Notes	(1,468)	(2,444)	(59)	(59)	(118)	(354)	(1,854)
August 2011 Senior Notes	(972)	(1,789)	(49)	(49)	(99)	(296)	(1,296)
February 2011 Senior Secured Notes	(999)	(1,652)	(34)	(34)	(69)	(206)	(1,309)
February 2011 Senior Notes	(993)	(1,784)	(41)	(41)	(83)	(248)	(1,371)
October 2010 Senior Secured Notes	(1,473)	(2,301)	(53)	(53)	(107)	(321)	(1,767)
October 2010 Senior Notes	(1,466)	(2,514)	(68)	(68)	(135)	(405)	(1,838)
May 2010 Notes	(980)	(1,554)	(43)	(43)	(85)	(255)	(1,128)
2009 Notes	(1,642)	(2,368)	(66)	(66)	(132)	(2,104)	
2007 Senior Notes	(606)	(870)	(25)	(25)	(50)	(770)	
2007 Senior Subordinated Notes	(530)	(803)	(26)	(26)	(52)	(699)	
Pactiv 2012 Notes	(253)	(264)	(7)	(257)			
Pactiv 2017 Notes	(314)	(433)	(12)	(12)	(24)	(73)	(312)
Pactiv 2018 Notes	(17)	(23)	(1)	(1)	(1)	(3)	(17)
Pactiv 2025 Notes	(269)	(584)	(11)	(11)	(22)	(66)	(474)
Pactiv 2027 Notes	(197)	(459)	(8)	(8)	(17)	(50)	(376)
Graham Packaging 2014 Notes	(367)	(461)	(18)	(18)	(35)	(390)	
Graham Packaging 2017 Notes	(14)	(21)	(1)	(1)	(1)	(3)	(15)
Graham Packaging 2018 Notes	(19)	(31)	(1)	(1)	(2)	(5)	(22)
Related party borrowings	(24)	(39)	(1)	(2)	(2)	(5)	(29)

Other borrowings	(53)	(66)	(25)	(2)	(5)	(9)	(25)
	(18,940)	**(28,396)**	**(2,581)**	**(1,044)**	**(1,594)**	**(7,733)**	**(15,444)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows		26	17	9			
Outflows	(15)	(41)	(27)	(14)			
	(15)	**(15)**	**(10)**	**(5)**			
Total	**(18,955)**	**(28,411)**	**(2,591)**	**(1,049)**	**(1,594)**	**(7,733)**	**(15,444)**
As of December 31, 2010 Non-derivative financial liabilities							
Bank overdrafts	(12)	(12)	(12)				
Trade and other payables	(1,246)	(1,246)	(1,246)				
Non-current payables	(9)	(9)			(9)		

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Carrying amount	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
			(In $ million)				
Loans and borrowings:							
2009 Credit Agreement	(4,026)	(5,381)	(176)	(198)	(419)	(1,986)	(2,602)
October 2010 Senior Secured Notes	(1,470)	(2,407)	(53)	(53)	(107)	(320)	(1,874)
October 2010 Senior Notes	(1,464)	(2,649)	(68)	(68)	(135)	(405)	(1,973)
May 2010 Notes	(978)	(1,639)	(43)	(43)	(85)	(255)	(1,213)
2009 Notes	(1,648)	(2,526)	(67)	(67)	(134)	(401)	(1,857)
2007 Senior Notes	(621)	(945)	(26)	(26)	(51)	(153)	(689)
2007 Senior Subordinated Notes	(542)	(904)	(27)	(27)	(53)	(159)	(638)
Pactiv 2012 Notes	(261)	(278)	(7)	(7)	(264)		
Pactiv 2017 Notes	(316)	(457)	(12)	(12)	(24)	(73)	(336)
Pactiv 2018 Notes	(17)	(24)	(1)	(1)	(1)	(3)	(18)
Pactiv 2025 Notes	(269)	(606)	(11)	(11)	(22)	(66)	(496)
Pactiv 2027 Notes	(197)	(476)	(8)	(8)	(17)	(50)	(393)
Related party borrowings	(1)	(1)	(1)				
Other borrowings	(32)	(43)	(3)	(3)	(2)	(6)	(29)
	(13,109)	**(19,603)**	**(1,761)**	**(524)**	**(1,323)**	**(3,877)**	**(12,118)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows	11	52	35	17			
Outflows		(41)	(25)	(16)			
	11	**11**	**10**	**1**			
Total	**(13,098)**	**(19,592)**	**(1,751)**	**(523)**	**(1,323)**	**(3,877)**	**(12,118)**

29.5 Classification and fair values

	Fair value	Cash, loans and	Other	Total carrying	Fair

	through the profit or loss	Held to maturity	receivables	liabilities	amount	value
			(In $ million)			
As of December 31, 2011						
Assets						
Cash and cash equivalents			597		597	597
Current and non-current receivables			1,827		1,827	1,827
Derivative financial assets						
Commodity contracts	1				1	1
Embedded derivatives	122				122	122
Total assets	**123**		**2,424**		**2,547**	**2,547**
Liabilities						
Bank overdrafts				(3)	(3)	(3)
Trade and other payables				(1,758)	(1,758)	(1,758)
Other non-current payables				(33)	(33)	(33)
Derivative financial liabilities						
Commodity contracts	(16)				(16)	(16)

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Fair value through the profit or loss	Held to maturity	Cash, loans and receivables	Other liabilities	Total carrying amount	Fair value
			(In $ million)			
Loans and borrowings:						
August 2011 Credit Agreement				(4,490)	(4,490)	(4,574)
August 2011 Senior Secured Notes				(1,468)	(1,468)	(1,560)
August 2011 Senior Notes				(972)	(972)	(960)
February 2011 Senior Secured Notes				(999)	(999)	(979)
February 2011 Senior Notes				(993)	(993)	(873)
October 2010 Senior Secured Notes				(1,473)	(1,473)	(1,564)
October 2010 Senior Notes				(1,466)	(1,466)	(1,416)
May 2010 Notes				(980)	(980)	(956)
2009 Notes				(1,642)	(1,642)	(1,758)
2007 Senior Notes				(606)	(606)	(527)
2007 Senior Subordinated Notes				(530)	(530)	(433)
Pactiv 2012 Notes				(253)	(253)	(249)
Pactiv 2017 Notes				(314)	(314)	(242)
Pactiv 2018 Notes				(17)	(17)	(11)
Pactiv 2025 Notes				(269)	(269)	(187)
Pactiv 2027 Notes				(197)	(197)	(142)
Graham Packaging 2014 Notes				(367)	(367)	(362)
Graham Packaging 2017 Notes				(14)	(14)	(13)
Graham Packaging 2018 Notes				(19)	(19)	(19)
Related party borrowings				(24)	(24)	(24)
Other borrowings				(53)	(53)	(53)
Total liabilities	**(16)**			**(18,940)**	**(18,956)**	**(18,712)**

	Fair value through the profit or loss	Held to maturity	Cash, loans and receivables	Other liabilities	Total carrying amount	Fair value
			(In $ million)			

As of December 31, 2010					
Assets					
Cash and cash equivalents		664		664	664
Current and non-current receivables		1,453		1,453	1,453
Derivative financial assets:					
Commodity contracts	12			12	12
Embedded derivatives	87			87	87
Total assets	**99**	**2,117**		**2,216**	**2,216**
Liabilities					
Bank overdrafts			(12)	(12)	(12)
Trade and other payables			(1,246)	(1,246)	(1,246)

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Fair value through the profit or loss	Held to maturity	Cash, loans and receivables	Other liabilities	Total carrying amount	Fair value
			(In $ million)			
Other non-current payables				(9)	(9)	(9)
Derivative financial liabilities:						
Commodity contracts	(1)				(1)	(1)
Loans and borrowings:						
2009 Credit Agreement				(4,026)	(4,026)	(4,150)
October 2010 Senior Secured Notes				(1,470)	(1,470)	(1,553)
October 2010 Senior Notes				(1,464)	(1,464)	(1,549)
May 2010 Notes				(978)	(978)	(1,015)
2009 Notes				(1,648)	(1,648)	(1,810)
2007 Senior Notes				(621)	(621)	(641)
2007 Senior Subordinated Notes				(542)	(542)	(575)
Pactiv 2012 Notes				(261)	(261)	(257)
Pactiv 2017 Notes				(316)	(316)	(297)
Pactiv 2018 Notes				(17)	(17)	(15)
Pactiv 2025 Notes				(269)	(269)	(236)
Pactiv 2027 Notes				(197)	(197)	(179)
Related party borrowings				(1)	(1)	(1)
Other borrowings				(32)	(32)	(32)
Total liabilities	**(1)**			**(13,109)**	**(13,110)**	**(13,578)**

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

29.6 Fair value measurements recognized in the statement of comprehensive income

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

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Level 1	Level 2	Level 3	Total
		(In $ million)		
As of December 31, 2011				
Financial assets at fair value through profit or loss:				
Derivative financial assets (liabilities):				
Commodity derivatives, net		(15)		(15)
Embedded derivatives		122		122
Total		**107**		**107**
As of December 31, 2010				
Financial assets at fair value through profit or loss:				
Derivative financial assets (liabilities):				
Commodity derivatives, net		11		11
Embedded derivatives		87		87
Total		**98**		**98**

There were no transfers between any levels during the periods ended December 31, 2011 and 2010.

30. Related parties

Parent and ultimate controlling party

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

Transactions with key management personnel

Key management personnel compensation comprised:

	For the period ended December 31,		
	2011	2010	2009
		(In $ million)	
Short-term employee benefits	13	11	8
Management fees		1	3

Total compensation expense to key management personnel	**13**	**12**	**11**

There have been no transactions with key management personnel during the periods ended December 31, 2011, 2010 and 2009.

Related party transactions

The transactions and balances outstanding with joint ventures are with SIG Combibloc Obeikan FZCO and SIG Combibloc Obeikan Company Limited. All other related parties detailed below have a common

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

30. Related parties (continued)

ultimate shareholder. The entities and types of transactions with which the Group entered into related party transactions during the periods are detailed below:

	Transaction values for the period ended December 31,			Balances outstanding as of December 31,	
	2011	2010	2009	2011	2010
	(In $ million)				
Transactions with the immediate and ultimate parent companies					
Due to ultimate parent(a)				(1)	(1)
Transactions with joint ventures					
Sale of goods and services(b)	131	122	96	25	29
Purchase of goods(b)			(4)		(3)
Sale of non-current assets		7			
Transactions with other related parties					
Trade receivables					
BPC United States Inc.				4	1
Sale of services	3				
Sale of property, plant and equipment(g)		3			
Carter Holt Harvey Limited					1
Sale of goods	3	14			
Carter Holt Harvey Packaging Pty Limited					4
Sale of goods	4	20			
Carter Holt Harvey Pulp & Paper Limited					1
Sale of goods	3	2			
FRAM Group Operations LLC				1	
United Components, Inc				1	
Trade payables					
BPC United States Inc.					
Management fees		(1)	(3)		
Recharges			(3)		
Carter Holt Harvey Limited				(1)	(1)
Purchase of goods	(10)	(1)			
Purchase of Whakatane Mill(f)		(46)			
Carter Holt Harvey Pulp & Paper Limited				(5)	(3)
Purchase of goods	(38)	(25)			
Rank Group Limited(c)				(47)	(10)
Recharges	(121)	(43)	(16)		
Reynolds Packaging (NZ) Limited			(1)		(1)
Dividends paid		(39)			

Loans receivable	
BPC United States Inc.	
Repayments	12

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

30. Related parties (continued)

	Transaction values for the period ended December 31,			Balances outstanding as of December 31,	
	2011	2010	2009	2011	2010
	(In $ million)				
Rank Group Limited(d)				271	256
Interest income	16	14	12		
Reynolds Consumer Products (NZ) Limited					
Interest income		2	1		
Novation of loan		1			
Repayment of loan		61			
Reynolds Treasury (NZ) Limited					
Interest income		1			
Repayments		25			
Loans Payable					
Carter Holt Harvey Limited					
Interest expense			(17)		
Evergreen Packaging New Zealand Limited					
Interest expense			(1)		
Reynolds Consumer Products (NZ) Limited					
Interest expense			(6)		
Reynolds Treasury (NZ) Limited(e)				(23)	
Loan advanced	(25)				
Interest expense	(1)		(2)		
Receivable related to transfer of tax losses to:					
Carter Holt Harvey Limited		5		5	5
CFC Tax Liability					
BPC Finance (N.Z.) Limited			(11)	(3)	(4)
Repayments		(11)			
Nerva Investments Limited			(9)		
Repayments		(11)			
Rank Group Investments Limited			(1)	(2)	(2)

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

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

(c)

Represents certain costs paid by Rank Group Limited on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to the Group s financing and acquisition activities.

(d) The loan receivable from Rank Group Limited accrues 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 the lender. During the period ended December 31, 2011, interest was charged at 5.90% to

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

30. Related parties (continued)

6.25% (2010: 5.98% to 6.47%). The advance is unsecured and repayable on demand. This loan is subordinated on terms such that no payments can be made until the obligations under a senior secured credit facility of Rank Group Limited are repaid in full.

(e) On August 23, 2011, the Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited. 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.

(f) On May 4, 2010, the Group acquired the Whakatane Mill for a purchase price of $48 million, being the fair value of the net assets at the date purchased, from Carter Holt Harvey Limited (CHHL). The consideration paid to the seller of the assets was subject to certain post-closing adjustments relating to the closing net working capital, reimbursable wages and other stub period adjustments. The post-closing adjustments resulted in CHHL owing the Group an amount of $2 million which was paid during the period ended December 31, 2010.

(g) On April 29, 2010, Blue Ridge Paper Products Inc. sold land and buildings in Richmond to BPC United States Inc. The consideration paid was the net book value of the assets at the date of sale, being $3 million settled at the date of sale.

31. Group entities

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	Ownership interest (%) 2010	Voting Interest (%) 2011
Alusud Argentina S.R.L	Dec-31	Argentina	100	100	100
Graham Packaging Argentina S.A.(a)	Dec-31	Argentina	100		100
Graham Packaging San Martin S.A.(a)	Dec-31	Argentina	100		100
Lido Plast San Luis S.A.(a)	Dec-31	Argentina	100		100
SIG Combibloc Argentina S.R.L	Dec-31	Argentina	100	100	100
Whakatane Mill Australia Pty Limited	Dec-31	Australia	100	100	100
SIG Austria Holding GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH	Dec-31	Austria	100	100	100
SIG Combibloc GmbH & Co. KG	Dec-31	Austria	100	100	100
Gulf Closures W.L.L.(b)	Dec-31	Bahrain	49	49	49
Graham Packaging Belgium N.V.(a)	Dec-31	Belgium	100		100
Graham Packaging Lummen N.V.(a)	Dec-31	Belgium	100		100
Closure Systems International (Brazil) Sistemas de Vedacao Ltda.	Dec-31	Brazil	100	100	100
Graham Packaging do Brasil Indústria e Comércio Ltda.(a)	Dec-31	Brazil	100		100

Graham Packaging Paraná Ltda.(a)	Dec-31	Brazil	100		100
Resin Rio Comercio Ltda.(a)	Dec-31	Brazil	100		100
SIG Beverages Brasil Ltda.	Dec-31	Brazil	100	100	100
SIG Combibloc do Brasil Ltda.	Dec-31	Brazil	100	100	100
CSI Latin American Holdings Corporation	Dec-31	British Virgin Islands	100	100	100
Reynolds Consumer Products Bulgaria EOOD	Dec-31	Bulgaria	100	100	100
798795 Ontario Limited(c)	Dec-31	Canada		100	
Closure Systems International (Canada) Limited(c)	Dec-31	Canada		100	
Conference Cup Ltd.(d)	Dec-31	Canada	100		100
Dopaco Canada, Inc.(d)	Dec-31	Canada	100		100
Evergreen Packaging Canada Limited	Dec-31	Canada	100	100	100
Garven Incorporated(d)	Dec-31	Canada	100		100

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Graham Packaging Canada Limited(a)	Dec-31	Canada	100		100
Newspring Canada, Inc.(c)	Dec-31	Canada		100	
Pactiv Canada, Inc.(c)	Dec-31	Canada		100	
Pactiv Canada, Inc.(e)	Dec-31	Canada	100		100
Reynolds Food Packaging Canada Inc.(c)	Dec-31	Canada		100	
Crystal Insurance Comp. Ltd.	Dec-31	Channel Islands	100	100	100
SIG Asset Holdings Limited	Dec-31	Channel Islands	100	100	100
Alusud Embalajes Chile Ltda.	Dec-31	Chile	100	100	100
SIG Combibloc Chile Limitada	Dec-31	Chile	100	100	100
Closure Systems International (Guangzhou) Limited	Dec-31	China	100	100	100
Closure Systems International (Wuhan) Limited	Dec-31	China	100	100	100
CSI Closures Systems (Hangzhou) Co., Ltd.	Dec-31	China	100	100	100
CSI Closures Systems (Tianjin) Co., Ltd.	Dec-31	China	100	100	100
Dongguan Pactiv Packaging Co., Ltd	Dec-31	China	51	51	51
Evergreen Packaging (Shanghai) Co., Limited	Dec-31	China	100	100	100
Graham Packaging (Guangzhou) Co. Ltd.(a)	Dec-31	China	100		100
Graham Packaging Trading (Shanghai) Co. Ltd.(a)	Dec-31	China	100		100
Reynolds Metals (Shanghai) Ltd.	Dec-31	China	100	100	100
SIG Combibloc (Suzhou) Co. Ltd.	Dec-31	China	100	100	100
SIG Combibloc Packaging Technology Services (Shanghai) Co. Ltd. (In liquidation)	Dec-31	China	100	100	100
Zhejing Zhongbao Packaging Co., Ltd	Dec-31	China	62.5	62.5	62.5
Alusud Embalajes Colombia Ltda.	Dec-31	Colombia	100	100	100
CSI Closure Systems Manufacturing do Centro America, Sociedad de Responsabilidad Limitada	Dec-31	Costa Rica	100	100	100
SIG Combibloc s.r.o	Dec-31	Czech Republic	100	100	100
Closure Systems International (Egypt) LLC	Dec-31	Egypt	100	100	100
Evergreen Packaging de El Salvador S.A. de C.V.	Dec-31	El Salvador	100	100	100
Graham Packaging Company OY(a)	Dec-31	Finland	100		100
Graham Packaging Europe SNC(a)	Dec-31	France	100		100
Graham Packaging France S.A.S.(a)	Dec-31	France	100		100
Graham Packaging Normandy S.a.r.l.(a)	Dec-31	France	100		100
Graham Packaging Villecomtal S.a.r.l.(a)	Dec-31	France	100		100

SIG Combibloc S.a.r.l	Dec-31	France	100	100	100
Closure Systems International Deutschland GmbH	Dec-31	Germany	100	100	100
Closure Systems International Holdings (Germany) GmbH	Dec-31	Germany	100	100	100
Omni-Pac Ekco Gmbh Verpackungsmittel	Dec-31	Germany	100	100	100
Omni-Pac Gmbh Verpackungsmittel	Dec-31	Germany	100	100	100
Pactiv Deutschland Holdinggesellschaft mbH	Dec-31	Germany	100	100	100
Pactiv Forest Products GmbH	Dec-31	Germany	100	100	100
Pactiv Hamburg Holdings GmbH(f)	Dec-31	Germany		100	
SIG Beverages Germany GmbH	Dec-31	Germany	100	100	100
SIG Combibloc GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Holding GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Systems GmbH	Dec-31	Germany	100	100	100
SIG Combibloc Zerspanungstechnik GmbH	Dec-31	Germany	100	100	100

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
SIG Euro Holding AG & Co. KGaA	Dec-31	Germany	100	100	100
SIG Information Technology GmbH	Dec-31	Germany	100	100	100
SIG International Services GmbH	Dec-31	Germany	100	100	100
SIG Beteiligungs GmbH (formerly SIG Vietnam Beteiligungs GmbH)(g)	Dec-31	Germany	100	100	100
Closure Systems International (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Evergreen Packaging (Hong Kong) Limited	Dec-31	Hong Kong	100	100	100
Graham Packaging Asia Limited(a)	Dec-31	Hong Kong	100		100
Roots Investment Holding Private Limited(a)	Dec-31	Hong Kong	100		100
SIG Combibloc Limited	Dec-31	Hong Kong	100	100	100
Closure Systems International Holdings (Hungary) Kft.(h)	Dec-31	Hungary		100	
CSI Hungary Manufacturing and Trading Limited Liability Company	Dec-31	Hungary	100	100	100
SIG Combibloc Kft.	Dec-31	Hungary	100	100	100
Closure Systems International(I) Private Limited	Mar-31	India	100	100	100
SIG Beverage Machinery and Systems (India) Pvt. Ltd. (in liquidation)	Dec-31	India	100	100	100
PT. Graham Packaging Indonesia(a)	Dec-31	Indonesia	100		100
Ha Lakoach He Neeman H Sheeshim Ou Shenayim Ltd.	Dec-31	Israel	100	100	100
Graham Packaging Company Italia S.r.l.(a)	Dec-31	Italy	100		100
SIG Combibloc S.r.l	Dec-31	Italy	100	100	100
S.I.P. S.r.l. Societa Imballaggi Plastici S.r.l. (in liquidation)(a)	Dec-31	Italy	100		100
Closure Systems International Holdings (Japan) KK	Dec-31	Japan	100	100	100
Closure Systems International Japan, Limited	Dec-31	Japan	100	100	100
Graham Packaging Japan Godo Kaisha(a)	Dec-31	Japan	100		100
Closure Systems International Holdings (Korea), Ltd.	Dec-31	Korea	100	100	100
Evergreen Packaging Korea Limited	Dec-31	Korea	100	100	100
SIG Combibloc Korea Ltd.	Dec-31	Korea	100	100	100
Beverage Packaging Factoring (Luxembourg) S.à r.l.(i)	Dec-31	Luxembourg	100		100
	Dec-31	Luxembourg	100	100	100

Beverage Packaging Holdings (Luxembourg) I S.A.					
Beverage Packaging Holdings (Luxembourg) II S.A.	Dec-31	Luxembourg	100	100	100
Beverage Packaging Holdings (Luxembourg) III S.à r.l	Dec-31	Luxembourg	100	100	100
Beverage Packaging Holdings (Luxembourg) IV S.à r.l.(i)	Dec-31	Luxembourg	100		100
Evergreen Packaging (Luxembourg) S.à r.l	Dec-31	Luxembourg	100	100	100
Graham Packaging European Holdings (Luxembourg) S.à r.l.(j)	Dec-31	Luxembourg	100		100
Graham Packaging European Holdings (Luxembourg) I S.à r.l.(j)	Dec-31	Luxembourg	100		100
Reynolds Group Issuer (Luxembourg) S.A.	Dec-31	Luxembourg	100	100	100
SIG Finance (Luxembourg) S.à r.l. (in liquidation)(k)	Dec-31	Luxembourg		100	
Asesores y Consultores Graham, S. de R.L. de C.V.(a)	Dec-31	Mexico	100		100
Bienes Industriales del Norte, S.A. de C.V.	Dec-31	Mexico	100	100	100
CSI En Ensenada, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI En Saltillo, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
CSI Tecniservicio, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Evergreen Packaging Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Graham Packaging Plastic Products de Mexico S. de. R.L. de C.V.(a)	Dec-31	Mexico	100		100
Grupo Corporativo Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Grupo CSI de México, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Maxpack, S. de R.L. de C.V.(m)	Dec-31	Mexico		100	
Middle America M.A., S.A. de C.V. (in liquidation)	Dec-31	Mexico	100	100	100
Pactiv Foodservice Mexico S. de R.L. de C.V. (formerly Central de Bolsas S. de R.L. de C.V.)(l)	Dec-31	Mexico	100	100	100
Pactiv Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Pactiv North American Holdings, S. de R.L. de C.V. (formerly Pactiv North American Holdings LLC)(u)	Dec-31	Mexico		100	
Reynolds Metals Company de Mexico, S. de R.L. de C.V.	Dec-31	Mexico	100	100	100
Servicio Terrestre Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Servicios Graham Packaging, S. de. R.L. de C.V.(a)	Dec-31	Mexico	100		100
Servicios Industriales Jaguar, S.A. de C.V.	Dec-31	Mexico	100	100	100
Servicios Integrales de Operacion, S.A. de C.V.	Dec-31	Mexico	100	100	100
SIG Combibloc México, S.A. de C.V.	Dec-31	Mexico	100	100	100
SIG Simonazzi México, S.A. de C.V. (in liquidation)	Dec-31	Mexico	100	100	100
Tecnicos de Tapas Innovativas, S.A. de C.V.	Dec-31	Mexico	100	100	100
Closures Systems International Nepal Private Limited	Jul-31	Nepal	76	76	76
Beverage Packaging Holdings (Netherlands) B.V	Dec-31	Netherlands	100	100	100
Closure Systems International B.V	Dec-31	Netherlands	100	100	100
Evergreen Packaging International B.V	Dec-31	Netherlands	100	100	100
Graham Packaging Company B.V.(a)	Dec-31	Netherlands	100		100
Graham Packaging Holdings B.V.(a)	Dec-31	Netherlands	100		100
Graham Packaging Zoetermeer B.V.(a)	Dec-31	Netherlands	100		100
Pactiv Europe B.V	Dec-31	Netherlands	100	100	100
Reynolds Consumer Products International B.V	Dec-31	Netherlands	100	100	100
Reynolds Packaging International B.V	Dec-31	Netherlands	100	100	100

SIG Combibloc B.V	Dec-31	Netherlands	100	100	100
Whakatane Mill Limited	Dec-31	New Zealand	100	100	100
Envases Panama, S.A.(n)	Dec-31	Panama		100	
Alusud Peru S.A.	Dec-31	Peru	100	100	100
Closure Systems International (Philippines), Inc.	Dec-31	Philippines	100	100	100
Graham Packaging Poland SP. Z.O.O.(a)	Dec-31	Poland	100		100
Omni Pac Poland SP. Z.O.O	Dec-31	Poland	100	100	100
SIG Combibloc SP. Z.O.O	Dec-31	Poland	100	100	100
CSI Vostok Limited Liability Company	Dec-31	Russia	100	100	100
OOO SIG Combibloc	Dec-31	Russia	100	100	100
Pactiv Asia Pte Ltd	Dec-31	Singapore	100	100	100
Closure Systems International España, S.L.U	Dec-31	Spain	100	100	100
Closure Systems International Holdings (Spain), S.A.	Dec-31	Spain	100	100	100
Graham Packaging Iberica S.L.(a)	Dec-31	Spain	100		100
Reynolds Food Packaging Spain, S.L.U	Dec-31	Spain	100	100	100
SIG Combibloc S.A.	Dec-31	Spain	100	100	100

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
SIG Combibloc AB	Dec-31	Sweden	100	100	100
SIG allCap AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Procurement AG	Dec-31	Switzerland	100	100	100
SIG Combibloc (Schweiz) AG	Dec-31	Switzerland	100	100	100
SIG Combibloc Group AG	Dec-31	Switzerland	100	100	100
SIG Reinag AG	Dec-31	Switzerland	100	100	100
SIG Schweizerische Industrie-Gesellschaft AG	Dec-31	Switzerland	100	100	100
SIG Technology AG	Dec-31	Switzerland	100	100	100
Evergreen Packaging (Taiwan) Co. Limited	Dec-31	Taiwan	100	100	100
SIG Combibloc Taiwan Ltd.	Dec-31	Taiwan	100	100	100
SIG Combibloc Ltd.	Dec-31	Thailand	100	100	100
Closure Systems International Plastik Ithalat Ihracat Sanayi Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100
Graham Plastpak Plastik Ambalaj Sanayi A.S.(a)	Dec-31	Turkey	100		100
SIG Combibloc Paketleme Ve Ticaret Limited Sirketi	Dec-31	Turkey	100	100	100
Alpha Products (Bristol) Limited	Dec-31	United Kingdom	100	100	100
Closure Systems International (UK) Limited	Dec-31	United Kingdom	100	100	100
Graham Packaging European Services Limited(a)	Dec-31	United Kingdom	100		100
Graham Packaging Plastics Limited(a)	Dec-31	United Kingdom	100		100
Graham Packaging U.K. Limited(a)	Dec-31	United Kingdom	100		100
IVEX Holdings, Ltd.	Dec-31	United Kingdom	100	100	100
J. & W. Baldwin (Holdings) Limited	Dec-31	United Kingdom	100	100	100
Kama Europe Limited	Dec-31	United Kingdom	100	100	100
Omni-Pac U.K. Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Caerphilly) Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Films) Limited	Dec-31	United Kingdom	100	100	100
Pactiv (Stanley) Limited (in liquidation)	Dec-31	United Kingdom	100	100	100
Pactiv Limited (in liquidation)	Dec-31	United Kingdom	100	100	100
Reynolds Consumer Products (UK) Limited	Dec-31	United Kingdom	100	100	100
Reynolds Subco (UK) Limited	Dec-31	United Kingdom	100	100	100
SIG Combibloc Limited	Dec-31	United Kingdom	100	100	100
SIG Holdings (UK) Ltd.	Dec-31	United Kingdom	100	100	100
The Baldwin Group Ltd.	Dec-31	United Kingdom	100	100	100
Baker s Choice Products, Inc.	Dec-31	U.S.A.	100	100	100
BCP/Graham Holdings L.L.C.(a)	Dec-31	U.S.A.	100		100

Blue Ridge Holding Corp.	Dec-31	U.S.A.	100	100	100
Blue Ridge Paper Products Inc.	Dec-31	U.S.A.	100	100	100
BRPP, LLC	Dec-31	U.S.A.	100	100	100
Bucephalas Acquisition Corp.(o)	Dec-31	U.S.A.			
Closure Systems International Americas, Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Inc.	Dec-31	U.S.A.	100	100	100
Closure Systems International Packaging Machinery Inc. (formerly Reynolds Packaging Machinery Inc.)(z)	Dec-31	U.S.A.	100	100	100
Closure Systems Mexico Holdings LLC	Dec-31	U.S.A.	100	100	100

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Coast-Packaging Company (California General Partnership)(b)	Dec-31	U.S.A.	50	50	50
CSI Mexico LLC	Dec-31	U.S.A.	100	100	100
CSI Sales & Technical Services Inc.	Dec-31	U.S.A.	100	100	100
Dopaco, Inc.(p)	Dec-31	U.S.A.	100		100
Evergreen Packaging Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging International (US) Inc.	Dec-31	U.S.A.	100	100	100
Evergreen Packaging USA Inc.	Dec-31	U.S.A.	100	100	100
GPACSUB LLC(a)	Dec-31	U.S.A.	100		100
GPC Capital Corp. I(a)	Dec-31	U.S.A.	100		100
GPC Capital Corp. II(a)	Dec-31	U.S.A.	100		100
GPC Holdings LLC(a)	Dec-31	U.S.A.	100		100
GPC Merger LLC(a)(q)	Dec-31	U.S.A.			
GPC Opco GP LLC(a)	Dec-31	U.S.A.	100		100
GPC Sub GP LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Acquisition Corporation(a)	Dec-31	U.S.A.	100		100
Graham Packaging Comerc USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Company Europe LLC(r)	Dec-31	U.S.A.	100		100
Graham Packaging Company Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Company L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Controllers USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging France Partners(a)	Dec-31	U.S.A.	100		100
Graham Packaging GP Acquisition LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Holdings Company(a)	Dec-31	U.S.A.	100		100
Graham Packaging International Plastics Products Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Latin America LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging LC, L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Leasing USA LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging LP Acquisition LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Minster LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging PET Technologies Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Plastic Products Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Poland L.P.(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX Company(a)	Dec-31	U.S.A.	100		100
Graham Packaging PX Holding Corporation(a)	Dec-31	U.S.A.	100		100

Graham Packaging PX, LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging Regioplast STS Inc.(a)	Dec-31	U.S.A.	100		100
Graham Packaging Technological Specialties LLC(a)	Dec-31	U.S.A.	100		100
Graham Packaging West Jordan, LLC(a)	Dec-31	U.S.A.	100		100
Graham Recycling Company L.P.(a)	Dec-31	U.S.A.	100		100
Newspring Industrial Corp.	Dec-31	U.S.A.	100	100	100
Pactiv Germany Holdings Inc.	Dec-31	U.S.A.	100	100	100
Pactiv International Holdings Inc.	Dec-31	U.S.A.	100	100	100
Pactiv LLC (formerly Pactiv Corporation)(s)	Dec-31	U.S.A.	100	100	100
Pactiv Factoring LLC	Dec-31	U.S.A.	100	100	100

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

	Reporting Date	Country of incorporation	Ownership interest (%) 2011	2010	Voting Interest (%) 2011
Pactiv Management Company LLC	Dec-31	U.S.A.	100	100	100
Pactiv NA II LLC(t)	Dec-31	U.S.A.	100	100	100
Pactiv Retirement Administration LLC	Dec-31	U.S.A.	100	100	100
Pactiv RSA LLC	Dec-31	U.S.A.	100	100	100
PCA West Inc.	Dec-31	U.S.A.	100	100	100
Prairie Packaging, Inc.	Dec-31	U.S.A.	100	100	100
PWP Holdings, Inc.	Dec-31	U.S.A.	100	100	100
PWP Industries, Inc.	Dec-31	U.S.A.	100	100	100
RenPac Holdings Inc.(v)	Dec-31	U.S.A.	100		100
Reynolds Consumer Products Holdings LLC (formerly Reynolds Consumer Products Holdings Inc.)(w)	Dec-31	U.S.A.	100	100	100
Reynolds Consumer Products, Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Flexible Packaging Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Foil Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Food Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Group Holdings Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Group Issuer LLC	Dec-31	U.S.A.	100	100	100
Reynolds Manufacturing, Inc.(x)	Dec-31	U.S.A.	100		100
Reynolds Packaging Holdings LLC (formerly Reynolds Packaging Inc.)(y)	Dec-31	U.S.A.	100	100	100
Reynolds Packaging Kama Inc.	Dec-31	U.S.A.	100	100	100
Reynolds Packaging LLC	Dec-31	U.S.A.	100	100	100
Reynolds Services Inc.	Dec-31	U.S.A.	100	100	100
RGHL US Escrow II Inc.(aa)	Dec-31	U.S.A.			
RGHL US Escrow II LLC(cc)	Dec-31	U.S.A.			
RGHL US Escrow Holdings II Inc.(bb)	Dec-31	U.S.A.			
SIG Combibloc Inc.	Dec-31	U.S.A.	100	100	100
SIG Holding USA LLC (formerly SIG Holding USA, Inc.)(dd)	Dec-31	U.S.A.	100	100	100
Southern Plastics, Inc.	Dec-31	U.S.A.	100	100	100
The Corinth and Counce Railroad Company(ee)	Dec-31	U.S.A.		100	
Ultra Pac, Inc.	Dec-31	U.S.A.	100	100	100
Union Packaging LLC(p)(ff)	Dec-31	U.S.A.			
Alusud Venezuela S.A.	Dec-31	Venezuela	100	100	100

Graham Packaging Plasticos de Venezuela C.A.(a)	Dec-31	Venezuela	100		100
SIG Vietnam Ltd.	Dec-31	Vietnam	100	100	100

(a) Acquired as part of the Graham Packaging Acquisition on September 8, 2011.

(b) The Group has control as it has the power to govern the financial and operating policies of the entity.

(c) Amalgamated into a new Pactiv Canada Inc. on July 1, 2011.

(d) Acquired as part of the Dopaco Acquisition on May 2, 2011 by Reynolds Food Packaging Canada Inc.

(e) Incorporated on July 1, 2011.

(f) Merged with SIG Beteiligungs GmbH on September 15, 2011.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

31. Group entities (continued)

(g) Changed name to SIG Beteiligungs GmbH on September 15, 2011.

(h) Merged into CSI Hungary Manufacturing and Trading Limited Liability Company on December 31, 2011.

(i) Incorporated on December 21, 2011.

(j) Incorporated on December 20, 2011.

(k) Liquidation was concluded on January 18, 2011 and the company subsequently deregistered.

(l) Changed name to Pactiv Foodservice Mexico, S. de R.L. de C.V. on September 27, 2011.

(m) Merged into Pactiv Foodservice Mexico, S. de R.L. de C.V. on December 31, 2011.

(n) Dissolved on February 11, 2011.

(o) Incorporated on June 13, 2011, and subsequently merged into Graham Packaging Company Inc. on September 8, 2011.

(p) Acquired as part of the Dopaco Acquisition on May 2, 2011 by Pactiv Corporation, now Pactiv LLC.

(q) Merged into Graham Packaging Holdings Company on September 12, 2011.

(r) Incorporated on December 13, 2011.

(s) Converted to a Delaware limited liability company on December 31, 2011 becoming Pactiv LLC.

(t) Incorporated on February 8, 2011.

(u) Redomiciled from U.S.A. to Mexico and transformed to a Mexican company as a S. de R.L. de C.V. , following which Pactiv North American Holdings, S. de R.L. de C.V. and Central de Bolsas, S. de R.L. de C.V. merged, with the latter being the surviving entity. The merger was effective March 29, 2011.

(v) Incorporated on September 29, 2011.

(w) Converted to a Delaware limited liability company on December 31, 2011 becoming Reynolds Consumer Products Holdings LLC.

(x) Incorporated on September 14, 2011.

(y) Converted to a Delaware limited liability company on December 31, 2011 becoming Reynolds Packaging Holdings LLC.

(z) Changed name to Closure Systems International Packaging Machinery Inc. on March 2, 2011.

(aa) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Issuer Inc. on September 8, 2011.

(bb) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Holdings Inc. on September 8, 2011.

(cc) Incorporated on July 7, 2011 and subsequently merged into Reynolds Group Issuer LLC on September 8, 2011.

(dd) Converted to a Delaware limited liability company on December 31, 2011 becoming SIG Holding USA, LLC.

(ee) Dissolved on December 6, 2011.

(ff) Sold on May 18, 2011.

32. Business combinations under common control

On May 4, 2010, the Group acquired the business operations of Evergreen from subsidiaries of Rank Group Limited. At the time of this transaction, both the Group and Evergreen were ultimately 100% owned by

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

32. Business combinations under common control (continued)

Mr. Graeme Hart. The original acquisitions of the Evergreen businesses were completed between January 31, 2007 and August 1, 2007.

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

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

	Evergreen	Reynolds foodservice packaging	Total
		(In $ million)	
Total consideration*	1,612	342	1,954
Net book value of share capital of the acquired businesses	(713)	(193)	(906)
Difference between total consideration and net book value of share capital of acquired businesses**	**899**	**149**	**1,048**

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

	Closures	Reynolds consumer products	Total
		(In $ million)	
Total consideration*	708	984	1,692
Net book value of share capital of the acquired businesses	(467)	(641)	(1,108)
Difference between total consideration and net book value of share capital of the acquired businesses**	**241**	**343**	**584**

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

** In accordance with the Group s accounting policy for acquisitions under common control, the difference between the share capital of the acquired businesses and the consideration paid (which represented the fair value) has been recognized directly in equity as part of other reserves. Differences in the consideration paid at the date of the legal acquisition by the Group of these businesses and those amounts paid when originally acquired by entities under the common control of the ultimate shareholder reflect changes in the relative 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.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations

Graham Packaging

On September 8, 2011, the Group acquired 100% of the outstanding shares of Graham Packaging Company Inc. (Graham Packaging) and units of Graham Packaging Holdings, L.P. for an aggregate purchase price of $1,797 million. The consideration was paid in cash. There is no contingent consideration payable.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets.

Funding for the purchase of the shares, the repayment of $1,935 million of certain existing indebtedness of Graham Packaging and associated transaction costs was provided through the combination of the $1,500 million principal amount of the August 2011 Senior Secured Notes, a portion of the $1,000 million principal amount of the August 2011 Senior Notes, the $2,000 million principal amount of the August 2011 Credit Agreement and available cash.

The following table provides a summary of the provisional values allocated to assets, liabilities and contingent liabilities as of the date of acquisition:

	Provisional values recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of December 31, 2011(c)
		(In $ million)	
Cash and cash equivalents	146		146
Trade and other receivables*	338		338
Inventories	300		300
Current tax assets*	3	1	4
Assets held for sale*	7		7
Investments in associates and joint ventures	1		1
Deferred tax assets*	7	1	8
Property, plant and equipment*	1,438	(37)	1,401
Intangible assets (excluding goodwill)*	1,679	695	2,374
Derivative assets	9		9
Other current and non-current assets*	19		19
Trade and other payables*	(694)	1	(693)
Current tax liabilities*	(10)	(33)	(43)
Borrowings	(2,852)		(2,852)
Deferred tax liabilities*	(405)	(183)	(588)
Provisions and employee benefits*	(201)	2	(199)

Net liabilities acquired	**(215)**	**447**	**232**
Goodwill on acquisition*	2,012	(447)	1,565
Net assets acquired	**1,797**		**1,797**
Consideration paid in cash	1,797		1,797
Net cash acquired	(146)		(146)
Net cash outflow	**1,651**		**1,651**

* Value determined on a provisional basis.

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

(b) The measurement period adjustments predominantly relate to changes in the fair values of separately identifiable intangible assets. Other measurement period adjustments have arisen from changes in the estimated fair values of property, plant and equipment as the Group continues to revise the valuations of these assets with the third party valuation firms. The changes in fair values of the separately identifiable intangible assets and property, plant and equipment resulted in a net increase in deferred tax liabilities. The depreciation and amortization impact of these provisional changes to fair values was recorded during the period ended December 31, 2011.

(c) Represents the provisional allocation of the purchase price as December 31, 2011. Management is in the process of reviewing and finalizing balances. In respect of the preliminary valuations of property, plant and equipment and intangible assets (excluding goodwill), management, with the assistance of third party valuation firms, is in the process of reviewing the preliminary valuation reports for these assets. In respect of the other account balances that continue to be recognized on a provisional basis, management continues to review underlying reconciliations and supporting data in respect of certain components of these account balances. The finalization of these provisional purchase accounting allocations will have implications on the measurement of deferred tax assets and liabilities. Management expects to finalize the purchase price allocations by September 8, 2012.

(d) In connection with the acquisition of the Graham Packaging Group, amounts under an existing income tax receivable agreement with certain pre-IPO shareholders became due and payable. Such amounts which were settled after the date of acquisition are reflected in the statement of cash flows as a financing activity.

In undertaking the Group s preliminary evaluation of the allocation of the purchase price, management has taken into consideration a number of market participant factors such as the historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market based valuation techniques. These factors will continue to be refined and revised as necessary as management continues to finalize its preliminary fair value assessment.

Acquisition costs of $24 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2011.

The provisional fair value of trade receivables is $319 million. The gross contractual amount of trade receivables is $321 million, of which $2 million is expected to be uncollectible.

The provisional goodwill of $1,565 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Graham Packaging into the Group. The procurement synergies will result primarily from leveraging raw material purchasing and sharing best practices across the Group. The operational synergies will result primarily from a more efficient plant footprint and sharing of manufacturing best practices across the Group. Goodwill of $411 million is expected to be deductible for income tax purposes.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a provisional basis the following significant identifiable intangible assets and assessed their preliminary fair value and estimated useful life:

Types of Identifiable Intangible Assets	Fair value (In $ million)	Estimated Useful Life
Trade names	250	Indefinite
Customer relationships	1,574	18 to 22 years
Technology	547	10 to 15 years
Land use rights	3	43 years
	2,374	

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 arrangements and the value that is expected from the ongoing relationships beyond the existing contractual periods. The preliminary assessment of the average estimated useful life is 18 to 22 years.

Technology

Graham Packaging s operations include 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. The preliminary assessment of the useful lives are between 10 and 15 years.

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

Graham Packaging contributed revenues of $967 million, a loss after income tax of $64 million, EBITDA of $105 million and Adjusted EBITDA of $156 million to the Group for the period from September 8, 2011 to December 31, 2011. If the acquisition had occurred on January 1, 2011, management estimates that Graham Packaging would have contributed on a pro forma basis additional revenue of $2,130 million, a loss after income tax of $277 million, EBITDA of $43 million and Adjusted EBITDA of $388 million. These amounts are unaudited.

Dopaco

On May 2, 2011, the Group acquired 100% of the outstanding shares of Dopaco Inc. and Dopaco Canada Inc. (collectively Dopaco) for an aggregate purchase price of $395 million, including a $3 million working capital adjustment which was settled in October 2011 (the Dopaco Acquisition). The consideration was paid in cash. There is no contingent consideration payable. Funding for the purchase consideration was provided through existing cash.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

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 new product lines complement and enhance the Group s existing product lines, allowing it to offer a broader product range and additional customer relationships. Dopaco is included in the Group s Pactiv Foodservice segment.

The Group finalized the allocation of the purchase price and has reflected this as of the date of acquisition. In undertaking the Group s evaluation of the purchase price as of date of acquisition, management has taken into consideration a number of market participant factors such as historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market based valuation technique. The following table presents the preliminary values previously reported as of May 2, 2011, and any adjustments made to those values:

	Provisional values recognized on May 2, 2011(a)	Measurement period adjustments(b)	Final purchase price allocation
		(In $ million)	
Cash and cash equivalents	3		3
Trade and other receivables	33		33
Assets held for sale	3		3
Deferred tax assets	4		4
Inventories	58	1	59
Property, plant and equipment	152	(28)	124
Intangible assets (excluding goodwill)	16	72	88
Other current and non-current assets	5	1	6
Bank overdrafts	(5)		(5)
Trade and other payables	(20)	(4)	(24)
Deferred tax liabilities	(32)	(8)	(40)
Provisions and employee benefits	(24)	(2)	(26)
Net assets acquired	**193**	**32**	**225**
Goodwill on acquisition	205	(35)	170
Net assets acquired	**398**	**(3)**	**395**
Consideration paid in cash	398	(3)	395
Bank overdraft acquired	2		2

Net cash outflow	**400**	**(3)**	**397**

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to finalizing the values of property, plant and equipment and identifiable intangible assets and the associated deferred taxes thereon. Other measurement period adjustments have arisen from the finalization of reviews of the balance sheet reconciliations as of the date of acquisition. The depreciation and amortization impact from these provisional changes to fair values had been recognized during the period ended December 31, 2011.

Acquisition-related costs of $6 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2011.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

The preliminary values attributed to the separately identifiable intangible assets were established shortly after the date of acquisition in May 2011 through the assistance of an external third party valuer. Subsequent to this assessment the Group has verified the reasonableness of all key assumptions including royalty rate, growth rates, business mix and discount rate. This review process involved feedback and further input from a wide range of senior executives which has enabled the Group to further refine the initial assumptions as of the date of acquisition. As a result management has revised and finalized the values initially established for the separately identifiable intangible assets as of the date of acquisition. The significant identifiable intangible assets and their fair values and estimated useful lives are as follows:

Types of Identifiable Intangible Assets	Fair Value (In $ million)	Estimated Useful Life
Customer relationships	77	9 to 14 years
Trade names	6	5 years
Patents	4	10 years
Emission reduction credit	1	Indefinite
	88	

Customer relationships

Customer relationships represent the value attributable to purchased long-standing business relationships which have been cultivated over the years with customers.

Trade name

The Dopaco trade name is a business to business trade name under which the products are sold. The preliminary value of the trade name is being amortized over 5 years as it is a defensible intangible asset.

The goodwill recognized on the acquisition is attributable mainly to the skill of the acquired business work force and the synergies expected to be achieved from integrating Dopaco into the Group. None of the goodwill recognized is expected to be deductible for income tax purposes.

Dopaco contributed revenues of $331 million, profit after income tax of $7 million, EBITDA of $28 million and Adjusted EBITDA of $45 million to the Group for the period from May 2, 2011 to December 31, 2011. If the acquisition had occurred on January 1, 2011, the Group estimates that Dopaco would have contributed on a pro forma basis additional revenue of $153 million, profit after tax of $5 million, EBITDA of $14 million and Adjusted EBITDA of $17 million. These amounts are unaudited.

Pactiv Corporation

On November 16, 2010, the Group acquired 100% of the outstanding common stock of Pactiv Corporation (Pactiv) for a purchase price of $4,452 million (the Pactiv Acquisition). The consideration was paid in cash. There is no contingent consideration payable. Funding for the purchase consideration and the refinancing of certain borrowings that were acquired was provided through a combination of additional borrowings, additional equity and existing cash.

Pactiv is a leading manufacturer of consumer and foodservice packaging products in the United States. The acquisition of Pactiv brought together two consumer and foodservice packaging platforms. The combination increased the Group s product, geographic and customer diversification and created an extensive and diverse distribution network. The products of the Group and Pactiv are complementary, providing the combined Group with opportunities to generate incremental revenue through cross-selling and category

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

expansion. The Group expects to realize cost savings and operational synergies by consolidating facilities, eliminating duplicative operations, improving supply chain management and achieving other efficiencies.

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

	Recognized values on acquisition (In $ million)
Cash and cash equivalents, net of bank overdrafts	91
Trade and other receivables	472
Current tax assets	49
Deferred tax assets	27
Inventories	547
Property, plant and equipment	1,429
Intangible assets (excluding goodwill)	2,715
Other current and non-current assets	60
Trade and other payables	(418)
Borrowings	(1,485)
Deferred tax liabilities	(877)
Provisions and employee benefits	(1,071)
Net assets acquired	**1,539**
Non-controlling interests	(18)
Goodwill on acquisition	2,931
Net assets acquired	**4,452**
Consideration paid in cash	4,452
Net cash acquired	(91)
Net cash flow	**4,361**

Acquisition-related costs of $10 million are included in other expenses in the statement of comprehensive income for the period ended December 31, 2010.

The Group identified and measured the property, plant and equipment and separately identifiable intangible assets (excluding goodwill) of $1,429 million and $2,715 million, respectively, with the assistance of a third party valuer.

The fair value of trade receivables is $472 million. The gross contractual amount of trade receivables due at acquisition was $517 million, of which $45 million was expected to be uncollectible.

The goodwill of $2,931 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Pactiv into the Group. The synergies largely relate to benefits from (a) large scale efficiencies in integration of sales, marketing and administration functions, information technology resources, and leveraging lean production capabilities across facilities, (b) eight to nine plant closures, (c) one face customer servicing organization, (d) streamlining warehouse and logistics, and (e) centralizing procurement. Except for $514 million, the goodwill recognized is not deductible for income tax purposes.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

The significant identifiable intangible assets and their fair values and estimated useful lives are as follows:

Types of Identifiable Intangible Assets	Fair Value (In $ million)	Estimated Useful Life
Trade names - indefinite life	1,075	Indefinite
Trade names - definite life	39	5 years
Customer relationships	1,321	20 years
Technology	188	7.5 years
Permits	88	Indefinite
Favorable leasehold	4	3 to 8 years
	2,715	

Trade names

The Pactiv Foodservice trade name has been valued as a business to business trade name with an indefinite life. The Hefty trade name has been valued as a consumer trade name with an indefinite life. The Pactiv trade name used in the consumer products business has been valued as a business to business trade name with a five year useful life.

Customer and distributor relationships

Pactiv s operations are characterized by arrangements with customers and distributors for the supply of finished packaging products. The separately identifiable intangible assets reflect the estimated value that is attributable to the existing arrangements and the value that is expected from the on-going relationship.

Technology

Pactiv s operations include certain proprietary knowledge and processes that have been developed internally. The business operates in product categories where customers and end-users value the technology and innovation that Pactiv s custom packaging products offer as an alternative to traditional packaging materials.

Permits

Manufacturers that emit pollutants or use hazardous materials are required to meet various federal and state regulatory requirements and obtain the necessary operating permits. Pactiv has obtained numerous operating permits for its plants over the years. As regulatory requirements have evolved, several of its existing permits have been grandfathered and would be very costly, or even impossible, to obtain today.

The operating results of Pactiv s consumer products and foodservice packaging businesses have been combined with the operating results of the Group s 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. For the period from January 1, 2011 to November 16, 2011, legacy Pactiv product revenue was $3,494 million. For the period ended December 31, 2010, Pactiv s revenue, profit from operating activities, EBITDA and Adjusted EBITDA were $3,679 million, $254 million, $465 million and $656 million, respectively. These amounts provided on a pro forma basis are unaudited and include IFRS adjustments and therefore will not agree to historically reported Pactiv results as Pactiv reported its results under U.S. GAAP.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

33. Business combinations (continued)

Closure Systems International Americas, Inc.

On February 1, 2010, the Group purchased 100% of the issued capital of Obrist Americas, Inc., a U.S. manufacturer of plastic non-dispensing screw closures for carbonated soft drinks and water containers. Total consideration for the acquisition was $36 million and was paid in cash. The acquired company was subsequently renamed Closure Systems International Americas, Inc. (CSI Americas).

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

	Recognized values on acquisition (In $ million)
Cash and cash equivalents	11
Trade and other receivables	3
Inventories	10
Deferred tax assets	11
Property, plant and equipment	14
Intangible assets (excluding goodwill)	4
Trade and other payables	(7)
Net assets acquired	**46**
Difference between net assets acquired and consideration paid	(10)
Consideration paid, settled in cash	36
Cash acquired	(11)
Net cash outflow	**25**

The acquisition of CSI Americas contributed revenue of $52 million and a net profit of $3 million to the Group for the period ended December 31, 2010. If the purchase had occurred on January 1, 2010, management estimates that CSI Americas would have contributed additional revenue of $4 million, additional EBITDA of $3 million and additional profit after tax of $1 million.

34. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	As of December 31, 2011	2010
	(In $ million)	
Less than one year	111	69
Between 1 and 5 years	247	146
More than 5 years	83	79
Total	**441**	**294**

During the period ended December 31, 2011, $107 million was recognized as an expense in the statement of comprehensive income as a component of the profit or loss in respect of operating leases (2010: $51 million; 2009: $50 million).

F-150

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

34. Operating leases (continued)

Leases as lessor

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

	As of December 31, 2011	2010
	(In $ million)	
Less than one year	12	13
Between 1 and 5 years	27	31
More than 5 years	2	3
Total	**41**	**47**

During the period ended December 31, 2011 $15 million was recognized as revenue in the statement of comprehensive income (2010: $21 million; 2009: $17 million).

35. Capital commitments

As of December 31, 2011, the Group had entered into contracts to incur capital expenditure of $106 million (2010: $95 million) for the acquisition of property, plant and equipment. These commitments are expected to be settled in the following financial year.

36. Contingencies

	As of December 31, 2011	2010
	(In $ million)	
Contingent liabilities	19	31

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

Litigation and legal proceedings

In addition to the amounts recognized as a provision in note 27, the Group has contingent liabilities related to other litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group s indebtedness as described in note 25.

37. Condensed consolidating guarantor financial information

Certain of the Group s subsidiaries have guaranteed the Group s obligations under the Notes (as defined in note 25).

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

The following condensed consolidating financial information presents:

(1) The condensed consolidating statements of financial position as of December 31, 2011 and 2010 and the related statements of financial performance and cash flows for the each of the periods ended December 31, 2011, 2010, and 2009 of:

a. Reynolds Group Holdings Limited, the Parent;

b. Reynolds Group Issuer (Luxembourg) S.A., Reynolds Group Issuer Inc. and Reynolds Group Issuer LLC, the issuers of the Notes (together the Issuers);

c. the other guarantor subsidiaries;

d. the non-guarantor subsidiaries; and

e. the Group on a consolidated basis.

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

The condensed consolidating statement of financial performance and consolidating statement of cash flows for periods ended December 31, 2011, 2010 and 2009 and the condensed consolidating statement of financial position at December 31, 2011, 2010 and 2009 reflect the current guarantor structure of the Group.

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

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial performance
For the Period Ended December 31, 2011

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Revenue			10,921	1,178	(310)	11,789
Cost of sales			(9,034)	(1,001)	310	(9,725)
Gross profit			**1,887**	**177**		**2,064**
Other income, other expenses and share of equity method earnings, net of income tax	(427)		(123)	(18)	404	(164)
Selling, marketing and distribution expenses			(306)	(41)		(347)
General and administration expenses	(2)		(584)	(42)		(628)
Profit (loss) from operating activities (EBIT)	**(429)**		**874**	**76**	**404**	**925**
Financial income	16	695	9	113	(811)	22
Financial expenses		(728)	(1,373)	(130)	811	(1,420)
Net financial income (expense)	**16**	**(33)**	**(1,364)**	**(17)**		**(1,398)**
Profit (loss) before income tax	**(413)**	**(33)**	**(490)**	**59**	**404**	**(473)**
Income tax benefit (expense)	(4)	13	71	(24)		56
Profit (loss) for the period	**(417)**	**(20)**	**(419)**	**35**	**404**	**(417)**

As detailed in note 33, the amounts determined as a part of the Graham Packaging Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial position
As of December 31, 2011

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Assets						
Cash and cash equivalents			461	136		597
Trade and other receivables	5		1,258	243		1,506
Inventories			1,572	201		1,773
Inter-group receivables		234		33	(267)	
Other assets			146	32		178
Total current assets	**5**	**234**	**3,437**	**645**	**(267)**	**4,054**
Investments in subsidiaries, associates and joint ventures			1,282	118	(1,281)	119
Property, plant and equipment			3,887	648		4,535
Investment properties			29			29
Intangible assets			12,144	387		12,531
Inter-group receivables	16	10,042	275	1,173	(11,506)	
Other assets	271	116	190	43		620
Total non-current assets	**287**	**10,158**	**17,807**	**2,369**	**(12,787)**	**17,834**
Total assets	**292**	**10,392**	**21,244**	**3,014**	**(13,054)**	**21,888**
Liabilities						
Trade and other payables	11	236	1,256	255		1,758
Borrowings	1		503	17		521
Inter-group payables			267		(267)	-
Other liabilities	4		460	64		528
Total current liabilities	**16**	**236**	**2,486**	**336**	**(267)**	**2,807**
Borrowings		9,993	5,491	1,141		16,625
Inter-group liabilities	475	23	11,231	252	(11,981)	
Other liabilities			2,511	122		2,633
Total non-current liabilities	**475**	**10,016**	**19,233**	**1,515**	**(11,981)**	**19,258**

Total liabilities	**491**	**10,252**	**21,719**	**1,851**	**(12,248)**	**22,065**
Net assets	**(199)**	**140**	**(475)**	**1,163**	**(806)**	**(177)**
Equity						
Equity attributable to equity holder of the Group	(199)	140	(475)	1,163	(828)	(199)
Non-controlling interests					22	22
Total equity (deficit)	**(199)**	**140**	**(475)**	**1,163**	**(806)**	**(177)**

As detailed in note 33, the amounts determined as a part of the Graham Packaging Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of cash flows
For the Period Ended December 31, 2011

	Parent	Issuers	Other guarantor entities	Non-guarantor entities (In $ million)	Adjustments and eliminations	Consolidated
Net cash from (used in) operating activities		**(547)**	**458**	**(104)**	**636**	**443**
Net cash from (used in) investing activities		**(3,897)**	**(2,460)**	**121**	**3,734**	**(2,502)**
Included in investing activities:						
Acquisition of property, plant and equipment			(416)	(95)		(511)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			58	13		71
Acquisition of intangible assets			(8)	(1)		(9)
Acquisition of businesses, net of cash acquired			(2,048)			(2,048)
Disposal of businesses, net of cash disposed						
Net related party advances (repayments)		(4,427)	(31)	88	4,370	
Net cash from (used in) financing activities		**4,419**	**1,948**	**9**	**(4,370)**	**2,006**
Included in financing activities:						
Drawdown of loans and borrowings		4,482	4,676	13		9,171
Repayment of loans and borrowings			(6,648)	(4)		(6,652)
Payment of liabilities arising from Graham Packaging Acquisition			(252)			(252)
Net related party borrowings		29	4,364	2	(4,370)	25
Payment of transaction costs		(92)	(187)			(279)

As detailed in note 33, the amounts determined as a part of the Graham Packaging Acquisition are provisional. The finalization of these valuations may result in changes between guarantor and non-guarantor groups.

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial performance
For the Period Ended December 31, 2010

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Revenue			6,250	824	(300)	6,774
Cost of sales			(5,178)	(646)	300	(5,524)
Gross profit			**1,072**	**178**		**1,250**
Other income, other expenses and share of equity method earnings, net of income tax	(102)	(1)	138	8	(3)	40
Selling, marketing and distribution expenses			(198)	(33)		(231)
General and administration expenses	(3)		(362)	(27)		(392)
Profit (loss) from operating activities (EBIT)	**(105)**	**(1)**	**650**	**126**	**(3)**	**667**
Financial income	14	266	14	120	(348)	66
Financial expenses	(2)	(251)	(727)	(120)	348	(752)
Net financial income (expense)	**12**	**15**	**(713)**			**(686)**
Profit (loss) before income tax	(93)	14	(63)	126	(3)	(19)
Income tax benefit (expense)	(4)	(5)	(47)	(22)		(78)
Profit (loss) for the period	**(97)**	**9**	**(110)**	**104**	**(3)**	**(97)**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial position
As of December 31, 2010

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Assets						
Cash and cash equivalents	1	25	528	110		664
Trade and other receivables	5		984	161		1,150
Inventories			1,159	122		1,281
Inter-group receivables		90		5	(95)	
Other assets			186	15		201
Total current assets	**6**	**115**	**2,857**	**413**	**(95)**	**3,296**
Investments in subsidiaries, associates and joint ventures			903	107	(900)	110
Property, plant and equipment			2,930	336		3,266
Investment properties			68			68
Intangible assets			8,598	150		8,748
Inter-group receivables	16	5,595	123	1,289	(7,023)	
Other assets	256	77	127	28		488
Total non-current assets	**272**	**5,672**	**12,749**	**1,910**	**(7,923)**	**12,680**
Total assets	**278**	**5,787**	**15,606**	**2,323**	**(8,018)**	**15,976**
Liabilities						
Trade and other payables	10	90	1,017	129		1,246
Borrowings			138	3		141
Inter-group payables			95		(95)	
Other liabilities	1		396	31		428
Total current liabilities	**11**	**90**	**1,646**	**163**	**(95)**	**1,815**
Borrowings		5,559	4,978	1,164		11,701
Inter-group liabilities	26	2	6,891	129	(7,048)	
Other liabilities		5	2,124	67		2,196
Total non-current liabilities	**26**	**5,566**	**13,993**	**1,360**	**(7,048)**	**13,897**

Total liabilities	**37**	**5,656**	**15,639**	**1,523**	**(7,143)**	**15,712**
Net assets	**241**	**131**	**(33)**	**800**	**(875)**	**264**
Equity						
Equity attributable to equity holder of the Group	241	131	(33)	800	(898)	241
Non-controlling interest					23	23
Total equity	**241**	**131**	**(33)**	**800**	**(875)**	**264**

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of cash flows
For the Period Ended December 31, 2010

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
				(In $ million)		
Net cash from (used in) operating activities		**(171)**	**317**	**(34)**	**271**	**383**
Net cash from (used in) investing activities	**(322)**	**(3,810)**	**(4,594)**	**62**	**4,076**	**(4,588)**
Included in investing activities:						
Purchase of Whakatane Mill			(46)			(46)
Acquisition of property, plant and equipment			(250)	(69)		(319)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			31	1		32
Acquisition of businesses, net of cash acquired			(4,386)			(4,386)
Acquisition of intangible assets			(17)	(1)		(18)
Disposal of businesses, net of cash disposed			32			32
Net related party advances (repayments)		(3,980)	138	15	3,924	97
Net cash from (used in) financing activities	**322**	**3,993**	**4,412**	**(35)**	**(4,347)**	**4,345**
Included in financing activities:						
Acquisition of businesses under common control			(1,958)			(1,958)
Drawdown of loans and borrowings		4,000	2,820	2		6,822
Repayment of loans and borrowings			(478)	(3)		(481)
Proceeds from issues of share capital	322	102	322		(424)	322
Proceeds from related party borrowings			3,965		(3,965)	
Repayment of related party borrowings				(32)	32	
Payment of transaction costs		(99)	(194)			(293)

Table of Contents

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of financial performance
For the Period Ended December 31, 2009

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Revenue			5,451	704	(245)	5,910
Cost of sales			(4,374)	(562)	245	(4,691)
Gross profit			**1,077**	**142**		**1,219**
Other income, other expenses and share of equity method earnings, net of income tax	121		204	17	(226)	116
Selling, marketing and distribution expenses			(182)	(29)		(211)
General and administration expenses	(1)	(1)	(378)	(30)	44	(366)
Profit (loss) from operating activities (EBIT)	**120**	**(1)**	**721**	**100**	**(182)**	**758**
Financial income	12	21	13	118	(143)	21
Financial expenses	(17)	(20)	(473)	(146)	143	(513)
Net financial income (expense)	**(5)**	**1**	**(460)**	**(28)**		**(492)**
Profit (loss) before income tax	115		261	72	(182)	266
Income tax benefit (expense)	2		(141)	(10)		(149)
Profit (loss) for the period	**117**		**120**	**62**	**(182)**	**117**

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

37. Condensed consolidating guarantor financial information (continued)

Condensed consolidating statement of cash flows
For the Period Ended December 31, 2009

	Parent	Issuers	Other guarantor entities	Non-guarantor entities	Adjustments and eliminations	Consolidated
			(In $ million)			
Net cash from (used in) operating activities			**649**	**10**	**111**	**770**
Net cash from (used in) investing activities	**(544)**	**(1,688)**	**(104)**	**70**	**2,131**	**(135)**
Included in investing activities:						
Acquisition of property, plant and equipment			(204)	(40)		(244)
Proceeds from sale of property, plant and equipment, investment properties, intangible assets and other assets			34	7		41
Acquisition of intangible assets			(43)	(5)		(48)
Acquisition of businesses, net of cash acquired			4			4
Disposal of businesses, net of cash disposed						
Net related party advances (repayments)		(1,688)	111	(9)	1,689	103
Net cash from (used in) financing activities	**545**	**1,699**	**(465)**	**(38)**	**(2,242)**	**(501)**
Included in financing activities:						
Acquisition of businesses under common control			(1,687)			(1,687)
Drawdown of loans and borrowings		1,789	1,504			3,293
Repayment of loans and borrowings			(2,350)	(32)		(2,382)
Proceeds from issues of share capital	544		578	17	(561)	578
Proceeds from related party borrowings	1	1	1,755		(1,689)	68
Repayment of related party borrowings		(1)	(174)	(6)	1	(180)
Payment of transaction costs		(67)	(83)			(150)

38. Subsequent events

Financing Transactions

On February 15, 2012, the Group issued $1,250 million principal amount of 9.875% senior notes due 2019 (the February 2012 Notes). Interest on the February 2012 Notes is paid semi-annually on February 15 and August 15 of each year, commencing August 15, 2012. All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the February 2012 Notes to the extent permitted by law.

The net proceeds from the February 2012 Notes were used to redeem and discharge 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 2014 Notes and the $249 million outstanding aggregate principal amount of the Pactiv 2012 Notes. The remaining net proceeds from the February 2012 Notes will be used for general corporate purposes.

On March 20, 2012, Graham Packaging Holdings Company and certain of its subsidiaries organized in the United States guaranteed the February 2012 Notes, the Notes, the 2007 Notes and the August 2011 Credit Agreement and provided collateral security for the Secured Notes and the August 2011 Credit Agreement. This change to the guarantee structure is reflected in the condensed consolidating guarantor financial information as presented in note 37.

Reynolds Group Holdings Limited

Notes to the financial statements (Continued)

38. Subsequent events (continued)

Following the guarantee of the August 2011 Credit Agreement by Graham Packaging Holdings Company and certain of its subsidiaries as described above, the requirement to make additional principal amortization payments of $50 million per quarter under the August 2011 Credit Agreement terminated.

Other

In January 2012, the Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. 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.

Other than the items disclosed above, there have been no events subsequent to December 31, 2011, which would require accrual or disclosure in these financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed financial statements
for the three month periods ended
March 31, 2012 and March 31, 2011

F-162

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of comprehensive income

	Note	For the three month period ended March 31, 2012	2011*
		(In $ million)	
Revenue		3,312	2,367
Cost of sales		(2,714)	(1,924)
Gross profit		**598**	**443**
Other income	7	91	23
Selling, marketing and distribution expenses		(85)	(82)
General and administration expenses		(208)	(151)
Other expenses	8	(70)	(57)
Share of profit of associates and joint ventures, net of income tax		5	6
Profit from operating activities		**331**	**182**
Financial income	9	133	96
Financial expenses	9	(372)	(379)
Net financial expenses		**(239)**	**(283)**
Profit (loss) before income tax		**92**	**(101)**
Income tax (expense) benefit	10	(32)	46
Profit (loss) for the period		**60**	**(55)**
Other comprehensive income (loss) for the period, net of income tax			
Exchange differences on translating foreign operations		1	(119)
Total other comprehensive income (loss) for the period, net of income tax		**1**	**(119)**
Total comprehensive income (loss) for the period		**61**	**(174)**
Profit (loss) attributable to:			
Equity holder of the Group		60	(55)
Non-controlling interests			
		60	**(55)**
Total other comprehensive income (loss) attributable to:			
Equity holder of the Group		1	(119)

Non-controlling interests	**1**	**(119)**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of financial position

	Note	As of March 31, 2012	As of December 31, 2011
		(In $ million)	
Assets			
Cash and cash equivalents		1,253	597
Trade and other receivables		1,514	1,501
Inventories	11	1,856	1,773
Current tax assets		38	39
Assets held for sale		24	70
Derivatives		4	1
Other assets		67	68
Total current assets		**4,756**	**4,049**
Non-current receivables		47	50
Investments in associates and joint ventures		125	119
Deferred tax assets		51	27
Property, plant and equipment	12	4,508	4,535
Investment properties		30	29
Intangible assets	13	12,477	12,531
Derivatives		210	122
Other assets		148	150
Total non-current assets		**17,596**	**17,563**
Total assets		**22,352**	**21,612**
Liabilities			
Bank overdrafts		3	3
Trade and other payables		1,831	1,747
Liabilities directly associated with assets held for sale			20
Borrowings	14	76	520
Current tax liabilities		128	160
Derivatives		10	16
Employee benefits		198	227
Provisions	15	112	98
Total current liabilities		**2,358**	**2,791**
Non-current payables		40	33
Borrowings	14	17,726	16,641
Deferred tax liabilities		1,568	1,539

Employee benefits		921	934
Provisions	15	131	127
Total non-current liabilities		**20,386**	**19,274**
Total liabilities		**22,744**	**22,065**
Net liabilities		**(392)**	**(453)**
Equity			
Share capital		1,417	1,417
Reserves		(1,250)	(1,251)
Accumulated losses		(581)	(641)
Equity attributable to equity holder of the Group		**(414)**	**(475)**
Non-controlling interests		22	22
Total equity (deficit)		**(392)**	**(453)**

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

F-164

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of changes in equity

	Share capital	Translation of foreign operations	Other reserves	Accumulated losses	Equity attributable to equity holder of the Group	Non-controlling interests	Total
				(In $ million)			
Balance at the beginning of the period (January 1, 2011)	1,417	331	(1,561)	(219)	**(32)**	23	**(9)**
Total comprehensive income (loss) for the period:							
Profit (loss) after tax*				(55)	**(55)**		**(55)**
Foreign exchange translation reserve		(119)			**(119)**		**(119)**
Total comprehensive income (loss) for the period		**(119)**		**(55)**	**(174)**		**(174)**
Dividends paid to non-controlling interests						(1)	**(1)**
Balance at March 31, 2011	**1,417**	**212**	**(1,561)**	**(274)**	**(206)**	**22**	**(184)**
Balance at the beginning of the period (January 1, 2012)	1,417	310	(1,561)	(641)	**(475)**	22	**(453)**
Total comprehensive income (loss) for the period:							
Profit (loss) after tax				60	**60**		**60**
Foreign exchange translation reserve		1			**1**		**1**
Total comprehensive income (loss) for the period		**1**		**60**	**61**		**61**
Balance at March 31, 2012	**1,417**	**311**	**(1,561)**	**(581)**	**(414)**	**22**	**(392)**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of cash flows

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Cash flows from operating activities		
Cash received from customers	3,333	2,428
Cash paid to suppliers and employees	(2,897)	(2,229)
Interest paid	(294)	(58)
Income taxes (paid) refunded, net	(39)	28
Premium on extinguishment of loans and borrowings	(17)	
Net cash from operating activities	**86**	**169**
Cash flows used in investing activities		
Acquisition of property, plant and equipment and investment properties	(133)	(101)
Proceeds from sale of property, plant and equipment, investment properties and other assets	19	2
Acquisition of intangible assets	(3)	(4)
Disposal of business, net of cash disposed	94	
Disposal of other investments		1
Interest received	1	1
Dividends received from joint ventures	2	2
Net cash used in investing activities	**(20)**	**(99)**
Cash flows from (used in) financing activities		
Drawdown of loans and borrowings:		
February 2012 Senior Notes	1,250	
February 2011 Credit Agreement		2,666
February 2011 Notes		2,000
2009 Credit Agreement		10
Other borrowings	21	
Repayment of loans and borrowings:		
2011 Credit Agreement	(11)	
2009 Credit Agreement		(4,168)
Graham Packaging Notes	(388)	
Pactiv 2012 Notes	(249)	
Other borrowings	(11)	(1)
Payment of transaction costs	(30)	(56)
Dividends paid to related parties and non-controlling interests	(1)	(1)
Net cash from (used in) financing activities	**581**	**450**

Net increase (decrease) in cash and cash equivalents	**647**	**520**
Cash and cash equivalents at the beginning of the period	594	651
Effect of exchange rate fluctuations on cash held	9	11
Cash and cash equivalents at the end of the period	**1,250**	**1,182**
Cash and cash equivalents comprise		
Cash and cash equivalents	1,253	1,186
Bank overdrafts	(3)	(4)
Cash and cash equivalents at the end of the period	**1,250**	**1,182**

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of cash flows (Continued)

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

	For the three month period ended March 31, 2012	2011*
	(In $ million)	
Profit (loss) for the period	60	(55)
Adjustments for:		
Depreciation of property, plant and equipment	191	132
Depreciation of investment properties		1
Amortization of intangible assets	97	71
Asset impairment charges	15	
Net foreign currency exchange loss (gain)	1	4
Change in fair value of derivatives	(9)	(4)
(Gain) loss on sale of property, plant and equipment and non-current assets	(2)	
Gain on sale of businesses	(66)	
Net financial expenses	239	283
Share of profit of equity accounted investees	(5)	(6)
Income tax expense (benefit)	32	(46)
Interest paid	(294)	(58)
Income taxes (paid) refunded, net	(39)	28
Premium on extinguishment of loans and borrowings	(17)	
Change in trade and other receivables	12	42
Change in inventories	(78)	(220)
Change in trade and other payables	(26)	37
Change in provisions and employee benefits	(28)	(41)
Change in other assets and liabilities	3	1
Net cash from operating activities	**86**	**169**

* In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Interim unaudited condensed statements of cash flows (Continued)

Disposals of businesses

	For the three month period ended March 31, 2012	2011
	(In $ million)	
Inflow (outflow) of cash:		
Cash receipts	80	
Cash received from the repayment of notes receivable for a previously disposed business	14	
	94	
Discharge of notes receivable relating to a previously disposed business	(14)	
Net assets disposed of	**80**	
Details of net assets disposed of:		
Trade and other receivables	11	
Inventories	15	
Other current and non-current assets	7	
Trade and other payables	(13)	
Provisions and employee benefits	(6)	
Net assets disposed of	**14**	
Gain on acquisition	66	
	80	

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012

1. Reporting entity

Beverage Packaging Holdings (Luxembourg) I S.A. (the Company) is a company domiciled in Luxembourg and registered in the Luxembourg Registre de Commerce et des Sociétiés .

The interim unaudited condensed financial statements of the Company as of March 31, 2012 and for the three month periods ended March 31, 2012 and March 31, 2011 comprise the Company and its subsidiaries and their interests in associates and jointly controlled entities. Collectively, these entities are referred to as the Group .

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

The address of the registered office of the Company is 6C, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.

2. Basis of preparation

2.1 Statement of compliance

The interim unaudited condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting . The disclosures required in these interim unaudited condensed financial statements are less extensive than the disclosure requirements for annual financial statements. The December 31, 2011 statement of financial position as presented in the interim unaudited condensed financial statements was derived from the Group s audited financial statements for the year ended December 31, 2011, but does not include the disclosures required by IFRS as issued by the IASB.

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

The interim unaudited condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2011.

The interim unaudited condensed financial statements were approved by the Board of Directors (the Directors) on May 24, 2012.

2.2 Going concern

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

2.3 Basis of measurement

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

certain components of inventory which are measured at net realizable value;

defined benefit pension plan net liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and

certain assets and liabilities, such as derivatives, which are measured at fair value.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

2.4 Presentation currency

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

2.5 Comparative information

As previously reported, the valuation of the acquired assets and assumed liabilities from the Pactiv Acquisition was finalized in conjunction with the approval of the interim unaudited condensed financial statements as of and for the period ended September 30, 2011. This resulted in changes to the preliminary values of certain assets and liabilities recognized at the date of the Pactiv Acquisition on November 16, 2010. The change in values of certain assets resulted in changes to the depreciation and amortization expenses recognized in the period since acquisition. In accordance with the accounting policy described in note 3.1(a) of the financial statements of the Group for the year ended December 31, 2011, all adjustments on finalization of the purchase accounting have been recognized retrospectively to the acquisition date. As a result, certain elements of the interim unaudited condensed statement of comprehensive income for the three month period ended March 31, 2011, presented for comparative purposes, have been revised. Cost of sales increased by $7 million, general and administration expenses increased by $5 million and income tax benefit increased by $5 million. The finalization of this purchase accounting had no effect on the Group s statement of cash flows, EBITDA or Adjusted EBITDA for the period ended March 31, 2011.

In connection with the integration of the acquired Pactiv operations into the Reynolds Consumer Products and Pactiv Foodservice segments, the Group has completed a number of internal reorganizations which now enable these segments to report inventory transfers as inter-segment revenue and cost of sales. As a result, the Group revised its policy for recording inventory transfers from the Pactiv Foodservice segment to the Reynolds Consumer Products segment to present the transfers as inter-segment revenue effective in the first quarter of 2012. Prior to this, inter-segment inventory transfers had been recorded within the combined businesses shared balance sheet and not as inter-segment revenue. To conform to the current period presentation, information with respect to business segment reporting as presented for the three month period ended March 31, 2011 has been revised for the Pactiv Foodservice segment. As a result of this revision, inter-segment revenue of the Pactiv Foodservice segment increased by $105 million for the three month period ended March 31, 2011, with a corresponding increase in the corporate inter-segment revenue elimination. The revision had no impact on segment gross profit, profit from operating activities, EBITDA, Adjusted EBITDA and net loss for the three month period ended March 31, 2011, and no impact on the interim unaudited condensed statement of cash flows for the three month period ended March 31, 2011.

2.6 Accounting policies and recently issued accounting pronouncements

The accounting policies applied by the Group in the interim unaudited condensed financial statements are consistent with those applied by the Group in its annual financial statements for the year ended December 31, 2011.

Recently Issued Accounting Pronouncements

There have been no issued accounting pronouncements during the three month period ended March 31, 2012 that impact the Group. In addition, there have been no material changes to any previously issued accounting pronouncements or, to the Group s evaluation of the related impact, as disclosed by the Group in the annual financial statements for the year ended December 31, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

3. Use of estimates and judgments

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

The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

3.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill and indefinite life intangible assets are impaired requires estimation of the recoverable values of the cash generating units (CGU) to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the CGU being reviewed). Significant judgment is involved in estimating the fair value of a CGU. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(b) Other assets

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

3.2 Income taxes

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

3.3 Finalization of provisional acquisition accounting

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

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of March 31,

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

2012, certain amounts presented for the acquisition of Graham Packaging have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a) of the annual financial statements of the Group for the year ended December 31, 2011, any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively to the date of acquisition.

4. 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.

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

F-172

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

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.

5. Financial risk management

5.1 Financial risk factors

Exposure to market risk (including currency risk, interest rate risk and commodity prices), credit risk and liquidity risk arises in the normal course of the Group s business. During the three month period ended March 31, 2012, the Group continued to apply the risk management objectives and policies which were disclosed in the annual financial statements of the Group for the year ended December 31, 2011.

The interim unaudited condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group s annual financial statements for the year ended December 31, 2011.

5.2 Liquidity risk

As described in note 14, during the three month period ended March 31, 2012, the Group issued the February 2012 Senior Notes. As a result of the notes issuance and other changes in borrowings, the Group s contractual cash flows related to total borrowings as of March 31, 2012 are as follows:

	Total debt and interest	Less than one year	One to three years	Three to five years	Greater than five years
			(In $million)		
March 31, 2012 *	28,097	1,500	2,928	5,848	17,821
December 31, 2011 *	26,635	1,878	3,453	5,841	15,463

* The interest rates on the floating rate debt balances have been assumed to be the same as the rates as of March 31, 2012 and December 31, 2011, respectively.

Trade and other payables that are due for payment in less than one year were $1,831 million and $1,747 million as of March 31, 2012 and December 31, 2011, respectively.

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

5.3 Fair value measurements recognized in the statement of comprehensive income

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

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
		(In $ million)		
March 31, 2012				
Financial assets and liabilities at fair value through profit or loss				
Derivative financial assets/(liabilities)				
Commodity derivatives, net		(6)		(6)
Embedded derivatives		210		210
Total		**204**		**204**
December 31, 2011				
Financial assets and liabilities at fair value through profit or loss				
Derivative financial assets/(liabilities)				
Commodity derivatives, net		(15)		(15)
Embedded derivatives		122		122
Total		**107**		**107**

There were no transfers between any levels during the three month period ended March 31, 2012. There have been no changes in the classifications of financial assets as a result of a change in the purpose or use of these assets.

6. Segment reporting

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

The Group s CODM resides within the immediate parent company of the Group, Reynolds Group Holdings Limited (RGHL). Information reported to the Group s CODM for the purposes of resource allocation and assessment of segment performance is focused on six business segments that exist within the Group. The Group s reportable business segments under IFRS 8 are as follows:

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. SIG supplies complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. 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 paper products for commercial printing.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

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.

Pactiv Foodservice Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers.

Graham Packaging Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 18).

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

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

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

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

Business segment reporting

	For the three month period ended March 31, 2012							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
	(In $ million)							
Total external revenue	467	386	293	555	816	795		3,312
		17	3	18	104		(142)	

Total inter-segment revenue								
Total segment revenue	**467**	**403**	**296**	**573**	**920**	**795**	**(142)**	**3,312**
Gross profit	105	55	53	158	146	83	(2)	598
Expenses and other income	(72)	(14)	(26)	(56)	(29)	(65)	(10)	(272)
Share of profit of associates and joint ventures	5							5

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	For the three month period ended March 31, 2012							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
	(In $ million)							
Earnings before interest and tax (EBIT)	**38**	**41**	**27**	**102**	**117**	**18**	**(12)**	**331**
Financial income								133
Financial expenses								(372)
Profit before income tax								**92**
Income tax benefit								(32)
Profit after income tax								**60**
Earnings before interest and tax (EBIT)	**38**	**41**	**27**	**102**	**117**	**18**	**(12)**	**331**
Depreciation and amortization	62	14	19	32	68	93		288
Earnings before interest, tax, depreciation and amortization (EBITDA)	**100**	**55**	**46**	**134**	**185**	**111**	**(12)**	**619**

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

F-176

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	For the three month period ended March 31, 2012							
	SIG	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Corporate/ unallocated*	Total
	(In $ million)							
Earnings before interest, tax, depreciation and amortization (EBITDA)	**100**	**55**	**46**	**134**	**185**	**111**	**(12)**	**619**
Included in EBITDA:								
Asset impairment charges					10	5		**15**
Business acquisition and integration costs				1	11	6	2	**20**
Equity method (profit)/losses not distributed in cash	(3)							**(3)**
Gain on sale of businesses					(66)			**(66)**
Non-cash pension expense (income)							(13)	**(13)**
Non-cash inventory charge				3	6			**9**
Operational process engineering-related consultancy costs					2			**2**
Restructuring costs/(recoveries)	16				3	8		**27**
SEC registration costs							4	**4**
Unrealized (gain)/loss on derivatives	(3)		(4)	(2)				**(9)**
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**110**	**55**	**42**	**136**	**151**	**130**	**(19)**	**605**
Segment assets as of March 31, 2012	3,209	1,394	1,799	5,139	5,731	4,333	747	22,352

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of March 31, 2012, Corporate / unallocated includes $1,563 million of provisional goodwill related to the Graham Packaging Acquisition (refer to note 18) that has not yet been allocated to the operating segments.

F-177

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	For the three month period ended March 31, 2011							
	SIG	**Evergreen**	**Closures**	**Reynolds Consumer Products**	**Pactiv Foodservice**	**Graham Packaging**	**Corporate/ unallocated***	**Total**
	(In $ million)							
Total external revenue	461	382	292	529	703			2,367
Total inter-segment revenue		7	3	12	114		(136)	
Total segment revenue	**461**	**389**	**295**	**541**	**817**		(136)	**2,367**
Gross profit	102	63	42	128	108			443
Expenses and other income	(60)	(14)	(24)	(65)	(100)		(4)	(267)
Share of profit of associates and joint ventures	6							6
Earnings before interest and tax (EBIT)	**48**	**49**	**18**	**63**	**8**		**(4)**	**182**
Financial income								96
Financial expenses								(379)
Profit before income tax								**(101)**
Income tax expense								46
Profit after income tax								**(55)**
Earnings before interest and tax (EBIT)	**48**	**49**	**18**	**63**	**8**		**(4)**	**182**
Depreciation and amortization	62	15	19	37	70			203
Earnings before interest, tax, depreciation and amortization (EBITDA)	**110**	**64**	**37**	**100**	**78**		**(4)**	**385**
Included in EBITDA:								

Business acquisition and integration costs					2			2
Equity method profit not distributed in cash	(4)							(4)
Gain on sale of businesses								
Non-cash pension expense (income)				1	2		(15)	(12)
Operational process engineering-related consultancy costs				1	3		1	5
Restructuring costs	1		1	9	23		12	46
Unrealized gain on derivatives		(1)		(1)	(2)			(4)
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**107**	**63**	**38**	**110**	**106**		**(6)**	**418**
Segment assets as of December 31, 2011	3,218	1,373	1,759	4,882	5,826	4,305	249	21,612

In accordance with IFRS 3 (revised) Business Combinations, the information presented for the three month period ended March 31, 2011 has been revised to reflect the effect of the finalization of the purchase price accounting for the Pactiv Acquisition. Refer to note 2.5.

The inter-segment revenue for the three month period ended March 31, 2011 has been revised to conform to the presentation of the three month period ended March 31, 2012. Refer to note 2.5.

* Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

$1,566 million of provisional goodwill related to the Graham Packaging Acquisition that has not yet been allocated to the operating segments.

7. Other income

	For the three month period ended March 31,	
	2012	2011
	(In $ million)	
Gain on sale of business	66	
Income from facility management	1	3
Rental income from investment properties		2
Royalty income	1	1
Sale of by-products	6	7
Unrealized gains on derivatives	9	4
Other	8	6
Total other income	**91**	**23**

During the three month period ended March 31, 2012, the Group sold the Pactiv Foodservice laminating operations in Louisville, Kentucky. Cash proceeds from the sale were $80 million (subject to customary post-closing working capital adjustments) resulting in a gain on sale of $66 million.

8. Other expenses

	For the three month period ended March 31,	
	2012	2011
	(In $ million)	
Asset impairment charges	(15)	
Business acquisition and integration costs	(20)	(2)
Net foreign currency exchange loss	(1)	(4)
Operational process engineering-related consultancy costs	(2)	(5)
Restructuring costs	(27)	(46)

SEC registration costs	(4)	
Other	(1)	
Total other expenses	**(70)**	**(57)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

9. Financial income and expenses

	Note	For the three month period ended March 31, 2012	2011
		(In $ million)	
Interest income		1	1
Net gain in fair values of derivatives		81	
Net foreign currency exchange gain		51	95
Financial income		**133**	**96**
Interest expense:			
August 2011 Credit Agreement		(76)	
February 2011 Credit Agreement			(16)
2009 Credit Agreement			(29)
February 2012 Senior Notes		(15)	
August 2011 Notes		(54)	
February 2011 Notes		(39)	(25)
October 2010 Notes		(64)	(61)
May 2010 Senior Notes		(24)	(21)
2009 Senior Secured Notes		(33)	(35)
Related Party Notes		(26)	(27)
Pactiv 2012 Notes		(3)	(4)
Pactiv 2017 Notes		(6)	(6)
Pactiv 2025 Notes		(6)	(6)
Pactiv 2027 Notes		(4)	(4)
Graham Packaging 2014 Notes		(7)	
Amortization of:			
Debt issuance costs			
August 2011 Credit Agreement		(2)	
2009 Credit Agreement(a)			(86)
August 2011 Notes		(1)	
October 2010 Notes		(2)	(3)
May 2010 Senior Notes		(1)	(1)
2009 Senior Secured Notes		(2)	(2)
Related Party Notes		(1)	(1)
Fair value adjustment on acquired notes		10	2
Original issue discounts(a)		(2)	(38)

Embedded derivatives	8	2
Net loss in fair values of derivatives		(16)
Premium on extinguishment of debt	(17)	
Other	(5)	(2)
Financial expenses	**(372)**	**(379)**
Net financial expenses	**(239)**	**(283)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes and the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance cost of $86 million and unamortized original issue discount of $38 million related to the 2009 Credit Agreement were expensed during the three month period ended March 31, 2011. Refer to note 14 for details of the Group s borrowings.

10. Income tax

	For the three month period ended March 31,	
	2012	**2011**
	(In $ million)	
Reconciliation of effective tax rate		
Profit (loss) before income tax	**92**	**(101)**
Income tax benefit (expense) using the New Zealand tax rate of 28%	(26)	28
Effect of differences in foreign jurisdictions	(1)	14
Effect of tax rates in state and local tax	(2)	3
Non-deductible expenses and permanent differences	1	(2)
Withholding tax	(4)	(2)
Tax rate modifications		(1)
Recognition of previously unrecognized tax losses and temporary differences	8	17
Unrecognized tax losses and temporary differences	(9)	(7)
Tax uncertainties	1	(1)
Other		(3)
Total income tax (expense) benefit	**(32)**	**46**

11. Inventories

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
Raw materials and consumables	498	556
Work in progress	261	229

Finished goods	1,012	898
Engineering and maintenance materials	157	159
Provision against inventories	(72)	(69)
Total inventories	**1,856**	**1,773**

During the three month period ended March 31, 2012, the raw materials elements of inventory recognized as a component of cost of sales totaled $1,668 million (2011: $1,166 million).

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

12. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress (In $ million)	Leased assets lessor	Finance leased assets	Total
Cost	241	1,027	4,111	362	349	28	6,118
Accumulated depreciation		(201)	(1,221)		(164)	(5)	(1,591)
Accumulated impairment losses	(2)	(5)	(12)				(19)
Balance as of March 31, 2012	**239**	**821**	**2,878**	**362**	**185**	**23**	**4,508**
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Balance as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**

The total depreciation charge of $191 million and $132 million for the three month period ended March 31, 2012 and March 31, 2011 respectively, is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2012: $184 million; March 31, 2011: $126 million), selling, marketing and distribution expenses (March 31, 2012: $1 million; March 31, 2011: $1 million) and general and administration expenses (March 31, 2012: $6 million; March 31, 2011: $5 million).

During the three month period ended March 31, 2012, $14 million of impairment charges were recognized (three month period ended March 31, 2011: none.)

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

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

13. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & software	Other	Total

	(In $million)					
Cost	6,291	2,071	3,785	1,101	244	13,492
Accumulated amortization		(27)	(510)	(362)	(116)	(1,015)
Balance as of March 31, 2012	**6,291**	**2,044**	**3,275**	**739**	**128**	**12,477**
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Balance as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**

The total amortization charge of $97 million and $71 million for the three month period ended March 31, 2012 and March 31, 2011 respectively, is recognized in the statements of comprehensive income as a component of cost of sales (March 31, 2012: $29 million; March 31, 2011: $22 million) and general and administration expenses (March 31, 2012: $68 million; March 31, 2011: $49 million).

Intangible assets include unallocated goodwill of $1,563 million in respect of the Graham Packaging Acquisition that has been determined on a provisional basis. Refer to note 18 regarding the details of the purchase price allocation and associated impact on the Group s financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

13.1 Impairment testing for CGUs containing indefinite life intangible assets

Goodwill, certain trademarks and certain other identifiable intangible assets are the only intangible assets with indefinite useful lives and are therefore not subject to amortization. Instead, recoverable amounts are calculated annually as well as whenever there is an indication that they may be impaired. There were no indicators of impairment as of March 31, 2012.

14. Borrowings

	Note	As of March 31, 2012	As of December 31, 2011
		(In $ million)	
August 2011 Credit Agreement(a)(u)		47	247
Pactiv 2012 Notes(m)(y)			253
Other borrowings(aa)		29	20
Current borrowings		**76**	**520**
August 2011 Credit Agreement(a)(u)		4,444	4,243
February 2012 Senior Notes(b)(v)		1,222	
August 2011 Senior Secured Notes(c)(w)		1,469	1,468
August 2011 Senior Notes(d)(w)		972	972
February 2011 Senior Secured Notes(e)(w)		999	999
February 2011 Senior Notes(f)(w)		993	993
October 2010 Senior Secured Notes(g)(w)		1,473	1,473
October 2010 Senior Notes(h)(w)		1,467	1,466
May 2010 Senior Notes(i)(w)		981	980
2009 Senior Secured Notes(j)(w)		1,663	1,642
Related Party Notes at 8%(k)(x)		626	606
Related Party Notes at 9.5%(l)(x)		548	530
Pactiv 2017 Notes(n)(y)		314	314
Pactiv 2018 Notes(o)(y)		17	17
Pactiv 2025 Notes(p)(y)		269	269
Pactiv 2027 Notes(q)(y)		197	197
Graham Packaging 2014 Notes(r)(z)			367
Graham Packaging 2017 Notes(s)(z)			14
Graham Packaging 2018 Notes(t)(z)			19
Related party borrowings	17	41	39
Other borrowings(aa)		31	33

Non-current borrowings	**17,726**	**16,641**
Total borrowings	**17,802**	**17,161**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,572	4,574
Debt issuance costs	(63)	(65)
Original issue discount	(18)	(19)
Carrying amount	**4,491**	**4,490**
(b) February 2012 Senior Notes	1,250	
Debt issuance costs	(34)	
Embedded derivative	6	
Carrying amount	**1,222**	
(c) August 2011 Senior Secured Notes	1,500	1,500
Debt issuance costs	(33)	(33)
Original issue discount	(10)	(11)
Embedded derivative	12	12
Carrying amount	**1,469**	**1,468**
(d) August 2011 Senior Notes	1,000	1,000
Debt issuance costs	(27)	(27)
Original issue discount	(7)	(7)
Embedded derivative	6	6
Carrying amount	**972**	**972**
(e) February 2011 Senior Secured Notes	1,000	1,000
Debt issuance costs	(15)	(15)
Embedded derivative	14	14
Carrying amount	**999**	**999**
(f) February 2011 Senior Notes	1,000	1,000
Debt issuance costs	(17)	(17)
Embedded derivative	10	10
Carrying amount	**993**	**993**

(g) October 2010 Senior Secured Notes	1,500	1,500
Debt issuance costs	(35)	(35)
Embedded derivative	8	8
Carrying amount	**1,473**	**1,473**
(h) October 2010 Senior Notes	1,500	1,500
Debt issuance costs	(42)	(43)
Embedded derivative	9	9
Carrying amount	**1,467**	**1,466**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(i) May 2010 Senior Notes	1,000	1,000
Debt issuance costs	(27)	(28)
Embedded derivative	8	8
Carrying amount	**981**	**980**
(j) 2009 Senior Secured Notes	1,726	1,707
Debt issuance costs	(57)	(59)
Original issue discount	(16)	(17)
Embedded derivative	10	11
Carrying amount	**1,663**	**1,642**
(k) Related Party Notes at 8%	641	621
Debt issuance costs	(15)	(15)
Carrying amount	**626**	**606**
(l) Related Party Notes at 9.5%	561	544
Debt issuance costs	(13)	(14)
Carrying amount	**548**	**530**
(m) Pactiv 2012 Notes		249
Fair value adjustment at acquisition		4
Carrying amount		**253**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	14
Carrying amount	**314**	**314**
(o) Pactiv 2018 Notes	16	16
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**

(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**
(q) Pactiv 2027 Notes	200	200
Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes		355
Fair value adjustment at acquisition		5
Embedded derivative		7
Carrying amount		**367**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	As of March 31, 2012	As of December 31, 2011
	(In $ million)	
(s) Graham Packaging 2017 Notes		14
Carrying amount		**14**
(t) Graham Packaging 2018 Notes		19
Carrying amount		**19**

(u) August 2011 Credit Agreement

RGHL and certain members of the Group are parties to an amended and restated senior secured credit agreement dated August 9, 2011 (the August 2011 Credit Agreement), which amended and restated the terms of the February 2011 Credit Agreement (as defined in the Group s annual financial statements for the year ended December 31, 2011). The August 2011 Credit Agreement comprises the following term and revolving tranches:

	Maturity date	Original facility value	Value drawn or utilized at March 31, 2012	Applicable interest rate for the three month period ended March 31, 2012
		(In $ million)		
Term Tranches				
Tranche B Term Loan ($)	February 9, 2018	2,325	2,277	6.500%
Tranche C Term Loan ($)	August 9, 2018	2,000	1,969	6.500%
European Term Loan ( )	February 9, 2018	250	245	6.750%
Revolving Tranches(1)				
Revolving Tranche ($)	November 5, 2014	120	79	
Revolving Tranche ( )	November 5, 2014	80	17	

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

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

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. The additional principal amortization payments of $50 million per quarter are no longer applicable as, effective March 2012, the Graham Packaging Holdings Company and certain of its subsidiaries now guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict RGHL and the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. RGHL and the Group also have a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of RGHL and its subsidiaries, and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of RGHL and its subsidiaries, in each case calculated in accordance with the August 2011 Credit Agreement and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of March 31, 2012, RGHL and the Group were in compliance with all of the covenants.

(v) February 2012 Senior Notes

On February 15, 2012, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together, the Reynolds Issuers) issued $1,250 million principal amount of 9.875% senior notes due 2019 (the February 2012 Senior Notes). Interest is paid semi-annually on February 15 and August 15, commencing August 15, 2012.

(w) Additional notes outstanding

Certain of the Group s borrowings issued by the Reynolds Issuers are summarized below:

	Currency	Issue date	Principal amounts issued (in million)	Interest rate	Maturity date	Semi-annual interest payment dates
August 2011 Senior Secured Notes	$	August 9, 2011	1,500	7.875%	August 15, 2019	February 15 and August 15
August 2011 Senior Notes	$	August 9, 2011	1,000	9.875%	August 15, 2019	February 15 and August 15
February 2011 Senior Secured Notes	$	February 1, 2011	1,000	6.875%	February 15, 2021	February 15 and August 15
February 2011 Senior Notes	$	February 1, 2011	1,000	8.250%	February 15, 2021	February 15 and August 15
October 2010 Senior Secured Notes	$	October 15, 2010	1,500	7.125%	April 15, 2019	April 15 and October 15
October 2010 Senior Notes	$	October 15, 2010	1,500	9.000%	April 15, 2019	April 15 and October 15
May 2010 Senior Notes	$	May 4, 2010	1,000	8.500%	May 15, 2018	May 15 and November 15

2009 Senior Secured Notes (Dollar)	$	November 5, 2009	1,125	7.750%	October 15, 2016	April 15 and October 15
2009 Senior Secured Notes (Euro)		November 5, 2009	450	7.750%	October 15, 2016	April 15 and October 15

The August 2011 Senior Secured Notes and the August 2011 Senior Notes are collectively defined as the August 2011 Notes . The February 2011 Senior Secured Notes and the February 2011 Senior Notes are collectively defined as the February 2011 Notes . The October 2010 Senior Secured Notes and the October 2010 Senior Notes are collectively defined as the October 2010 Notes . The 2009 Senior Secured Notes (Dollar) and the 2009 Senior Secured Notes (Euro) are collectively defined as the 2009 Senior Secured Notes .

Assets pledged as security for loans and borrowings

The shares in the Company have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, the Company and certain of its subsidiaries have

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Terms governing the Notes

As used herein Notes refers to the February 2012 Senior Notes, the August 2011 Notes, the February 2011 Notes, the October 2010 Notes, the May 2010 Senior Notes and the 2009 Senior Secured Notes.

Additional information regarding the Notes

The guarantee and security arrangements, indenture restrictions, early redemption options and change in control provisions for the February 2012 Senior Notes are consistent with the other series of Notes, which are unchanged from December 31, 2011.

U.S. Securities and Exchange Commission registration rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the May 2010 Senior Notes commenced on May 4, 2011 and ended on May 4, 2012. For the three month period ended March 31, 2012, the Group expensed additional interest of $1 million, $4 million, and $2 million related to the February 2011 Notes, the October 2010 Notes, and the May 2010 Senior Notes, respectively. As of March 31, 2012, the accrued additional interest related to these series of notes was $10 million.

(x) Related Party Notes

On June 29, 2007, Beverage Packaging Holdings (Luxembourg) II S.A. (BP II) (a related party of the Company) issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15. Concurrent with the issuance of the 2007 Notes, BP II loaned 900 million to the Company, consisting of 480 million principal amount with an interest rate of 8.000% (the Related Party Notes at 8%) and 420 million principal amount with an interest rate of 9.500% (the Related Party Notes at 9.5% and together with the Related Party Notes at 8%, the Related Party Notes). The interest payment and final maturity dates of the Related Party Notes are consistent with those of the 2007 Notes.

The guarantee and security arrangements, indenture restrictions, and change of control provisions of the 2007 Notes are unchanged from December 31, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

(y) Pactiv Notes

As of March 31, 2012, the Group had outstanding the following notes issued by Pactiv LLC (formerly Pactiv Corporation) (defined below, and together the Pactiv Notes):

	Currency	Date acquired by the Group	Principal amounts outstanding (in $ million)	Interest rate	Maturity date	Semi-annual interest payment dates
Pactiv 2017 Notes	$	November 16, 2010	300	8.125%	June 15, 2017	June 15 and December 15
Pactiv 2018 Notes	$	November 16, 2010	16	6.400%	January 15, 2018	January 15 and July 15
Pactiv 2025 Notes	$	November 16, 2010	276	7.950%	December 15, 2025	June 15 and December 15
Pactiv 2027 Notes	$	November 16, 2010	200	8.375%	April 15, 2027	April 15 and October 15

The guarantee arrangements, indenture restrictions, and redemption terms are unchanged from December 31, 2011.

During the three month period ended March 31, 2012, the Group redeemed and discharged the Pactiv 2012 Notes (as previously defined in the Group s annual financial statements for the year ended December 31, 2011).

(z) Graham Packaging Notes

During the three month period ended March 31, 2012, the Group redeemed and discharged the Graham Packaging Notes (as previously defined in the Group s annual financial statements for the year ended December 31, 2011).

(aa) Other borrowings

As of March 31, 2012, in addition to the August 2011 Credit Agreement, the Notes, the Related Party Notes, and the Pactiv Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

As of March 31, 2012, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of March 31, 2012, the secured facilities were utilized in the amount of $32 million (December 31, 2011: $25 million) in the form of short-term bank overdrafts, letters of credit and bank guarantees.

Other borrowings as of March 31, 2012, also included finance lease obligations of $28 million (December 31, 2011: $28 million).

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

15. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Current	7	13	46	23	23	112
Non-current	30		3	25	73	131
Balance as of March 31, 2012	**37**	**13**	**49**	**48**	**96**	**243**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**

The restructuring actions across the Group have resulted in the recognition of $27 million and $45 million of restructuring expenses for the three month periods ended March 31, 2012 and March 31, 2011, respectively. These restructuring expenses are primarily related to employee severance and have been or will be settled in cash.

The main components of other provisions are lease provisions and environmental remediation provisions. Other provisions at March 31, 2012 included $27 million related to make good obligations with respect to leases assumed as part of the Pactiv, Graham Packaging and Dopaco Acquisitions, $17 million related to asset retirement obligations, which were assumed in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $9 million related to environmental remediation programs.

16. Equity

16.1 Share capital

Beverage Packaging Holdings (Luxembourg) I S.A.

Number of shares	**For the three month period ended March 31, 2012**	**For the twelve month period ended December 31, 2011**
Balance at the beginning of the period	13,063,527	13,063,527
Issue of shares		

Balance	13,063,527	13,063,527

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

16.2 Other reserves

The interim unaudited condensed statement of financial position as of March 31, 2012 presents negative equity of $392 million compared to negative equity of $453 million as of December 31, 2011. The reduction in negative equity is primarily attributable to the current period profit. Total equity had been reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

as a reduction in equity. As of March 31, 2012, the common control transactions had generated a reduction in equity of $1,561 million.

16.3 Dividends

There were no dividends declared or paid during the three month period ended March 31, 2012 (2011: none) by the Company.

17. Related parties

Parent and ultimate controlling party

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

Related party transactions

The transactions and balances outstanding with joint ventures are with SIG Combibloc Obeikan FZCO and SIG Combibloc Obeikan Company Limited. All other related parties detailed below have a common ultimate shareholder. The entities and types of transactions with which the Group entered into related party transactions during the three month periods ended March 31, 2012 and 2011, are detailed below:

	Transaction values for the three month period ended March 31,		Balances outstanding as of	
	2012	2011	March 31, 2012	December 31, 2011
	(In $ million)			
Transactions with the immediate and ultimate parent companies				
Loan payable to immediate parent(a)			(17)	(16)
Transactions with joint ventures				
Sale of goods(b)	42	25	36	25
Purchase of goods(b)		(4)		
Transactions with other related parties				
Trade receivables				
BPC United States Inc.			4	4
Sale of services		1		
Carter Holt Harvey Limited				
Sale of goods		2		
Carter Holt Harvey Packaging Pty Limited				

Sale of goods		4		
Carter Holt Harvey Pulp & Paper Limited				
Sale of goods	1	1		
FRAM Group Operations LLC			1	1
United Components, Inc.			1	1

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	Transaction values for the three month period ended March 31, 2012	2011	Balances outstanding as of March 31, 2012	December 31, 2011
			(In $ million)	
Trade payables				
Carter Holt Harvey Limited				(1)
Purchase of goods	(3)			
Carter Holt Harvey Pulp and Paper Limited			(3)	(5)
Purchase of goods	(7)	(9)		
Rank Group Limited			(46)	(41)
Recharges(c)	(9)	(9)		
Rank Group North America Inc.				
Recharges(d)	(7)			
Loans payable				
Beverage Packaging Holdings (Luxembourg) II S.A.(f)			(1,174)	(1,136)
Interest payable			(31)	(4)
Interest expense	(26)	(27)		
Reynolds Treasury (NZ) Limited(e)			(24)	(23)
Payable related to transfer of tax losses to:				
Evergreen Packaging New Zealand Limited			(3)	
Transfer of tax losses	(3)			
Reynolds Packaging Group (NZ) Limited			(7)	
Transfer of tax losses	(7)			

(a) The advance due to RGHL accrued interest at a rate based on EURIBOR plus a margin of 2.375%. During the three month period ended March 31, 2012, interest accrued at a rate of 3.72% (2011: 3.38%). The loan is subordinated to the obligations under the August 2011 Credit Agreement, the August 2011 Senior Secured Notes, the February 2011 Senior Secured Notes, the October 2010 Senior Secured Notes, and the 2009 Senior Secured Notes, and is subject to certain other payment restrictions, including in favor of the 2007 Notes under the terms of the inter-creditor arrangements.

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

(c) Represents certain costs paid by Rank Group Limited on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to the Group s financing and acquisition activities.

(d) Represents certain costs paid by Rank Group North America Inc. on behalf of the Group that were subsequently recharged to the Group. These costs are primarily related to services provided.

(e) On August 23, 2011, the Group borrowed the Euro equivalent of $25 million from Reynolds Treasury (NZ) Limited. 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.

(f) Refer to note 14 for further details on the Group s borrowings with BP II.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

18. Business combinations

18.1 Graham Packaging

On September 8, 2011, the Group acquired 100% of the outstanding shares of Graham Packaging Company Inc. (Graham Packaging) and units of Graham Packaging Holdings, L.P. for an aggregate purchase price of $1,797 million. The consideration was paid in cash. There is no contingent consideration payable.

Graham Packaging is a leading global supplier of value-added rigid plastic containers for the food, specialty beverage and consumer products markets.

Funding for the purchase of the shares, the repayment of $1,935 million of certain existing indebtedness of Graham Packaging and associated transaction costs was provided through the combination of the $1,500 million principal amount of the August 2011 Senior Secured Notes, a portion of the $1,000 million principal amount of the August 2011 Senior Notes, the $2,000 million principal amount of the August 2011 Credit Agreement and available cash.

The following table provides a summary of the values allocated to assets, liabilities and contingent liabilities as of the date of acquisition. As noted in the table below, certain assets and liabilities have been recognized on a provisional basis. In respect of the preliminary valuations of property, plant and equipment and intangible assets (excluding goodwill), management, with the assistance of third party valuers, is still in the process of reviewing the preliminary valuation reports for these assets. In respect of the other account balances that continue to be recognized on a provisional basis, management is continuing to review the underlying reconciliations and supporting data in respect of certain components of these account balances. The finalization of these preliminary purchase price allocations will have implications on the measurement of deferred tax assets and liabilities. The preliminary valuations will be finalized no later than September 8, 2012.

	Amounts recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of March 31, 2012(c)
		(In $ million)	
Cash and cash equivalents	146		146
Trade and other receivables*	338		338
Inventories	300		300
Current tax assets*	3	1	4
Assets held for sale*	7		7
Investments in associates	1		1
Deferred tax assets*	7	1	8
Property, plant and equipment*	1,438	(37)	1,401
Intangible assets (excluding goodwill)*	1,679	695	2,374

Derivative assets	9		9
Other current and non-current assets*	19		19
Trade and other payables*	(694)	1	(693)
Current tax liabilities*	(10)	(33)	(43)
Borrowings	(2,852)		(2,852)
Deferred tax liabilities*	(405)	(183)	(588)
Provisions and employee benefits*	(201)	2	(199)
Net assets (liabilities) acquired	**(215)**	**447**	**232**
Goodwill on acquisition*	2,012	(447)	1,565

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

	Amounts recognized on September 8, 2011(a)	Measurement period adjustments(b)	Provisional values as of March 31, 2012(c)
		(In $ million)	
Net assets acquired	**1,797**		**1,797**
Consideration paid in cash	1,797		1,797
Net cash acquired	(146)		(146)
Net cash outflow	**1,651**		**1,651**

* Value determined on a provisional basis.

(a) Represents the preliminary values of assets, liabilities and contingent liabilities recognized on the acquisition date based on estimated fair values.

(b) The measurement period adjustments predominantly relate to changes in the fair values of separately identifiable intangible assets. Other measurement period adjustments have arisen from changes in the estimated fair values of property, plant and equipment as the Group continues to revise the valuations of these assets with the third party valuation firms. The changes in fair values of the separately identifiable intangible assets and property, plant and equipment resulted in a net increase in deferred tax liabilities. All measurement period adjustments were recorded during the period ended December 31, 2011.

(c) Represents the provisional allocation of the purchase price as March 31, 2012. Management is in the process of reviewing and finalizing balances.

In undertaking the Group s preliminary evaluation of the allocation of the purchase price, management has taken into consideration a number of market participant factors such as the historical margins achieved by the acquired operations, the contractual terms of certain agreements and in certain more complex areas sought the assistance of third party professionals who have an appropriate level of understanding of market- based valuation techniques. These factors will continue to be refined and revised as necessary as management continues to finalize its preliminary assessment.

The provisional fair value of trade receivables is $319 million. The gross contractual amount of trade receivables is $321 million, of which $2 million is expected to be uncollectible.

The provisional goodwill of $1,565 million recognized on the acquisition is mainly attributable to the skills of the acquired work force and the synergies expected to be achieved from combining Graham Packaging into the Group. The procurement synergies will result primarily from leveraging raw material purchasing and sharing best practices across the Group. The operational synergies will result primarily from a more efficient plant footprint and sharing of manufacturing best practices across the Group. Goodwill of $411 million is expected to be deductible for income tax purposes.

As part of its preliminary assessment of the purchase price accounting for the Graham Packaging Acquisition, management has identified on a provisional basis the following significant identifiable intangible assets and assessed their preliminary fair value and estimated useful life:

Types of identifiable intangible assets	**Fair value (in $ million)**	**Estimated useful lives**
Trade names	250	Indefinite
Customer relationships	1,574	18 to 22 years
Technology	547	10 to 15 years
Land use rights	3	43 years
	2,374	

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

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 arrangements and the value that is expected from the ongoing relationships beyond the existing contractual periods. The preliminary assessment of the average estimated useful life is 18 to 22 years.

Technology

Graham Packaging s operations include 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. The preliminary assessment of the useful life is between 10 and 15 years.

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

Graham Packaging contributed revenues of $795 million, loss after income tax of $28 million, EBITDA of $111 million, and Adjusted EBITDA of $130 million to the Group for the period from January 1, 2012 to March 31, 2012. If the acquisition had occurred on January 1, 2011, management estimates that Graham Packaging would have contributed revenue of $757 million, profit after income tax of $8 million, EBITDA of $123 million and Adjusted EBITDA of $135 million in the three month period ended March 31, 2011.

18.2 Dopaco

On May 2, 2011, the Group acquired 100% of the outstanding shares of Dopaco Inc. and Dopaco Canada Inc. (collectively Dopaco) for an aggregate purchase price of $395 million (the Dopaco Acquisition). As reported in the annual financial statements for the year ended December 31, 2011, the allocation of the purchase price as of the date of acquisition has been finalized. If the acquisition had occurred on January 1, 2011, the Group estimates that Dopaco would have contributed additional revenue of $108 million, profit after income tax of $2 million, EBITDA of $9 million and Adjusted EBITDA of $12 million in the three month period ended March 31, 2011.

19. Contingencies

Litigation and legal proceedings

In addition to the amounts recognized as a provision in note 15, the Group has contingent liabilities related to other litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group s indebtedness described in note 14.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the interim unaudited condensed financial statements
For the three month period ended March 31, 2012 (Continued)

20. Subsequent events

There have been no events subsequent to March 31, 2012 which would require accrual or disclosure in these financial statements.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Financial statements for the period ended

December 31, 2011

F-197

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors of Beverage Packaging Holdings (Luxembourg) I S.A.:

In our opinion, the accompanying statements of financial position and the related statements of comprehensive income, statements of changes in equity and statements of cash flows present fairly, in all material respects, the financial position of Beverage Packaging Holdings (Luxembourg) I S.A. and its subsidiaries (the Company) at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, Illinois
April 5, 2012

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of comprehensive income

	Note	For the period ended December 31, 2011	2010 (In $ million)	2009
Revenue	7	11,789	6,774	5,910
Cost of sales	*	(9,725)	(5,524)	(4,691)
Gross profit		**2,064**	**1,250**	**1,219**
Other income	8	87	102	201
Selling, marketing and distribution expenses	*	(347)	(231)	(211)
General and administration expenses	*	(626)	(388)	(366)
Other expenses	10	(268)	(80)	(96)
Share of profit of associates and joint ventures, net of income tax	23	17	18	11
Profit from operating activities		**927**	**671**	**758**
Financial income	12	6	41	13
Financial expenses	12	(1,409)	(750)	(499)
Net financial expenses		(1,403)	(709)	(486)
Income (loss) before income tax		**(476)**	**(38)**	**272**
Income tax benefit (expense)	13	56	(72)	(148)
Profit (loss) for the period		**(420)**	**(110)**	**124**
Other comprehensive income (loss) for the period, net of income tax				
Cash flow hedges				12
Exchange differences on translating foreign operations		(22)	228	71
Transfers from foreign currency translation reserve to profit and loss			49	
Total other comprehensive income (loss) for the period, net of income tax	14	(22)	277	83
Total comprehensive income (loss) for the period		**(442)**	**167**	**207**
Profit (loss) attributable to:				
Equity holder of the Group		(422)	(110)	124
Non-controlling interests		2		
		(420)	**(110)**	**124**

Total other comprehensive income (loss) attributable to:			
Equity holder of the Group	(21)	278	83
Non-controlling interests	(1)	(1)	
	(22)	**277**	**83**

* For information on expenses by nature, refer to notes 9, 11, 16, 18, 19, 22, and 34.

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of financial position

	Note	As of December 31, 2011	2010
		(In $ million)	
Assets			
Cash and cash equivalents	15	597	663
Trade and other receivables	16	1,501	1,145
Inventories	18	1,773	1,281
Current tax assets	21	39	109
Assets held for sale	17	70	18
Derivatives	29	1	12
Other assets		68	62
Total current assets		**4,049**	**3,290**
Non-current receivables	16	50	47
Investments in associates and joint ventures	23	119	110
Deferred tax assets	21	27	23
Property, plant and equipment	19	4,535	3,266
Investment properties	20	29	68
Intangible assets	22	12,531	8,748
Derivatives	29	122	77
Other assets		150	75
Total non-current assets		**17,563**	**12,414**
Total assets		**21,612**	**15,704**
Liabilities			
Bank overdrafts		3	12
Trade and other payables	24	1,747	1,239
Liabilities directly associated with assets held for sale	17	20	
Borrowings	25	520	140
Current tax liabilities	21	160	142
Derivatives	29	16	1
Employee benefits	26	227	195
Provisions	27	98	74
Total current liabilities		**2,791**	**1,803**
Non-current payables	24	33	9
Borrowings	25	16,641	11,717
Deferred tax liabilities	21	1,539	1,127
Employee benefits	26	934	971

Provisions	27	127	86
Total non-current liabilities		**19,274**	**13,910**
Total liabilities		**22,065**	**15,713**
Net liabilities		**(453)**	**(9)**
Equity (deficit)			
Share capital	28	1,417	1,417
Reserves	28	(1,251)	(1,230)
Accumulated losses		(641)	(219)
Equity (deficit) attributable to equity holder of the Group		**(475)**	**(32)**
Non-controlling interests		22	23
Total equity (deficit)		**(453)**	**(9)**

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of changes in equity

	Note	Share capital	Translation of foreign operations	Other reserves	Hedge reserve	Accumulated losses	Equity (deficit) attributable to equity holder of the Group	Non-controlling interests	Total
					(In $ million)				
Balance at the beginning of the period (January 1, 2009)		1,604	(18)	71	(12)	(197)	**1,448**	17	**1,465**
Issue of shares (net of issue costs)	28	880					**880**		**880**
Total comprehensive income for the period:									
Profit after tax						124	**124**		**124**
Exchange differences on translating foreign operations			71				**71**		**71**
Cash flow hedges					12		**12**		**12**
Total comprehensive income for the period			**71**		**12**	**124**	**207**		**207**
Common control transactions	32	(1,108)		(584)			**(1,692)**		**(1,692)**
Dividends paid to non-controlling interests								(1)	**(1)**
Balance as of December 31, 2009		**1,376**	**53**	**(513)**		**(73)**	**843**	**16**	**859**
Balance at the beginning of the period (January 1, 2010)		1,376	53	(513)		(73)	**843**	16	**859**
	28	947					**947**		**947**

Issue of shares (net of issue costs)								
Total comprehensive income for the period:								
Loss after tax					(110)	**(110)**		**(110)**
Exchange differences on translating foreign operations			278			**278**	(1)	**277**
Total comprehensive income for the period			**278**		**(110)**	**168**	**(1)**	**167**
Common control transactions	32	(906)		(1,048)		**(1,954)**		**(1,954)**
Purchase of non-controlling interest					3	**3**	(5)	**(2)**
Non-controlling interests acquired through business combinations							18	**18**
Disposal of business							(3)	**(3)**
Dividends paid	28				(39)	**(39)**	(2)	**(41)**
Balance as of December 31, 2010		**1,417**	**331**	**(1,561)**	**(219)**	**(32)**	**23**	**(9)**
Balance at the beginning of the period (January 1, 2011)		1,417	331	(1,561)	(219)	**(32)**	23	**(9)**
Total comprehensive loss for the period:								
Loss after tax					(422)	**(422)**	2	**(420)**
Exchange differences on translating foreign operations			(21)			**(21)**	(1)	**(22)**
Total comprehensive loss for the period			**(21)**		**(422)**	**(443)**	**1**	**(442)**
Dividends paid							(2)	**(2)**
Balance as of December 31, 2011		**1,417**	**310**	**(1,561)**	**(641)**	**(475)**	**22**	**(453)**

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of cash flows

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Cash flows from operating activities				
Cash received from customers		11,486	6,798	6,081
Cash paid to suppliers and employees		(9,868)	(5,635)	(4,941)
Interest paid		(1,003)	(451)	(266)
Income taxes paid, net of refunds received		(88)	(125)	(108)
Change of control payment and other acquisition costs		(84)	(181)	
Payment to related party for use of tax losses			(23)	
Net cash from operating activities		**443**	**383**	**766**
Cash flows used in investing activities				
Purchase of Whakatane Mill			(46)	
Acquisition of property, plant and equipment and investment properties		(511)	(319)	(244)
Proceeds from sale of property, plant and equipment, investment properties and other assets		71	32	41
Acquisition of intangible assets		(9)	(18)	(48)
Acquisition of businesses, net of cash acquired	33	(2,048)	(4,386)	4
Disposal of businesses, net of cash disposed			33	
Disposal of other investments			10	4
Pre-acquisition advance to Graham Packaging		(20)		
Receipt of related party advances			97	102
Interest received		7	5	8
Dividends received from joint ventures		8	4	1
Net cash used in investing activities		**(2,502)**	**(4,588)**	**(132)**
Cash flows from (used in) financing activities				
Acquisitions of business under common control			(1,958)	(1,687)
Drawdown of loans and borrowings:				
August 2011 Credit Agreement		4,666		
August 2011 Notes		2,482		
February 2011 Notes		2,000		
October 2010 Notes			3,000	
May 2010 Notes			1,000	
2009 Notes				1,789
2009 Credit Agreement		10	2,820	1,404
Other borrowings		13	2	100

Repayment of loans and borrowings:				
2011 Credit Agreement		(75)		
2009 Credit Agreement		(4,168)	(38)	
Graham Packaging borrowings acquired	33	(1,935)		
Graham Packaging 2017 Notes		(239)		
Graham Packaging 2018 Notes		(231)		
Pactiv borrowings acquired			(397)	
Blue Ridge Facility			(43)	
2008 Reynolds Senior Credit Facilities				(1,500)
2007 SIG Senior Credit Facilities				(742)
CHH Facility				(13)
Other borrowings		(4)	(4)	(127)
Payment of liabilities arising from Graham Packaging Acquisition		(252)		
Premium on Graham Packaging 2017 and 2018 Notes		(5)		
Proceeds from issues of share capital			322	578
Proceeds from related party borrowings		25		68
Repayment of related party borrowings				(180)
Payment of transaction costs		(279)	(317)	(190)
Purchase of non-controlling interests			(3)	
Dividends paid to related parties and non-controlling interests		(2)	(39)	(1)
Net cash from (used in) financing activities		**2,006**	**4,345**	**(501)**
Net increase (decrease) in cash and cash equivalents		**(53)**	**140**	**133**
Cash and cash equivalents at the beginning of the period		651	514	383
Effect of exchange rate fluctuations on cash held		(4)	(3)	(2)
Cash and cash equivalents as of December 31		**594**	**651**	**514**
Cash and cash equivalents comprise				
Cash and cash equivalents		597	663	515
Bank overdrafts		(3)	(12)	(1)
Cash and cash equivalents as of December 31		**594**	**651**	**514**

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of cash flows (Continued)

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

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Profit (loss) for the period	(420)	(110)	124
Adjustments for:			
Depreciation of property, plant and equipment	650	317	331
Depreciation of investment properties	1	2	2
Asset impairment charges	12	29	13
Amortization of intangible assets	321	185	169
Net foreign currency exchange loss	7	3	3
Change in fair value of derivatives	26	(4)	(129)
Loss (gain) on sale of property, plant and equipment and non-current assets	1	(5)	(4)
Gains on sale of businesses and investment properties	(5)	(16)	
CSI Americas gain on acquisition		(10)	
Net financial expenses	1,403	709	486
Share of profit of equity accounted investees	(17)	(18)	(11)
Income tax (benefit) expense	(56)	72	148
Interest paid	(1,003)	(451)	(266)
Income taxes paid, net of refunds received	(88)	(125)	(108)
Change in trade and other receivables	(56)	(45)	(43)
Change in inventories	(171)	41	92
Change in trade and other payables	(8)	9	(24)
Change in provisions and employee benefits	(154)	(202)	6
Change in other assets and liabilities		2	(23)
Net cash from operating activities	**443**	**383**	**766**

Significant non-cash financing and investing activities

During the period ended December 31, 2010, Evergreen Packaging Inc. (EPI) issued shares to Evergreen Packaging US, its parent company at the time of issue, in exchange for the novation of external borrowings, net of debt issue costs, in amounts of CA$30 million ($29 million), NZ$776 million ($568 million) and $28 million.

During the period ended December 31, 2009, Evergreen Packaging International B.V. s (EPIBV) parent company at the time, Evergreen Packaging (Antiilles) N.V., contributed 47 million ($61 million) as a non-stipulated share premium without the issuance of shares.

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

F-203

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Statements of cash flows (Continued)

Acquisitions and disposals of businesses

	For the period ended December 31,					
	2011		2010		2009	
	Acquisitions	Disposals	Acquisitions	Disposals	Acquisitions *	Disposals
	(In $ million)					
Inflow (outflow) of cash:						
Cash receipts (payments)	(2,192)		(4,488)	33	4	
Net cash (bank overdraft) acquired (disposed of)	144		102			
Consideration received, satisfied in notes receivable				14		
Consideration subject to post-closing adjustments*				1	3	
	(2,048)		**(4,386)**	**48**	**7**	
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Net gain on sale before reclassification from foreign currency translation reserve				(10)		
Amounts reclassified from foreign currency translation reserve				1		
Net assets (acquired) disposed of	**(2,192)**		**(4,488)**	**39**	**7**	
Details of net assets (acquired) disposed of:						
Cash and cash equivalents, net of bank overdrafts	(144)		(102)			
Trade and other receivables	(371)		(475)	12		
Current tax assets	(4)		(49)			
Assets held for sale	(10)					
Inventories	(359)		(557)	8		
Derivative assets	(9)					
Deferred tax assets	(12)		(38)			
Property, plant and equipment	(1,525)		(1,443)	23		
Intangible assets (excluding goodwill)	(2,462)		(2,719)			
Goodwill	(1,735)		(2,931)		7	
Other current and non-current assets	(25)		(60)			
Investment in associates and joint ventures	(1)			3		
Trade and other payables	717		425	(8)		
Current tax liabilities	43					
Loans and borrowings	2,852		1,485			
Deferred tax liabilities	628		877			

Provisions and employee benefits	225	1,071		
Net assets (acquired)/disposed of	**(2,192)**	**(4,516)**	**38**	**7**
Gain on acquisition		10		
Amounts reclassified from foreign currency translation reserve			1	
Non-controlling interests		18		
	(2,192)	**(4,488)**	**39**	**7**

Refer to note 33 for further details of acquisitions.

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

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

F-204

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements
For the period ended December 31, 2011

1. Reporting entity

Beverage Packaging Holdings (Luxembourg) I S.A. (the Company) is a company domiciled in Luxembourg and registered in the Luxembourg Registre de Commerce et des Sociétiés .

The consolidated financial statements of Beverage Packaging Holdings (Luxembourg) I S.A. as of and for the period ended December 31, 2011 comprise the Company and its subsidiaries and their interests in associates and jointly controlled entities. Collectively, these entities are referred to as the Group .

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

The address of the registered office of the Company is 6C, rue Gabriel Lippman, L-5365 Munsbach, Luxembourg.

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements were approved by the Board of Directors (the Directors) on April 5, 2012 in Chicago, Illinois (April 6, 2012 in Auckland, New Zealand).

2.2 Going concern

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

The statement of financial position as of December 31, 2011 presents negative equity of $453 million compared to negative equity of $9 million as of December 31, 2010. The movement is primarily attributable to the current period loss. The total equity was reduced by the Group s accounting for the common control acquisitions of the Closures segment and Reynolds consumer products business in 2009, and of the Evergreen segment and Reynolds foodservice packaging business in 2010. The Group accounts for acquisitions under common control of its ultimate shareholder, Mr. Graeme Hart, using the carry-over or book value method. Under the carry-over or book value method, the business combinations do not change the historical carrying value of the assets and liabilities of the businesses acquired. The excess of the purchase price over the carrying values of the share capital acquired is recognized as a reduction to equity. As of December 31, 2011, the common control transactions had generated a cumulative reduction to equity of $1,561 million.

2.3 Basis of measurement

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

- certain components of inventory which are measured at net realizable value;

defined benefit pension plan liabilities and post-employment medical plan liabilities which are measured under the projected unit credit method; and

certain assets and liabilities, such as derivatives, which are measured at fair value.

Information disclosed in the statement of comprehensive income, statement of changes in equity and statement of cash flows for the current period is for the twelve month period ended December 31, 2011.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

Information for the comparative periods is for the twelve month periods ended December 31, 2010 and December 31, 2009.

2.4 Presentation currency

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

2.5 Use of estimates and judgements

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

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

2.6 Comparative information

During the year, the Group made an adjustment to correct an understatement of the pension plan asset for one of the SIG segment s defined benefit pension plans. The understated pension plan asset existed from the date of acquisition of the SIG segment in May 2007. This adjustment reduced net income in the Corporate/Unallocated segment by $6 million for the period ended December 31, 2011, and reduced goodwill by $53 million, increased other non-current assets by $56 million and increased deferred income tax liabilities by $9 million as of December 31, 2011. This adjustment has no effect on the statement of cash flows and no effect on the Group s Adjusted EBITDA for the period ended December 31, 2011, or any previously reported period. Further, the plan asset understatement did not have a material impact on any current or previously reported financial statements.

As disclosed in note 32, indirect subsidiaries of the Company acquired the business operations of the Closures segment and the Reynolds consumer products business on November 5, 2009. On May 4, 2010, indirect subsidiaries of the Company acquired the business operations of Evergreen. On September 1, 2010 indirect subsidiaries of the Company acquired the business operations of the Reynolds foodservice packaging business. Prior to these transactions, these businesses were under the common ownership of the ultimate sole shareholder, Mr. Graeme Hart. This type of transaction is defined as a business combination under common control, which falls outside of the scope of IFRS 3 (revised) Business Combinations . In accordance with the Group s accounting policy for business combinations under common control, as outlined in note 3.1(d), the Group has compiled the comparative financial information as if the acquisition transactions had occurred from the earliest point that common control commenced.

2.7 Presentation of expenses by nature

Expenses in the statements of comprehensive income are presented by function. Supplemental disclosure of expenses by nature is presented in notes 9, 10, 11, 16, 18, 19, 22 and 34. The components of the Group s expenses not disclosed by nature in those notes primarily include energy consumption costs, freight costs, repairs and maintenance, other consultancy costs and professional fees, travel and entertainment, and

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

2. Basis of preparation (continued)

advertising costs. None of these other types of expenses have an individually significant impact on the Group s statements of comprehensive income for any period presented.

3. Significant accounting policies

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

3.1 Basis of consolidation

(a) Subsidiaries

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

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

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

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

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

Refer to note 33 for disclosure of acquisitions in the current and comparative financial periods.

(b) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies (generally accompanying a shareholding of between 20% and 50% of the

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

voting rights). Investments in associates are accounted for using the equity method of accounting (equity accounted investees) and are initially recognized at cost. Investments in associates include goodwill identified on acquisition, net of accumulated impairment losses (if any).

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

(c) Joint Ventures

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

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

(d) Transactions between entities under common control

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

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

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

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

- predecessor value method requires the financial statements to be prepared using predecessor book values without any step up to fair values;

premium or discount on acquisition is calculated as the difference between the total consideration paid and the book value of the issued capital of the acquired entity, and is recognized directly in equity as a component of a separate reserve;

the financial statements incorporate the acquired entities results as if the acquirer and the acquiree had always been combined; and

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

the results of operations and cash flows of the acquired entity are included on a restated basis in the financial statements from the date that common control originally commenced (i.e. from the date the business was acquired by Mr. Graeme Hart) as though the entities had always been combined from the common control date forward.

(e) Transactions eliminated on consolidation

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

(f) Transactions with non-controlling interests

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

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

3.2 Foreign currency

(a) Functional currency

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

(b) Foreign currency transactions

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

Foreign currency differences arising on translation are recognized in the statement of comprehensive income as a component of the profit or loss, except for differences arising on the translation of

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation (refer to (c) below).

(c) Foreign operations

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

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

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

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

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

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

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

3.3 Non-derivative financial instruments

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

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

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

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

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

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of less than three months. Bank overdrafts are included within borrowings and are classified as current liabilities on the statement of financial position except if these are

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

repayable on demand, in which case they are included separately as a component of current liabilities. In the statement of cash flows, overdrafts are included as a component of cash and cash equivalents.

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

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

(c) Loans and receivables

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

(d) Other liabilities

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

(i) Trade and other payables

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

(ii) Interest bearing borrowings including related party borrowings

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

3.4 Derivative financial instruments

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

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

hedge accounting, recognition of any resulting gain or loss depends on the nature of the hedging relationship (see below).

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

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

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

(a) Cash flow hedges

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

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

(b) Fair value hedges

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

(c) Embedded derivatives

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

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

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

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

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

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

3.5 Inventories

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

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

(b) Engineering and maintenance materials

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

3.6 Property, plant and equipment

(a) Recognition and measurement

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

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

(b) Assets under construction

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

(c) Reclassification to investment property

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

(d) Borrowing costs

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

(e) Subsequent costs

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

(f) Depreciation

Depreciation is recognized in the statement of comprehensive income as a component of profit or loss on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

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

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

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

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

3.7 Investment property

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

3.8 Leases

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

(a) The Group as lessor finance leases

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

(b) The Group as lessee finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included within loans and borrowings as a finance lease obligation. Subsequent to initial recognition the liability is accounted

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

for in accordance with the accounting policy described in note 3.3(d)(ii) and the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.9 Intangible assets

(a) Goodwill

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

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

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

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

(b) Trademarks

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

(c) Customer relationships

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

(d) Research and development

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

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technologically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

asset. The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in the statement of comprehensive income as a component of the profit or loss as incurred.

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

(e) Other intangible assets

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

(f) Subsequent expenditures

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

(g) Amortization

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

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

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

3.10 Impairment

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

(a) Impairment of loans and receivables

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

Impairment losses on individual instruments that are considered significant are determined on an individual basis through an evaluation of the specific instruments exposures. For trade receivables which are

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

not significant on an individual basis, impairment is assessed on a portfolio basis taking into consideration the number of days overdue and the historical loss experiences on a portfolio with a similar number of days overdue.

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

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

(b) Non-financial assets

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

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

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

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

3.11 Assets and liabilities classified as held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group s accounting policies. Thereafter the assets (or disposal groups) are measured at the lower of their carrying amount or fair value less costs to sell. Upon reclassification the Group ceases to depreciate or amortize non-current assets classified as held for sale. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets on a pro-rata basis, except that no loss is allocated to

F-217

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

inventories, financial assets, deferred tax assets, employee benefit plan assets, and investment property, which continue to be measured in accordance with the Group s accounting policies. Impairment losses on initial classification of an asset to being held for sale and subsequent gains or losses on remeasurement are recognized in the statement of comprehensive income as a component of the profit or loss. Gains are not recognized in excess of any prior cumulative impairment losses.

3.12 Employee benefits

(a) Pension obligations

The Group operates various defined contribution and defined benefit plans.

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

Actuarial gains and losses are recognized in the statement of comprehensive income as component of profit or loss when the cumulative unrecognized actuarial gains and losses exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. These gains or losses are amortized on a straight-line basis over the expected remaining service lives of employees participating in the plan.

(b) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of comprehensive income as a component of the profit or loss as the related services are provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans and

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(c) Post-employment medical plans

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

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

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

(d) Other long-term employee benefits

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

(e) Termination benefits

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

(f) Incentive compensation plans

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

F-219

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.13 Provisions

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

(a) Warranties

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

(b) Business closure and rationalization

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

3.14 Self-insured employee obligations

(a) Self-insured employee workers compensation

The Group is self-insured in respect of its workers compensation obligations in the United States. As a component of its self-insured status the Group also maintains insurance coverage through third parties for large claims at levels that are customary and consistent with industry standards for groups of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities relating to these claims are included in provisions.

(b) Self-insured employee health insurance

The Group is self-insured for certain employee health insurance. The Group also maintains insurance coverage for large claims at levels that are customary and consistent with industry standards for companies of similar size. As of December 31, 2011, there are a number of outstanding claims that are routine in nature. The estimated incurred but unpaid liabilities (based on the Group s historical claims) relating to these claims are included in trade and other payables.

3.15 Dividends

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

3.16 Share capital

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

3.17 Revenue

(a) Sale of goods

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

Transfers of risks and rewards of ownership vary depending on the individual terms of the contract of sale. This occurs either upon shipment of the goods or upon receipt of the goods and/or their installation at a customer location.

(b) Lease income

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

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

3.18 Lease payments

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

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

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

3.19 Financial income and expenses

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

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

3.20 Income tax

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

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

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

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

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

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

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

3.22 Discontinued operations

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3.23 New and revised standards and interpretations

(a) Interpretations and amendments to existing standards effective in 2011

During 2011, certain interpretations and standards which had not previously been early adopted were mandatory for the Group. This included improvements to various IFRSs 2010 various standards (effective for financial reporting periods beginning on or after July 1, 2010 and January 1, 2011). The adoption of the revisions to existing standards did not have a material impact on the financial statements of the Group for the period ended December 31, 2011.

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards are not yet effective for the period ended December 31, 2011, and have not been applied in preparing these consolidated financial statements:

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, 2015, with early adoption permitted. The Group is currently evaluating the impact of IFRS 9 on its 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 basis for consolidation is control regardless of the nature of the investee. The IASB has provided a series of indicators to determine control 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 are either accounted for (without choice) using the equity or proportional consolidation method (depending if separation can be established legally or through another form), 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 structured 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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

3. Significant accounting policies (continued)

financial position, performance and cash flow. In addition, the standard introduces new disclosures about unconsolidated structured entities.

IFRS 13 defines the concept of fair value and establishes a framework for measuring fair value, while setting the disclosure requirements for fair value measurement. The new standard focuses on explaining how to measure fair value when required by other IFRS. Prior to the introduction of IFRS 13 there was no single source of guidance on fair value measurement.

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 post-employment plans, while introducing certain other new measurement and disclosure requirements. Under the requirements of 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 and additional guidance in terms of 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 requirements of the amended standard, the IASB requires an entity to present amounts recognized in other comprehensive income that the entity expects will be reclassified to the statement of comprehensive income in the future (even if contingent on future events) separately from those amounts that will 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 on or after January 1, 2013, with early adoption permitted. The Group currently accounts for its defined benefit post-employment plans using the corridor method. The Group is currently evaluating the effects of the amendments to IAS 1 and IAS 19 on its financial statements.

On December 16, 2011, the IASB published amendments to IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities and IAS 32 Financial Instruments: Presentation Offsetting Financial Assets and Financial Liabilities. The amendments are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments clarify the meaning of currently has a legally enforceable right of set off and simultaneous realization and settlement. Additional disclosures are also required about right of offset and related arrangements.

The requirements of the amended IFRS 7 must be applied to the financial year beginning on or after January 1, 2013 and of amended IAS 32 must be applied to the financial year beginning on or after January 1, 2014. Both require retrospective application for the comparative period. The Group is currently evaluating the effects of the amendments to IFRS 7 and IAS 32 on its financial statements.

4. Critical accounting estimates and assumptions

In the process of applying the Group s accounting policies management has made certain estimates and assumptions about the carrying values of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The key assumptions concerning the future and other key sources of

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

4.1 Impairment of assets

(a) Goodwill and indefinite life intangible assets

Determining whether goodwill is impaired requires estimation of the recoverable values of a segment, which is the lowest level within the Group at which goodwill is monitored for internal management purposes. Determining whether indefinite life intangible assets are impaired requires estimation of the recoverable values of the segment or lower level group of CGUs to which these assets have been allocated. Recoverable values have been based on the higher of fair value less costs to sell or on value in use (as appropriate for the segment being reviewed). Significant judgment is involved with estimating the fair value of a segment. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the segment and a suitable discount rate in order to calculate present value. Details regarding the carrying amount of goodwill and indefinite life intangible assets and the assumptions used in impairment testing are provided in note 22.

(b) Other assets

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

4.2 Income taxes

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

4.3 Realization of deferred tax assets

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

4.4 Finalization of provisional acquisition accounting

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

4. Critical accounting estimates and assumptions (continued)

The determination of fair value of acquired identifiable intangible assets and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. As of December 31, 2011, the valuation of the assets acquired and liabilities assumed as a result of the Graham Packaging acquisition have been determined on a provisional basis. The finalization of these valuations may result in the refinement of assumptions that impact not only the recognized value of such assets, but also amortization and depreciation expense. In accordance with the accounting policy described in note 3.1(a), any adjustments on finalization of the preliminary purchase accounting are recognized retrospectively from the date of acquisition.

4.5 Measurement of obligations under defined benefit plans

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

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

5. Determination of fair values

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

5.1 Property, plant and equipment

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

5.2 Intangible assets

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

5.3 Investment property

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

5. Determination of fair values (continued)

5.4 Inventory

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

5.5 Trade and other receivables

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

5.6 Derivatives

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

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

5.7 Non-derivatives financial liabilities

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

5.8 Pension and post-employment medical benefits

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

5.9 Fair value of borrowings acquired

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

6. Segment reporting

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

The Group s CODM resides within the immediate parent company of the Group, Reynolds Group Holdings Limited (RGHL). Information reported to the Group s CODM for the purposes of resource allocation and assessment of segment performance is focused on six business segments that exist within the Group. The Group s operating and reportable business segments under IFRS 8 are as follows:

SIG Combibloc SIG Combibloc 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. SIG supplies

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

complete aseptic carton packaging systems, which include aseptic filling machines, aseptic cartons, spouts, caps and closures and related services.

Evergreen Evergreen is a vertically integrated, leading manufacturer of fresh carton packaging for beverage products, primarily serving the juice and milk end-markets. 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 paper products for commercial printing.

Closures Closures is a leading manufacturer of plastic beverage caps, closures and high speed rotary capping equipment primarily serving the carbonated soft drink, non-carbonated soft drink and bottled water segments of the global beverage market.

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. Prior to the Pactiv acquisition (refer to note 33), the Reynolds Consumer Products segment consisted solely of the Group s Reynolds consumer products business.

Pactiv Foodservice Pactiv Foodservice is a leading manufacturer of foodservice and food packaging products. Pactiv Foodservice offers a comprehensive range of products including tableware items, takeout service containers, clear rigid-display packaging, microwaveable containers, foam trays, dual-ovenable paperboard containers, cups, molded fiber egg cartons, meat and poultry trays, plastic film and aluminum containers. Prior to the Pactiv acquisition (refer to note 33), the Pactiv Foodservice segment consisted solely of the Group s Reynolds foodservice packaging business. Dopaco, which was acquired in May 2011, is being integrated with the Pactiv Foodservice segment.

Graham Packaging Graham Packaging is a worldwide leader in the design, manufacture and sale of value-added, custom blow molded plastic containers for branded consumer products. Graham Packaging was acquired on September 8, 2011 (refer to note 33).

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

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

The CODM assesses the performance of the operating segments based on Adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net financial expenses, depreciation and amortization, adjusted to exclude certain 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.

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

Business segment reporting

	For the period ended December 31, 2011							
				Reynolds				
	SIG Combibloc	Evergreen	Closures	Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Total external revenue	2,036	1,557	1,317	2,503	3,409	967		11,789
Total inter-segment revenue		46	12	56	39		(153)	
Total segment revenue	**2,036**	**1,603**	**1,329**	**2,559**	**3,448**	**967**	**(153)**	**11,789**
Gross profit	439	224	207	611	524	62	(3)	2,064
Expenses and other income	(234)	(69)	(97)	(258)	(402)	(86)	(8)	(1,154)
Share of profit of associates and joint ventures	15	2						17
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(11)**	**927**
Financial income								6
Financial expenses								(1,409)
Loss before income tax								**(476)**
Income tax benefit								56
Loss after income tax								**(420)**
Earnings before interest and tax (EBIT)	**220**	**157**	**110**	**353**	**122**	**(24)**	**(11)**	**927**
Depreciation and amortization	260	60	81	150	292	129		972
	480	**217**	**191**	**503**	**414**	**105**	**(11)**	**1,899**

Earnings before interest, tax, depreciation and amortization (EBITDA)

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2011							
	SIG			Reynolds				
	Combibloc	Evergreen	Closures	Consumer Products	Pactiv Foodservice *	Graham Packaging **	Corporate / unallocated ***	Total
	(In $ million)							
Earnings before interest, tax, depreciation and amortization (EBITDA)	**480**	**217**	**191**	**503**	**414**	**105**	**(11)**	**1,899**
Included in EBITDA:								
Asset impairment charges	4		1		7			12
Business acquisition and integration costs				5	45	9	26	85
Business interruption costs (recoveries)	2		1	(1)				2
Change of control payments						12		12
Equity method profit not distributed in cash	(8)	(2)						(10)
Gain on modification of plan benefits							(25)	(25)
Gain on sale of businesses			(5)					(5)
Impact of purchase price accounting on inventory and leases					5	27		32
Non-cash inventory charge				1	2			3
Non-cash pension expense (income)				3	4		(49)	(42)
Operational process engineering-related consultancy costs				17	21		4	42
Restructuring costs	2		5	11	48	3	19	88
SEC registration costs							6	6
Unrealized loss on derivatives	2	2	2	17	3			26

VAT and custom duties on historical imports	1							1
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**483**	**217**	**195**	**556**	**549**	**156**	**(30)**	**2,126**
Segment assets	**3,218**	**1,373**	**1,759**	**4,882**	**5,826**	**4,305**	**249**	**21,612**
Included in segment assets are:								
Additions to property, plant and equipment	185	62	63	33	105	63		511
Additions to intangible assets	8		3	1		5	1	18
Additions to investment properties	4							4
Investments in associates and joint ventures	104	14				1		119
Segment liabilities	**2,031**	**412**	**804**	**1,396**	**861**	**3,931**	**12,630**	**22,065**

* Represents the results of operations of the Reynolds foodservice packaging business and the Pactiv foodservice packaging business for the full year ended December 31, 2011 and the results of operations of Dopaco for the period from May 2, 2011 to December 31, 2011.

** Represents the results of operations of Graham Packaging from September 8, 2011 to December 31, 2011.

*** Corporate/unallocated includes holding companies and certain debt issuer companies which support the entire Group and which are not part of a specific segment. It also includes eliminations of transactions and balances between segments. In addition, as of December 31, 2011, Corporate / unallocated includes $1,566 million of provisional goodwill related to the Graham Packaging Acquisition (refer to notes 22 and 33) that has not yet been allocated to the operating segments.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
				Reynolds			
	SIG Combibloc	Evergreen	Closures *	Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Total external revenue	1,846	1,580	1,167	1,334	847		6,774
Total inter-segment revenue		3	7	44	77	(131)	
Total segment revenue	**1,846**	**1,583**	**1,174**	**1,378**	**924**	**(131)**	**6,774**
Gross profit	464	209	185	327	65		1,250
Expenses and other income	(213)	(67)	(89)	(113)	(106)	(9)	(597)
Share of profit of associates and joint ventures	16	2					18
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(9)**	**671**
Financial income							41
Financial expenses							(750)
Loss before income tax							**(38)**
Income tax expense							(72)
Loss after income tax							**(110)**
Earnings before interest and tax (EBIT)	**267**	**144**	**96**	**214**	**(41)**	**(9)**	**671**
Depreciation and amortization	243	62	79	62	58		504
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(9)**	**1,175**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2010						
				Reynolds			
	SIG Combibloc	Evergreen	Closures *	Consumer Products **	Pactiv Foodservice ***	Corporate / unallocated ****	Total
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**510**	**206**	**175**	**276**	**17**	**(9)**	**1,175**
Included in EBITDA:							
Adjustment related to settlement of a lease obligation				(2)			(2)
Asset impairment charges (reversals)	(1)				29		28
Black Liquor Credit		(10)					(10)
Business acquisition costs		1	1			10	12
Business interruption costs			2				2
CSI Americas gain on acquisition			(10)				(10)
Equity method profit not distributed in cash	(11)	(3)					(14)
Gain on sale of businesses and investment properties	(6)	(2)			(8)		(16)
Impact of purchase price accounting on inventories				25	38		63
Operational process engineering-related consultancy costs		2		6			8
Pension income						(5)	(5)
Related party management fees		1					1
Restructuring costs (recoveries)	11		3	(4)	(1)		9
Termination of supply agreement					7		7
Unrealized (gain) loss on derivatives		1	(1)	(2)	(1)		(3)
VAT and custom duties on historical imports	10						10

Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	**513**	**196**	**170**	**299**	**81**	**(4)**	**1,255**
Segment assets	**3,439**	**1,257**	**1,739**	**1,763**	**405**	**7,101**	**15,704**
Included in segment assets are:							
Additions to property, plant and equipment	151	47	82	13	10	12	315
Additions to intangible assets	13			5			18
Additions to investment properties	4						4
Investments in associates and joint ventures	97	13					110
Segment liabilities	**2,073**	**392**	**1,167**	**1,161**	**197**	**10,723**	**15,713**

* Includes the results of operations of CSI Americas for the period from February 1, 2010 to December 31, 2010.

** Represents the results of operations of the Reynolds consumer products business for the full year ended December 31, 2010 and the results of operations of the Hefty consumer products business for the period from November 16, 2010 to December 31, 2010.

*** Represents the results of operations of the Reynolds foodservice packaging business for the full year ended December 31, 2010 and the results of operations of the Pactiv foodservice packaging business for the period from November 16, 2010 to December 31, 2010.

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009						
				Reynolds			
	SIG Combibloc	Evergreen	Closures	Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
				(In $ million)			
Total external revenue	1,668	1,429	977	1,151	685		5,910
Total inter-segment revenue			3	39	54	(96)	
Total segment revenue	**1,668**	**1,429**	**980**	**1,190**	**739**	**(96)**	**5,910**
Gross profit	410	376	161	222	47	3	1,219
Expenses and other income	(229)	(85)	(79)	(31)	(45)	(3)	(472)
Share of profit of associates and joint ventures	9	2					11
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Financial income							13
Financial expenses							(499)
Profit before income tax							**272**
Income tax expense							(148)
Profit after income tax							**124**
Earnings before interest and tax (EBIT)	**190**	**293**	**82**	**191**	**2**		**758**
Depreciation and amortization	250	64	73	63	52		502
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**

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

F-233

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

	For the period ended December 31, 2009						
	SIG Combibloc	Evergreen	Closures	Reynolds Consumer Products	Pactiv Foodservice	Corporate / unallocated *	Total
	(In $ million)						
Earnings before interest, tax, depreciation and amortization (EBITDA)	**440**	**357**	**155**	**254**	**54**		**1,260**
Included in EBITDA:							
Asset impairment charges	6	6			1		13
Black Liquor Credit		(214)					(214)
Business acquisition costs		1					1
Elimination of the effect of the historical Reynolds Consumer hedging policy				91	4		95
Equity method profit not distributed in cash	(8)	(2)					(10)
Inventory write-off arising on restructure					5		5
Korean insurance claim		(2)					(2)
Loss on sale of Baco assets				1			1
Manufacturing plant flood impact				5			5
Operational process engineering-related consultancy costs		13					13
Plant realignment costs				2			2
Related party management fees		3					3
Restructuring costs	38	3	3	5	9		58
Transition costs				24			24
Unrealized gain on derivatives	(4)		(10)	(102)	(13)		(129)
VAT and custom duties on historical imports	3						3
Write down of assets held for sale		1					1
Write off of receivables related to sale of Venezuela operations		1					1
	475	**167**	**148**	**280**	**60**		**1,130**

Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)							
Segment assets	**4,025**	**1,316**	**1,432**	**1,670**	**512**	**(1,420)**	**7,535**
Included in segment assets are:							
Additions to property, plant and equipment	77	61	69	31	4		242
Additions to intangible assets	21	2		22	3		48
Additions to investment properties	2						2
Investments in associates and joint ventures	90	10			4		104
Segment liabilities	**1,255**	**1,034**	**970**	**1,158**	**267**	**1,992**	**6,676**

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

Information about geographic area

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

	USA	**Remaining North American Region**	**Europe**	**Asia**	**South America**	**Other**	**Total**
			(In $ million)				
Total external revenue							
For the period ended December 31, 2011	7,990	628	1,742	941	375	113	11,789
For the period ended December 31, 2010	3,829	299	1,498	759	292	97	6,774
For the period ended December 31, 2009	3,279	230	1,483	656	249	13	5,910
Non-current assets							
As of December 31, 2011	14,049	405	1,637	912	225	58	17,286
As of December 31, 2010	9,073	369	1,769	855	122	60	12,248

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

6. Segment reporting (continued)

There was no revenue from external customers in Luxembourg, where BP I and BP II are domiciled, for the period ended December 31, 2011 (2010: none; 2009: none). There were no total non-current assets in Luxembourg as of December 31, 2011 (December 31, 2010: none).

Information about major customers

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

Information about major product lines

Supplemental information on net sales by major product line is set forth below:

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Foodservice packaging	3,448	924	739
Aseptic carton packaging	2,036	1,846	1,668
Caps and closures	1,329	1,174	980
Waste and storage products	992	509	433
Cooking products	822	768	757
Tablewares	745	101	
Cartons	775	755	757
Beverage containers	646		
Liquid packaging board	441	416	336
Paper products	387	412	336
Household product containers	175		
Other product containers	146		
Inter-segment eliminations	(153)	(131)	(96)
Total Revenue	**11,789**	**6,774**	**5,910**

7. Revenue

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		

Sale of goods	11,699	6,692	5,845
Services	90	82	65
Total Revenue	**11,789**	**6,774**	**5,910**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

8. Other income

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Adjustment related to settlement of a lease obligation		2	
CSI Americas gain on acquisition		10	
Gain on sale of businesses	5		
Gain on sale of investment properties		16	
Gain on sale of non-current assets		5	4
Income from facility management	12	11	15
Income from miscellaneous services	6	8	11
Insurance claims	6		4
Landfill tipping fees received	5		
Rental income from investment properties	6	6	5
Royalty income	4	2	2
Sale of by-products	29	25	18
Unrealized gains on derivatives		4	129
Other	14	13	13
Total other income	**87**	**102**	**201**

9. General and administration expenses

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Research and development expenses	(145)	(107)	(99)
Auditors remunerations to PricewaterhouseCoopers, comprising:			
Audit fees	(12)	(11)	(7)
Other audit related fees(a)	(7)	(5)	(5)
Tax fees(b)	(1)	(1)	(12)

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

(b) In 2009, $12 million was incurred for tax advice from PricewaterhouseCoopers LLP regarding alternative fuel mixtures credits. These costs have been recognized as a component of cost of sales during the period ended December 31, 2009.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

10. Other expenses

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Asset impairment charges		(12)	(29)	(13)
Business acquisition costs		(38)	(13)	
Business integration costs		(43)		
Net foreign currency exchange loss		(7)	(3)	(3)
Operational process engineering-related consultancy costs		(42)	(7)	(13)
Related party management fees	30		(1)	(3)
Restructuring costs		(88)	(9)	(58)
SEC registration costs		(6)		
Unrealized losses on derivatives		(26)		
VAT and custom duties on historical imports		(1)	(11)	(3)
Other		(5)	(7)	(3)
Total other expenses		**(268)**	**(80)**	**(96)**

11. Personnel expenses

Personnel expenses recognized in the statements of comprehensive income were $1,965 million for the period ended December 31, 2011 (2010: $1,229 million; 2009: $1,167 million). Personnel expenses include salaries, wages, employee related taxes, short-term employee benefits, pension benefits, post-employment medical benefits and other long-term employee benefits. For additional details related to the post-employment benefit plans, refer to note 26.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

12. Financial income and expenses

	Note	For the period ended December 31, 2011	2010	2009
		(In $ million)		
Interest income		6	5	6
Interest income on related party loans			3	5
Net change in fair value of derivatives			33	2
Financial income		**6**	**41**	**13**
Interest expense:				
August 2011 Credit Agreement		(168)		
2009 Credit Agreement		(29)	(135)	(13)
August 2011 Notes		(85)		
February 2011 Notes		(139)		
October 2010 Notes		(243)	(50)	
May 2010 Notes		(88)	(56)	
2009 Notes		(147)	(134)	(20)
Related Party Notes		(109)	(104)	(110)
Pactiv 2012 Notes		(15)	(2)	
Pactiv 2017 Notes		(24)	(3)	
Pactiv 2018 Notes		(1)		
Pactiv 2025 Notes		(22)	(3)	
Pactiv 2027 Notes		(17)	(2)	
Graham Packaging 2014 Notes		(12)		
Graham Packaging 2017 Notes		(3)		
Graham Packaging 2018 Notes		(3)		
2008 Reynolds Senior Credit Facilities				(66)
2007 SIG Senior Credit Facilities				(47)
CHH Facility			(8)	(22)
Blue Ridge Facility				(2)
Related party borrowings	30	(1)		(15)
Amortization of:				
Debt issue costs:				
2011 Credit Agreement		(4)		
2009 Credit Agreement(a)		(86)	(10)	(1)
August 2011 Notes		(2)		
February 2011 Notes		(2)		
October 2010 Notes		(10)	(2)	
May 2010 Notes		(3)	(2)	
2009 Notes		(8)	(9)	(1)

Related Party Notes	(4)	(4)	(4)
2008 Reynolds Senior Credit Facilities			(19)
2007 SIG Senior Credit Facilities			(3)
CHH Facility			(1)
Debt commitment letter fees(b)(c)	(68)	(98)	
Credit Agreement amendment fees	(11)	(12)	
Fair value adjustment of acquired notes	14	1	
Original issue discounts(a)	(42)	(6)	(1)
Embedded derivatives	11	3	
Graham Packaging Notes tender offer fees	(5)		
Unamortized debt issue costs written off			(36)
Net change in fair values of derivatives	(9)		
Net foreign currency exchange loss	(55)	(101)	(130)
Other	(19)	(13)	(8)
Financial expenses	**(1,409)**	**(750)**	**(499)**
Net financial expenses	**(1,403)**	**(709)**	**(486)**

F-238

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

12. Financial income and expenses (continued)

(a) In February 2011, the 2009 Credit Agreement was repaid in full with the proceeds from the February 2011 Notes as well as proceeds from the February 2011 Credit Agreement. As a result of such repayments, the unamortized debt issuance costs of $86 million and unamortized original issuance discount of $38 million related to the 2009 Credit Agreement were expensed during the period ended December 31, 2011.

(b) A debt commitment letter to fund the Graham Packaging Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $68 million of fees. The proceeds from the issuance of the August 2011 Notes and drawings under the August 2011 Credit Agreement were used to finance the Graham Packaging Acquisition (refer to note 33). As the commitments under the debt commitment letter were not utilized, the Group expensed $68 million of the fees during the period ended December 31, 2011.

(c) A debt commitment letter to fund the Pactiv Acquisition (refer to note 33) was initially for an amount up to $5 billion and was subject to certain conditions and adjustments, and resulted in the Group incurring $98 million of fees. The proceeds from the issuance of the October 2010 Notes and the additional borrowings under the 2009 Credit Agreement were used to finance the Pactiv acquisition. As the commitments under the debt commitment letter were not utilized, the Group expensed $98 million of fees during the period ended December 31, 2010.

Refer to note 25 for information on the Group s borrowings.

13. Income tax

	For the period ended December 31,		
	2011	**2010**	**2009**
		(In $ million)	
Current tax expense			
Current period	(149)	(117)	(115)
Adjustment for prior periods			(2)
	(149)	**(117)**	**(117)**
Deferred tax benefit (expense)			
Origination and reversal of temporary differences	186	39	(40)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	12
Adjustments for prior periods	(7)		1
	205	**45**	**(31)**

Income tax benefit (expense)	**56**	**(72)**	**(148)**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

13. Income tax (continued)

13.1 Reconciliation of effective tax rate

	For the period ended December 31, 2011	2010	2009
	(In $ million)		
Reconciliation of effective tax rate			
Profit (loss) before income tax	**(476)**	**(38)**	**272**
Income tax using the New Zealand tax rate of 28% (2010 and 2009: 30)%	133	11	(82)
Effect of tax rates in foreign jurisdictions	47	(8)	29
Effect of tax rates in state and local tax	(1)	(5)	(13)
Non-deductible expenses and permanent differences	(95)	(32)	(4)
Tax exempt income and income at a reduced tax rate	9	10	6
Withholding tax	(28)	(10)	(3)
Controlled foreign corporation tax	2	(11)	(17)
Tax rate modifications	8		(4)
Recognition of previously unrecognized tax losses and temporary differences	18	6	21
Unrecognized tax losses and temporary differences	(48)	(61)	(82)
Tax uncertainties	8		
Cellulosic biofuel credits		29	
Credits	4	2	
Other	2	(3)	2
Over (under) provided in prior periods	(3)		(1)
Total current period income tax (expense) benefit	**56**	**(72)**	**(148)**

14. Other comprehensive income

	For the period ended December 31, 2011 Pre-Tax	2011 Tax Effect	2010 Pre-Tax	2010 Tax Effect	2009 Pre-Tax	2009 Tax Effect
	(In $ million)					
Exchange difference on translating foreign operations	(22)		277		71	
Cash flow hedges					19	(7)
Total other comprehensive income	**(22)**		**277**		**90**	**(7)**

During the period ended December 31, 2010, the Group transferred $49 million of the exchange difference on translating foreign operations, which had been previously recognized in other comprehensive income to the profit or loss primarily as a result of the internal restructuring of legal entities within the SIG segment.

During the period ended December 31, 2009, the Group transferred $12 million of cash flow hedges which had been previously recognized in other comprehensive income to the profit or loss following the derivatives becoming ineffective hedges when the underlying borrowings were repaid.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

15. Cash and cash equivalents

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Cash at bank and on hand	445	591
Short-term deposits	152	72
Total cash and cash equivalents	**597**	**663**

16. Trade and other receivables

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Trade receivables	1,344	977
Provisions for doubtful debts	(25)	(22)
	1,319	**955**
Related party receivables (refer to note 30)	31	36
Other receivables	151	154
Total current trade and other receivables	**1,501**	**1,145**
Total non-current receivables	**50**	**47**

16.1 Movement in provision for doubtful debts

	As of December 31, 2011	As of December 31, 2010
	(In $ million)	
Balance at the beginning of the period	(22)	(22)
Doubtful debts charges recognized	(10)	(8)
Doubtful debts provision applied against trade receivable balance	1	6
Reversal of doubtful debts charges previously recognized	6	2

Balance at the end of the period	**(25)**	**(22)**

The doubtful debts charge recognized of $10 million for the period ended December 31, 2011 (2010: $8 million; 2009: $4 million) relates to increases required as a result of management s review of the trade receivable balances.

16.2 Balances net of provision for doubtful debts

	As of December 31,	
	2011	**2010**
	(In $ million)	
Current	1,211	842
Past due 0 to 30 days	81	91
Past due 31 days to 60 days	9	6
Past due 61 days to 90 days	5	2
More than 91 days	13	14
Balance at the end of the period	**1,319**	**955**

F-241

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

16. Trade and other receivables (continued)

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

17. Assets and liabilities held for sale

	As of December 31,	
	2011	2010
	(In $ million)	
Assets		
Trade receivables	10	
Inventories	15	
Property, plant and equipment	44	18
Pension asset	1	
Total net assets held for sale	**70**	**18**
Liabilities		
Trade and other payables	14	
Other liabilities	6	
Liabilities directly associated with assets held for sale	**20**	
Net assets held for sale	**50**	**18**

During the period ended December 31, 2011, the Group decided to sell the Pactiv Foodservice laminating operations in Louisville, Kentucky and certain property, plant and equipment. The sale was completed on January 2012 (refer to note 37).

During the period ended December 31, 2010, the Group finalized the sale of the Downingtown facility and recorded an impairment charge of $7 million on the Richmond facility.

Efforts to dispose of the remaining net assets held for sale are currently progressing and are expected to be completed in the next twelve month period.

18. Inventories

	As of December 31, 2011	2010
	(In $ million)	
Raw materials and consumables	556	379
Work in progress	229	167
Finished goods	898	646
Engineering and maintenance materials	159	146
Provision against inventory	(69)	(57)
Total inventory	**1,773**	**1,281**

During the period ended December 31, 2011, the raw materials elements of inventory recognized as a component of cost of sales totaled $5,750 million (2010: $3,053 million; 2009: $2,684 million). In addition,

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

18. Inventories (continued)

purchase price adjustments to inventory charged to cost of sales totaled $33 million for the period ended December 31, 2011 (2010: $64 million; 2009: none).

During the period ended December 31, 2011, there were no material write-downs of inventories to net realizable value (2010: $3 million; 2009: $10 million). There were no material reversals of write-downs during 2011 (2010: $2 million; 2009; none). The inventory write-downs and reversals are included in cost of sales.

The U.S. Internal Revenue Code provided a tax credit for companies that use alternative fuel mixtures to produce energy to operate their businesses. The credit, equal to $0.50 per gallon of alternative fuel contained in the mixture, was refundable to the taxpayer. During May 2009, the Group received notification that its application to be registered as an alternative fuel mixer at its Canton and Pine Bluff facilities (within the Evergreen segment) had been approved. For the year ended December 31, 2009, the Group filed claims for alternative fuel mixture credits covering eligible periods from January 2009 to December 2009, totaling approximately $235 million. As a result of these claims, the Group recognized during the period ended December 31, 2009 a reduction of $214 million in its cost of sales, being the claim value net of applicable expenses. In 2010, the Group filed for additional claims based on information released by the Internal Revenue Service in 2010 clarifying how the volume of alternative fuel mixture used in the production process that qualifies for the tax credit should be determined. As a result, the Group recognized during the period ended December 31, 2010 a reduction of $10 million in its cost of sales, being the claim value net of applicable expenses. The Group recognized no such credits in the period ended December 31, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

19. Property, plant and equipment

	Land	Buildings and improvements	Plant and equipment	Capital work in progress	Leased assets lessor	Financed leased assets	Total
				(In $ million)			
As of December 31, 2011							
Cost	239	1,019	4,041	330	334	28	5,991
Accumulated depreciation		(178)	(1,112)		(156)	(4)	(1,450)
Accumulated impairment losses	(2)		(4)				(6)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
As of December 31, 2010							
Cost	218	776	2,668	201	268	28	4,159
Accumulated depreciation		(83)	(686)		(114)	(2)	(885)
Accumulated impairment losses		(3)	(5)				(8)
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**
Carrying amount as of January 1, 2011	218	690	1,977	201	154	26	3,266
Acquisitions through business combinations (refer to note 33)	44	232	1,164	85			1,525
Additions		6	38	416	51		511
Capitalization of borrowing costs			2	2			4
Disposals	(1)	(9)	(6)		(2)		(18)
Depreciation for the period		(94)	(501)		(54)	(1)	(650)
Impairment losses	(2)	(5)	(1)				(8)
Transfers to intangible assets				(2)			(2)
Transfers to assets held for sale	(10)	(8)	(3)				(21)
Other transfers	(10)	39	303	(369)	33		(4)
Effect of movements in exchange rates	(2)	(10)	(48)	(3)	(4)	(1)	(68)
Carrying amount as of December 31, 2011	**237**	**841**	**2,925**	**330**	**178**	**24**	**4,535**
Carrying amount as of January 1, 2010	124	399	1,109	80	110	3	1,825

Acquisitions through business combinations (refer to note 33)	83	328	944	64		24	1,443
Additions	10	1	47	223	71		352
Capitalization of borrowing costs				1			1
Disposals	(2)	(6)	(19)		(3)		(30)
Depreciation for the period		(30)	(240)		(46)	(1)	(317)
Impairment losses		(3)	(5)				(8)
Transfers to assets held for sale		12	(13)				(1)
Transfers to intangibles			(3)				(3)
Other transfers		(3)	154	(168)	17		
Effect of movements in exchange rates	3	(8)	3	1	5		4
Carrying amount as of December 31, 2010	**218**	**690**	**1,977**	**201**	**154**	**26**	**3,266**

The depreciation charge of $650 million for the period ended December 31, 2011 (2010: $317 million; 2009: $331 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $625 million; 2010: $302 million; 2009: $318 million), selling, marketing and distribution expenses (2011: $4 million; 2010: $3 million; 2009: $4 million) and general and administration expenses (2011: $21 million; 2010: $12 million; 2009: $9 million).

During the period ended December 31, 2011, the Group incurred an impairment loss of $9 million (2010: $8 million; 2009: $5 million) related to closures of certain facilities. There were no reversals of impairment charges during the period ended December 31, 2011 (2010: none; 2009: none). The recognition and reversal of impairment charges is included in other expenses in the profit or loss component of the statements of comprehensive income.

Refer to note 34 for details of the leased assets lessor category of property, plant and equipment. Refer to note 25 for details of security granted over property, plant and equipment and other assets.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

20. Investment properties

	As of December 31, 2011	2010
	(In $ million)	
Cost	44	81
Accumulated depreciation	(9)	(7)
Accumulated impairment losses	(6)	(6)
Balance at the end of the period	**29**	**68**
Balance at the beginning of the period	68	76
Additions	4	4
Disposals	(43)	(16)
Depreciation	(1)	(2)
Transfer from property, plant and equipment	4	
Impairment (losses) reversals	(4)	1
Effect of movements in exchange rates	1	5
Balance at the end of the period	**29**	**68**
Fair value of investment properties	**29**	**68**

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

No contingent rents are charged.

The Group has no restrictions on the realizability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period ended December 31, 2011 totaled $3 million (2010: $3 million; 2009: $3 million).

There were no direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the period ended December 31, 2011 (2010: none; 2009: none).

21. Current and deferred tax assets and liabilities

The current tax asset of $39 million (2010: $109 million) represents the amount of income taxes recoverable in respect of current and prior periods and that arise from the payment of tax in excess of the amounts due to the relevant tax authorities. The current tax liability of $160 million (2010: $142 million) represents the amount of income taxes payable in respect of current and prior periods.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

21.1 Unrecognized deferred tax assets

	As of December 31, 2011	2010
	(In $ million)	
Deductible/(taxable) temporary differences	31	20
Tax losses	231	284
Total unrecognized deferred tax assets	**262**	**304**

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

21.2 Unrecognized deferred tax liabilities

To the extent that dividends are expected to be remitted from overseas subsidiaries, joint ventures and associates, and would result in additional income taxes payable, appropriate amounts have been provided for in the statements of financial position. No deferred tax liabilities have been provided for unremitted earnings of the Group s overseas companies when these amounts are considered permanently reinvested in the businesses of these companies. As of December 31, 2011, the unrecognized deferred tax liabilities associated with unremitted earnings totaled approximately $12 million.

21.3 Movement in recognized deferred tax assets and liabilities

	Derivatives	Inventories	Property, plant and equipment	Investment property	Intangible assets	Employee benefits	Provisions	Tax loss carry-forwards	Interest	Tax credits	Unrecognized temporary differences	Unrealized foreign currency exchange	Other items	Net deferr tax asset (liabilit
							(In $ million)							
ance at the inning of	2	(2)	(194)	(6)	(295)	51	27	104			(13)	7	6	(3

period														
ognized in profit or	(3)	27	(20)	6	56	7	(20)	(9)	9	16	(7)	(8)	(9)	4
quired in ness nbinations	(3)	(16)	(308)		(996)	311	27	42		18			86	(8
er luding ign hange and posals)	1		2											
ance as of ember 31, 0	**(3)**	**9**	**(520)**		**(1,235)**	**369**	**34**	**137**	**9**	**34**	**(20)**	**(1)**	**83**	**(1,1**
ognized in profit or	8	(5)	64		62	(10)	(11)	(71)	161	15	(3)	1	(6)	2
quired in ness nbinations		(2)	(165)		(925)	23	5	372		11	(9)		74	(6
er luding ign hange and posals)		(1)	1		9	(9)	(1)	1			1		2	
ance as of ember 31, 1	**5**	**1**	**(620)**		**(2,089)**	**373**	**27**	**439**	**170**	**60**	**(31)**		**153**	**(1,5**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

21. Current and deferred tax assets and liabilities (continued)

	As of December 31, 2011	2010
	(In $ million)	
Included in the statement of financial position as:		
Deferred tax assets non-current	27	23
Deferred tax liabilities non-current	(1,539)	(1,127)
Total recognized net deferred tax liabilities	**(1,512)**	**(1,104)**

21.4 Movement in unrecognized deferred taxes

	Tax Losses	Taxable Temporary Differences	Deductible Temporary Differences	Total Unrecognized Deferred Tax Asset
		(In $ million)		
Balance at the beginning of the period	230	1	13	244
Additions and reversals	56	(2)	7	61
Recognition	(6)			(6)
Acquired in business combinations	20			20
Other (including foreign exchange and disposals)	(16)	1		(15)
Balance as of December 31, 2010	**284**		**20**	**304**
Additions and reversals	44		4	48
Recognition	(17)	(1)		(18)
Acquired in business combinations	20		9	29
Other (including foreign exchange and disposals)	(100)	(5)	4	(101)
Balance as of December 31, 2011	**231**	**(6)**	**37**	**262**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

22. Intangible assets

	Goodwill	Trademarks	Customer relationships	Technology & software	Other	Total
			(In $ million)			
As of December 31, 2011						
Cost	6,286	2,058	3,758	1,089	241	13,432
Accumulated amortization		(24)	(447)	(321)	(109)	(901)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
As of December 31, 2010						
Cost	4,630	1,803	2,147	535	288	9,403
Accumulated amortization		(12)	(280)	(219)	(129)	(640)
Accumulated impairment losses					(15)	(15)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**
Carrying amount as of January 1, 2011	4,630	1,791	1,867	316	144	8,748
Acquisitions through business combinations (refer to note 33)	1,735	256	1,651	547	8	4,197
Additions			5	8	5	18
Amortization for the period		(6)	(153)	(106)	(56)	(321)
Transfers from property, plant and equipment				2		2
Other transfers		(6)	(24)		30	
Other (refer to note 2.6)	(53)					(53)
Effect of movements in exchange rates	(26)	(1)	(35)	1	1	(60)
Carrying amount as of December 31, 2011	**6,286**	**2,034**	**3,311**	**768**	**132**	**12,531**
Carrying amount as of January 1, 2010	1,730	654	635	184	76	3,279
Acquisitions through business combinations (refer to note 33)	2,931	1,114	1,323	189	93	5,650
Other additions			3	9	7	19
Amortization for the period		(5)	(88)	(59)	(33)	(185)
Impairment losses					(15)	(15)
Disposals				(1)		(1)
				3		3

Transfers from property, plant and equipment						
Other transfers				(15)	15	
Effect of movements in exchange rates	(31)	28	(6)	6	1	(2)
Carrying amount as of December 31, 2010	**4,630**	**1,791**	**1,867**	**316**	**144**	**8,748**

The amortization charge of $321 million for the period ended December 31, 2011 (2010: $185 million; 2009: $169 million) is recognized in the statements of comprehensive income as a component of cost of sales (2011: $97 million; 2010: $83 million; 2009: $84 million) and general and administration expenses (2011: $224 million; 2010: $102 million; 2009: $85 million).

Refer to note 25 for details of security granted over the Group s intangible assets.

22.1 Impairment testing for indefinite life intangible assets

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

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

22. Intangible assets (continued)

For the purposes of indefinite life intangible asset impairment testing, indefinite life intangible assets are tested at the segment or lower level group of CGUs that supports the indefinite life intangible assets.

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

	As of December 31,					
	2011			2010		
	Goodwill	Trademarks	Other	Goodwill	Trademarks	Other
	(In $ million)					
SIG Combibloc	807	297		881	298	
Evergreen	41	34		41	34	
Pactiv Foodservice	1,650	526	71			
Reynolds Consumer Products	1,845	850		394	301	
Closures	377			386		
Graham Packaging		250				
Unallocated	1,566			2,928	1,075	78
Total	**6,286**	**1,957**	**71**	**4,630**	**1,708**	**78**

As of the date of these financial statements, provisional goodwill and indefinite life intangible assets of $1,566 million and $250 million, respectively, acquired as a result of the Graham Packaging Acquisition are in the process of being reviewed (refer to note 33). This process will be completed prior to September 8, 2012. Integration of the Graham Packaging business within the Group is expected to result in synergies within other segments of the Group. Therefore, part of the goodwill from the Graham Packaging Acquisition could be allocated to other segments within the Group. As this process has not yet been finalized, the provisional goodwill related to the Graham Packaging Acquisition is disclosed in the table above as unallocated as of December 31, 2011.

The impairment testing for allocated goodwill and indefinite life identifiable intangible assets was performed by comparing the estimated fair value less cost to sell to the segment s or group of CGUs carrying value of net assets, as applicable.

The estimated fair value has been determined using forecasted 2012 Adjusted EBITDA expected to be generated by the relevant segment or group of CGUs multiplied by an earnings capitalization rate (earnings multiple). The values assigned to key assumptions represent management s assessment of future trends in the segment s industry and are based on both external and internal sources. The forecasted 2012 Adjusted EBITDA has been prepared by segment management using certain key assumptions including selling prices, sales volumes and costs of raw materials. The Forecast 2012 Adjusted EBITDA is subject to review by the Group s CODM. Earnings multiples reflect recent sale and purchase transactions and comparable company EBITDA trading multiples in the same industry. The earnings multiples applied for December 31, 2011 ranged between 7.5x and 8.5x. Costs to sell were estimated to be 2% of the fair value of each segment or group of CGUs.

As of December 31, 2011, there was no impairment in respect of any allocated goodwill or indefinite life identifiable intangible assets (2010: none; 2009: none). If the forecasted 2012 Adjusted EBITDA or the earnings multiples used in calculating fair value less costs to sell had been 10% lower than those used as of December 31, 2011, no impairment would need to be recognized.

The Group did not perform a formal impairment test with respect to the indefinite life identifiable intangible assets and unallocated goodwill arising from the Graham Packaging Acquisition due to the

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

22. Intangible assets (continued)

proximity of the acquisition date to the statement of financial position date. However, the Group has performed procedures to determine whether there were triggering events that would indicate the unallocated goodwill and indefinite life identifiable intangible assets were impaired. In undertaking these procedures, the Group considered whether qualitative and quantitative factors indicated that an impairment triggering event had occurred. These factors included consideration of the forecasted 2012 Graham Packaging operation s EBITDA, expected future cost savings and general economic conditions compared to similar factors assessed as part of the Graham Packaging Acquisition. The assessments concluded that no impairment triggers existed and, as a result, no impairment existed with respect to the unallocated goodwill and indefinite life identifiable intangible assets as of December 31, 2011.

23. Investments in associates and joint venture equity accounted

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

	Country of incorporation	Interest held	Reporting date	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Expenses	Prof afte tax
					(In $ million)							
11												
G mbibloc eikan mpany nited	Kingdom of Saudi Arabia	50.0%	December 31	69	32	101	(42)	(10)	(52)	114	(98)	1
G mbibloc eikan CO	United Arab Emirates	50.0%	December 31	82	27	109	(60)	(2)	(62)	176	(161)	1
cart ergreen ckaging l Ducart)	Israel	50.0%	December 31	12	2	14	(5)	(1)	(6)	21	(19)	
nawi ergreen ckaging	Kingdom of Saudi Arabia	50.0%	December 31	5	7	12	(3)		(3)	12	(10)	

mpany nited Banawi)												
ipse osures, C	USA	49.0%	December 31				(1)		(1)		(1)	(
aham ow Pack vate nited GBPPL)	India	22.0%	September 30	3	5	8	(2)	(3)	(5)			
				171	**73**	**244**	**(113)**	**(16)**	**(129)**	**323**	**(289)**	**3**
10												
G mbibloc eikan mpany nited	Kingdom of Saudi Arabia	50.0%	December 31	65	30	95	(51)	(10)	(61)	90	(74)	1
G mbibloc eikan CO	United Arab Emirates	50.0%	December 31	76	38	114	(64)	(4)	(68)	161	(145)	1
cart ergreen ckaging l Ducart)	Israel	50.0%	December 31	13	2	15	(5)	(1)	(6)	19	(17)	
nawi ergreen ckaging mpany nited Banawi)	Kingdom of Saudi Arabia	50.0%	December 31	6	6	12	(3)		(3)	13	(11)	
				160	**76**	**236**	**(123)**	**(15)**	**(138)**	**283**	**(247)**	**3**

For the purpose of applying the equity method of accounting, the financial statements of the Ducart and Banawi operations for the periods ended November 30, 2011 and 2010 have been used with appropriate adjustments being made for the effects of significant transactions and the Group s share of results between these dates and December 31, 2011 and 2010, respectively. No adjustment was made with respect to PPPL for purposes of applying the equity method of accounting as there were no significant events or transactions that occurred between September 30, 2011 and December 31, 2011.

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

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

23. Investments in associates and joint venture equity accounted (continued)

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

The Eclipse Closures, LLC joint venture has an annual mandatory tax distribution on or before March 31 of each year to distribute cash to members according to their respective percentage of shares. The distribution is equal to the prior year s profit and highest combined federal and state income taxes at rates payable by any member. However, due to losses incurred, no mandatory tax distribution is due on March 31, 2012.

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

	As of December 31,	
	2011	2010
	(In $ million)	
Balance at the beginning of the period	110	104
Share of profit, net of income tax	17	18
Acquisition through business combination	2	
Disposal, decrease or dilution in investment in associates		(3)
Dividends received	(8)	(4)
Effect of movement in exchange rates	(2)	(5)
Balance at the end of the period	**119**	**110**
Amount of goodwill in carrying value of associates and joint ventures (equity method)	**52**	**56**

24. Trade and other payables

	As of December 31,	
	2011	2010
	(In $ million)	
Trade payables	847	712
Related party payables (refer to note 30)	51	21
Other payables and accrued expenses	882	515
Total trade and other payables	**1,780**	**1,248**
Current	1,747	1,239

Non-current	33	9
Total trade and other payables	**1,780**	**1,248**

25. Borrowings

	Note	As of December 31, 2011	2010
		(In $ million)	
August 2011 Credit Agreement(a)(u)		247	
2009 Credit Agreement(b)(v)			136
Pactiv 2012 Notes(m)(ac)		253	
Other borrowings(ae)		20	4
Current borrowings		**520**	**140**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

	Note	As of December 31, 2011	2010
		(In $ million)	
August 2011 Credit Agreement(a)(u)		4,243	
2009 Credit Agreement(b)(v)			3,890
August 2011 Senior Secured Notes(c)(w)		1,468	
August 2011 Senior Notes(d)(w)		972	
February 2011 Senior Secured Notes(e)(x)		999	
February 2011 Senior Notes(f)(x)		993	
October 2010 Senior Secured Notes(g)(y)		1,473	1,470
October 2010 Senior Notes(h)(y)		1,466	1,464
May 2010 Notes(i)(z)		980	978
2009 Notes(j)(aa)		1,642	1,648
Related Party Notes at 8%(k)(ab)	30	606	621
Related Party Notes at 9.5%(l)(ab)	30	530	542
Pactiv 2012 Notes(m)(ac)			261
Pactiv 2017 Notes(n)(ac)		314	316
Pactiv 2018 Notes(o)(ac)		17	17
Pactiv 2025 Notes(p)(ac)		269	269
Pactiv 2027 Notes(q)(ac)		197	197
Graham Packaging 2014 Notes(r)(ad)		367	
Graham Packaging 2017 Notes(s)(ad)		14	
Graham Packaging 2018 Notes(t)(ad)		19	
Related party borrowings	30	39	16
Other borrowings(ae)		33	28
Non-current borrowings		**16,641**	**11,717**
Total borrowings		**17,161**	**11,857**

	As of December 31, 2011	2010
	(In $ million)	
(a) August 2011 Credit Agreement (current and non-current)	4,574	
Transaction costs	(65)	
Original issue discount	(19)	
Carrying amount	**4,490**	

(b) 2009 Credit Agreement (current and non-current)		4,150
Transaction costs		(86)
Original issue discount		(38)
Carrying amount		**4,026**
(c) August 2011 Senior Secured Notes	1,500	
Transaction costs	(33)	
Original issue discount	(11)	
Embedded derivative	12	
Carrying amount	**1,468**	
(d) August 2011 Senior Notes	1,000	
Transaction costs	(27)	
Original issue discount	(7)	
Embedded derivative	6	
Carrying amount	**972**	

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011	2010
	(In $ million)	
(e) February 2011 Senior Secured Notes	1,000	
Transaction costs	(15)	
Embedded derivative	14	
Carrying amount	**999**	
(f) February 2011 Senior Notes	1,000	
Transaction costs	(17)	
Embedded derivative	10	
Carrying amount	**993**	
(g) October 2010 Senior Secured Notes	1,500	1,500
Transaction costs	(35)	(39)
Embedded derivative	8	9
Carrying amount	**1,473**	**1,470**
(h) October 2010 Senior Notes	1,500	1,500
Transaction costs	(43)	(46)
Embedded derivative	9	10
Carrying amount	**1,466**	**1,464**
(i) May 2010 Notes	1,000	1,000
Transaction costs	(28)	(31)
Embedded derivative	8	9
Carrying amount	**980**	**978**
(j) 2009 Notes	1,707	1,723
Transaction costs	(59)	(69)
Original issue discount	(17)	(19)
Embedded derivative	11	13
Carrying amount	**1,642**	**1,648**
(k) Related Party Notes at 8%	621	638

Transaction costs	(15)	(17)
Carrying amount	**606**	**621**
(l) Related Party Notes at 9.5%	544	558
Transaction costs	(14)	(16)
Carrying amount	**530**	**542**
(m) Pactiv 2012 Notes	249	249
Fair value adjustment at acquisition	4	12
Carrying amount	**253**	**261**
(n) Pactiv 2017 Notes	300	300
Fair value adjustment at acquisition	14	16
Carrying amount	**314**	**316**
(o) Pactiv 2018 Notes	16	16
Fair value adjustment at acquisition	1	1
Carrying amount	**17**	**17**
(p) Pactiv 2025 Notes	276	276
Fair value adjustment at acquisition	(7)	(7)
Carrying amount	**269**	**269**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

	As of December 31, 2011	2010
	(In $ million)	
(q) Pactiv 2027 Notes	200	200
Fair value adjustment at acquisition	(3)	(3)
Carrying amount	**197**	**197**
(r) Graham Packaging 2014 Notes	355	
Fair value adjustment at acquisition	5	
Embedded derivative	7	
Carrying amount	**367**	
(s) Graham Packaging 2017 Notes	14	
Carrying amount	**14**	
(t) Graham Packaging 2018 Notes	19	
Carrying amount	**19**	

(u) August 2011 Credit Agreement

Reynolds Group Holdings Limited (RGHL), the immediate Parent of the Group, and certain members of the Group are parties to an amended and restated senior secured credit agreement dated August 9, 2011 (the August 2011 Credit Agreement), which amended and restated the terms of the February 2011 Credit Agreement (as defined below). The August 2011 Credit Agreement comprises the following term and revolving tranches:

	Maturity Date	Original Facility Value	Value Drawn or Utilized at December 31, 2011	Applicable interest rate for the period ended December 31, 2011
		(In million)		
Term Tranches				
Tranche B Term Loan ($)(1)		2,325	2,283	4.250% - 6.500%

	February 9, 2018			
Tranche C Term Loan ($)	August 9, 2018	2,000	1,974	6.500%
European Term Loan ( )	February 9, 2018	250	246	5.000% - 6.750%
Revolving Tranches(2)				
Revolving Tranche ($)	November 5, 2014	120	85	
Revolving Tranche ( )	November 5, 2014	80	17	

(1) In connection with the August 2011 Credit Agreement, the U.S. Term Loans under the February 2011 Credit Agreement were redesignated as Tranche B Term Loans .

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

On September 8, 2011, $2,000 million of incremental term loans were drawn under the August 2011 Credit Agreement. These proceeds, together with the proceeds of the August 2011 Notes (as defined below) and available cash of the Group, were used to finance the Graham Packaging Acquisition (refer to note 33) and to pay related fees and expenses.

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

Senior Secured Notes (each as defined below and together the Secured Notes). Graham Packaging Holdings Company and its subsidiaries (the Graham Group) have not guaranteed the August 2011 Credit Agreement or granted security to support the obligations under the August 2011 Credit Agreement.

Indebtedness under the August 2011 Credit Agreement may be voluntarily repaid in whole or in part, subject to a 1% prepayment premium in the case of refinancing and certain pricing amendments within specified timeframes, and must be mandatorily repaid in certain circumstances. The borrowers also make quarterly amortization payments of 0.25% of the original outstanding principal in respect of the term loans. Additional principal amortization payments of $50 million per quarter will be payable for so long as certain members of the Graham Group do not guarantee the August 2011 Credit Agreement. The borrowers are also required to make annual prepayments of term loans with up to 50% of excess cash flow (which will be reduced to 25% if a specified senior secured leverage ratio is met) as determined in accordance with the August 2011 Credit Agreement.

The August 2011 Credit Agreement contains customary covenants which restrict RGHL and the Group from certain activities including, among other things, incurring debt, creating liens over assets, selling or acquiring assets and making restricted payments, in each case except as permitted under the August 2011 Credit Agreement. RGHL and the Group also have a minimum interest coverage ratio covenant, a maximum senior secured leverage ratio covenant, as well as limitations on capital expenditures. In addition, total assets of the non-guarantor companies (excluding intra-group items but including investments in subsidiaries) are required to be 20% or less of the adjusted consolidated total assets of RGHL and its subsidiaries and the aggregate of the EBITDA of the non-guarantor companies is required to be 20% or less of the consolidated EBITDA of RGHL and its subsidiaries, in each case calculated in accordance with the August 2011 Credit Agreement (which excludes the assets and EBITDA of the Graham Group) and may differ from the measure of Adjusted EBITDA as disclosed in note 6.

As of December 31, 2011, RGHL and the Group were in compliance with all of the covenants.

(v) February 2011 Credit Agreement and 2009 Credit Agreement

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

(w) August 2011 Notes

On August 9, 2011, Reynolds Group Issuer LLC, Reynolds Group Issuer Inc. and Reynolds Group Issuer (Luxembourg) S.A. (together the Reynolds Issuers) issued $1,500 million principal amount of 7.875% senior secured notes due 2019 (the August 2011 Senior Secured Notes) and $1,000 million principal amount of 9.875% senior notes due 2019 (the August 2011 Senior Notes and, together with the August 2011 Senior Secured Notes, the August 2011 Notes). Interest on the August 2011 Notes is paid semi-annually on February 15 and August 15.

(x) February 2011 Notes

On February 1, 2011, the Reynolds Issuers issued $1,000 million principal amount of 6.875% senior secured notes due 2021 (the February 2011 Senior Secured Notes) and $1,000 million principal amount of

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

8.250% senior notes due 2021 (the February 2011 Senior Notes and, together with the February 2011 Senior Secured Notes, the February 2011 Notes). Interest on the February 2011 Notes is paid semi-annually on February 15 and August 15.

(y) October 2010 Notes

On October 15, 2010, the Reynolds Issuers issued $1,500 million principal amount of 7.125% senior secured notes due 2019 (the October 2010 Senior Secured Notes) and $1,500 million principal amount of 9.000% senior notes due 2019 (the October 2010 Senior Notes and, together with the October 2010 Senior Secured Notes, the October 2010 Notes). Interest on the October 2010 Notes is paid semi-annually on April 15 and October 15.

(z) May 2010 Notes

On May 4, 2010, the Reynolds Issuers issued $1,000 million principal amount of 8.500% senior notes due 2018 (the May 2010 Notes). Interest on the May 2010 Notes is paid semi-annually on May 15 and November 15.

(aa) 2009 Notes

On November 5, 2009, the Reynolds Issuers issued $1,125 million principal amount of 7.750% senior secured notes due 2016 and 450 million principal amount of 7.750% senior secured notes due 2016 (collectively, the 2009 Notes). Interest on the 2009 Notes is paid semi-annually on April 15 and October 15.

Assets Pledged as Security for Loans and Borrowings

The shares in the Company have been pledged as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes. In addition, the Company and certain of its subsidiaries have pledged certain of their assets (including shares and equity interests) as collateral to support the obligations under the August 2011 Credit Agreement and the Secured Notes.

Terms Governing the Notes

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

Certain Guarantee and Security Arrangements

All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the Notes to the extent permitted by law.

Certain guarantors have granted security over certain of their assets to support the obligations under the Secured Notes. This security is expected to be shared on a first priority basis with the creditors under the August 2011 Credit Agreement.

Notes Indentures Restrictions

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

Early Redemption Option and Change in Control Provisions

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

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

U.S. Securities and Exchange Commission Registration Rights

Pursuant to separate registration rights agreements entered into with the initial purchasers of the Notes, the Reynolds Issuers have agreed (i) to file with the U.S. Securities and Exchange Commission (SEC) an exchange offer registration statement pursuant to which the Reynolds Issuers will separately exchange the Notes for a like aggregate principal amount of new registered notes that are identical in all material respects to the respective Notes, except for certain provisions, among others, relating to additional interest and transfer restrictions; or (ii) under certain circumstances, to file a shelf registration statement with the SEC.

The respective registration rights agreements for the Notes require the relevant filing to be effective within 12 months from the issuance of the Notes. If this does not occur, the Reynolds Issuers are required to pay additional interest of up to a maximum of 1.00% per annum. Additional interest on the 2009 Notes commenced on November 5, 2010 and ended on November 5, 2011. Additional interest on the May 2010 Notes commenced on May 4, 2011 and ends on May 4, 2012. Additional interest on the October 2010 Notes commenced on October 15, 2011 and ends on October 15, 2012. Additional interest on the February 2011 Notes commenced on February 1, 2012 and ends on February 1, 2013. For the period ended December 31, 2011, the Group expensed additional interest of $10 million, $3 million, and $2 million related to the 2009 Notes, May 2010 Notes and October 2010 Notes, respectively. As of December 31, 2011, the accrued additional interest related to these series of notes was $3 million.

(ab) Related Party Notes

On June 29, 2007, Beverage Packaging Holdings (Luxembourg) II S.A (BP II) (a related party of the Company) issued 480 million principal amount of 8.000% senior notes due 2016 (the 2007 Senior Notes) and 420 million principal amount of 9.500% senior subordinated notes due 2017 (the 2007 Senior Subordinated Notes and, together with the 2007 Senior Notes, the 2007 Notes). Interest on the 2007 Notes is paid semi-annually on June 15 and December 15. Concurrent with the issuance of the 2007 Notes, BP II loaned 900 million to the Company, consisting of 480 million principal amount with an interest rate of 8.000% (the Related Party Notes at 8%) and 420 million principal amount with an interest rate of 9.500% (the Related Party Notes at 9.5% and together with the Related Party Notes at 8%, the Related Party Notes). The interest payment and final maturity dates of the Related Party Notes are consistent with those of the 2007 Notes.

The 2007 Senior Notes are secured on a second-priority basis and the 2007 Senior Subordinated Notes are secured on a third-priority basis, by all of the equity interests of BP I held by RGHL and the receivables under a loan of the proceeds of the 2007 Notes made by BP II to BP I. All of the guarantors of the August 2011 Credit Agreement have guaranteed the obligations under the 2007 Notes to the extent permitted by law.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

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

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

(ac) Pactiv Notes

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

$249 million in principal amount of 5.875% Notes due 2012 which were issued by Pactiv (as defined in note 33) (the Pactiv 2012 Notes);

$300 million in principal amount of 8.125% Debentures due 2017 which were issued by Pactiv (the Pactiv 2017 Notes);

$16 million in principal amount of 6.400% Notes due 2018 which were issued by Pactiv (the Pactiv 2018 Notes);

$276 million in principal amount of 7.950% Debentures due 2025 which were issued by Pactiv (the Pactiv 2025 Notes); and

$200 million in principal amount of 8.375% Debentures due 2027 which were issued by Pactiv (the Pactiv 2027 Notes),

(together, the Pactiv Notes).

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

on the Pactiv 2012 Notes and the Pactiv 2018 Notes, January 15 and July 15;

on the Pactiv 2017 Notes and the Pactiv 2025 Notes, June 15 and December 15; and

on the Pactiv 2027 Notes, April 15 and October 15.

The Pactiv Notes are not guaranteed by any member of the Group and are unsecured.

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

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

Refer to note 37 for further information regarding the repayment of the Pactiv 2012 Notes subsequent to December 31, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ad) Graham Packaging Notes

As of December 31, 2011, the Group had outstanding:

$355 million in principal amount of 9.875% senior subordinated notes due 2014, which were issued by Graham Packaging Company L.P. and GPC Capital Corp. I (the Graham Issuers) (the Graham Packaging 2014 Notes);

$14 million in principal amount of 8.250% senior notes due 2017, which were issued by the Graham Issuers (the Graham Packaging 2017 Notes); and

$19 million in principal amount of 8.250% senior notes due 2018, which were issued by the Graham Issuers (the Graham Packaging 2018 Notes),

(together, the Graham Packaging Notes).

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

on the Graham Packaging 2014 Notes, April 15 and October 15;

on the Graham Packaging 2017 Notes, January 1 and July 1; and

on the Graham Packaging 2018 Notes, April 1 and October 1.

The Graham Packaging Notes are guaranteed by certain members of the Graham Group and are unsecured.

The respective indentures governing the Graham Packaging Notes all contain customary covenants which restrict the Graham Group from certain activities including, among other things, incurring debt, creating liens over assets, selling assets, making restricted payments and entering into certain transactions with affiliates (which would include transactions with members of the Group that are not members of the Graham Group), in each case except as permitted under the respective indentures governing the Graham Packaging Notes.

The Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to 100% of the principal amount thereof plus any accrued and unpaid interest to the date of the redemption plus a premium. The Graham Packaging 2014 Notes may be redeemed at any time at the Graham Group s option, in whole or in part at a redemption price equal to (i) from October 15, 2011 through October 14, 2012, 101.646% of the outstanding principal of amount thereof; and (ii) thereafter, 100% of the outstanding principal amount thereof; plus, in each case, any accrued and unpaid interest to the date of redemption.

On the date of the Graham Packaging Acquisition, the Group acquired principal amounts of $253 million and $250 million of the Graham Packaging 2017 Notes and the Graham Packaging 2018 Notes, respectively. Following the closing of the Graham Packaging Acquisition, the Graham Issuers launched a change of control offer on September 16, 2011 (the Change of Control Offer) to re-purchase for cash any or all of the Graham Packaging 2017

Notes and the Graham Packaging 2018 Notes pursuant to the respective indentures governing such notes. On October 20, 2011 principal amounts of $239 million of the Graham Packaging 2017 Notes and $231 million of the Graham Packaging 2018 Notes were re-purchased pursuant to the Change of Control Offer. The Group paid a total of $482 million for the payment of principal, accrued interest and the change of control premium for the above notes tendered in the Change of Control Offer.

Refer to note 37 for further information regarding the repayment of the Graham Packaging Notes subsequent to December 31, 2011.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

(ae) Other borrowings

As of December 31, 2011, in addition to the August 2011 Credit Agreement, the Notes, the Related Party Notes, the Pactiv Notes, and the Graham Packaging Notes, the Group had a number of unsecured working capital facilities extended to certain operating companies of the Group. These facilities bear interest at floating or fixed rates.

As of December 31, 2011, the Group had local working capital facilities in a number of jurisdictions which are secured by the collateral under the August 2011 Credit Agreement, the Secured Notes and certain other assets. The local working capital facilities which are secured by the collateral under the August 2011 Credit Agreement and the Secured Notes rank pari passu with the obligations under the August 2011 Credit Agreement and the Secured Notes. As of December 31, 2011, the secured facilities were utilized in the amount of $25 million (2010: $4 million) in the form of letters of credit and bank guarantees.

Other borrowings as of December 31, 2011, also included finance lease obligations of $28 million (2010: $28 million).

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

Term and debt repayment schedule

	Currency	2011 Nominal interest rate	2010 interest rate	Year of maturity	2011 Face value	2011 Carrying amount	2010 Face value	2010 Carrying amount
				As of December 31, (In $ million)				
August 2011 Credit Agreement:								
Tranche B Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	2,283	2,268		
Tranche C Term Loan	$	LIBOR with a floor of 1.250% + 5.250%		2018	1,974	1,906		
European Term Loan		EURIBOR with a floor of 1.500% + 5.250%		2018	317	316		
2009 Credit Agreement:								
Tranche A	$	LIBOR with a floor of 1.750% + 4.500%	6.250%	Repaid			500	485
Tranche B	$	LIBOR with a floor of 2.000% + 4.750%	6.750%	Repaid			1,016	980
Tranche C	$	LIBOR with a floor of 1.500% + 4.750%	6.250%	Repaid			790	767
Tranche D	$	LIBOR with a floor of 1.750% + 4.750%	6.500%	Repaid			1,520	1,474
European Term Loan		EURIBOR with a floor	6.750%	Repaid			324	320

		of 2.000% + 4.750%						
August 2011 Senior Secured Notes	$	7.875%		2019	1,500	1,468		
August 2011 Senior Notes	$	9.875%		2019	1,000	972		
February 2011 Senior Secured Notes	$	6.875%		2021	1,000	999		
February 2011 Senior Notes	$	8.250%		2021	1,000	993		
October 2010 Senior Secured Notes	$	7.125%	7.125%	2019	1,500	1,473	1,500	1,470
October 2010 Senior Notes	$	9.000%	9.000%	2019	1,500	1,466	1,500	1,464
May 2010 Notes	$	8.500%	8.500%	2018	1,000	980	1,000	978
2009 Notes		7.750%	7.750%	2016	582	571	598	585
2009 Notes	$	7.750%	7.750%	2016	1,125	1,071	1,125	1,063
Related Party Notes at 8%		8.000%	8.000%	2016	621	606	638	621
Related Party Notes at 9.5%		9.500%	9.500%	2017	544	530	558	542
Pactiv 2012 Notes	$	5.875%	5.875%	2012	249	253	249	261
Pactiv 2017 Notes	$	8.125%	8.125%	2017	300	314	300	316
Pactiv 2018 Notes	$	6.400%	6.400%	2018	16	17	16	17
Pactiv 2025 Notes	$	7.950%	7.950%	2025	276	269	276	269
Pactiv 2027 Notes	$	8.375%	8.375%	2027	200	197	200	197
Graham Packaging 2014 Notes	$	9.875%		2014	355	367		
Graham Packaging 2017 Notes	$	8.250%		2017	14	14		
Graham Packaging 2018 Notes	$	8.250%		2018	19	19		
Related party borrowings		EURIBOR + 2.38	3.01% - 3.32%	n/a	16	16	16	16
Related party borrowings		EURIBOR with a floor of 2.000% + 4.875%		n/a	23	23		
Finance lease liabilities	Various	Various	Various	Various	28	28	28	28
Other borrowings	Various	Various	Various	Various	25	25	4	4
					17,467	**17,161**	**12,158**	**11,857**

F-261

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

25. Borrowings (continued)

Finance lease liabilities

Finance lease liabilities are payable as follows:

	As of December 31,					
	2011			2010		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
	(In $ million)					
Less than one year	3	1	2	5	2	3
Between one and five years	11	6	5	13	6	7
More than five years	27	6	21	26	8	18
Total finance lease liabilities	**41**	**13**	**28**	**44**	**16**	**28**

26. Employee Benefits

	As of December 31,	
	2011	2010
	(In $ million)	
Salary and wages accrued	128	134
Provision for annual leave	64	32
Provision for employee benefits	8	5
Provision for long service leave	15	5
Provision for sick leave	6	5
Defined contribution obligations	34	31
Defined benefit obligations:		
Pension benefits	766	785
Post-employment medical benefits	140	169
Total employee benefits	**1,161**	**1,166**
Current	227	195
Non-current	934	971
Total employee benefits	**1,161**	**1,166**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

26.1 Pension benefits

The Group makes contributions to defined benefit pension plans which define the level of pension benefit an employee will receive on retirement. The Group operates defined benefit pension plans in Austria, Canada, Germany, Japan, Switzerland, Taiwan, United Kingdom, Mexico and the United States. The Group s most significant plan as of December 31, 2011 is the Pactiv Retirement Plan, which comprises 80% (2010: 85%), of the Group s present value of obligations. The plan was assumed as part of the Pactiv Acquisition.

	As of December 31,	
	2011	**2010**
	(In $ million)	
Present value of unfunded obligations	157	228
Present value of funded obligations	5,276	4,708
Unrecognized actuarial gains (losses)	(484)	129
Total present value of obligations	**4,949**	**5,065**
Fair value of plan assets	(4,261)	(4,433)
Asset capping according to IAS 19, paragraph 58		135
Total pension benefits	**688**	**767**
Included in the statement of financial position as:		
Employee benefits liabilities	766	785
Assets held for sale	(1)	
Other non-current assets and non-current receivables	(77)	(18)
Total pension benefits	**688**	**767**

Movement in the defined benefit obligation

	As of December 31,	
	2011	**2010**
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	4,936	718
Defined benefit obligations assumed in business combinations	241	4,267
Current service cost	29	14
Past service cost		11
Interest cost	245	55

Contributions by plan participants	2	2
Benefits paid by the plan	(341)	(92)
Curtailments(a)	3	
Settlements(b)		(39)
Actuarial (gains) losses on plan liabilities	349	(40)
Changes in actuarial assumptions		1
Reclassifications from employee benefits		(2)
Defined benefit obligations related to disposals of businesses(a)	(18)	
Effect of movements in exchange rates	(13)	41
Liability for defined benefit obligations at the end of the period	**5,433**	**4,936**

F-263

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

(a) During 2011, certain personnel participating under the SIG pension and welfare fund of SIG Schweizerische Industrie Gesellschaft AG were terminated without further plan benefits through a management buy-out which resulted in a curtailment loss of $3 million.

On September 1, 2011, the Group announced to participants in the Pactiv Retirement Plan that the plan was being frozen and that no future benefits would be earned effective January 1, 2012. There was no curtailment impact on comprehensive income as a result of freezing the plan and no effect on the plan s defined benefit obligation.

(b) Plan settlements were triggered from the change in control payments made as a result of the Pactiv Acquisition in November 2010 (refer to note 33). Certain settlements made in the period ended December 31, 2010, were not funded by plan assets.

Of the above liability for the defined benefit obligation, the liability related to the Pactiv Retirement Plan was $4,254 million as of December 31, 2011 (2010: $4,086 million).

Expense recognized in the statements of comprehensive income

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Current service cost	29	14	14
Past service cost		11	10
Interest cost	245	55	29
Expected return on plan assets	(312)	(67)	(29)
Curtailments	3		(3)
Asset capping according to IAS 19, paragraph 58		(37)	49
Changes in actuarial assumptions			1
Actuarial (gains) losses	10	34	(45)
Total plan net (income) expense	**(25)**	**10**	**26**

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

	For the period ended December 31,		
	2011	2010	2009
	(In $ million)		
Cost of sales	22	13	18

General and administration expenses	(47)	(3)	8
Total plan (income) expense	**(25)**	**10**	**26**

During the period ended December 31, 2011, the net plan income of the Pactiv Retirement Plan was $49 million (2010: $5 million net plan expense for the period from November 16, 2010 to December 31, 2010).

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Movement in plan assets

	As of December 31, 2011	2010
	(In $ million)	
Fair value of the plan assets at the beginning of the period	4,433	736
Plan assets assumed in business combinations	123	3,546
Contributions by the Group	27	67
Contributions by plan participants	2	2
Benefits paid by the plans	(341)	(92)
Expected return on plan assets	312	67
Actuarial gains (losses) on plan assets	(277)	81
Settlements		(39)
Plan assets related to disposals of businesses	(18)	
Effects of movements in exchange rates		63
Transfer of assets to the plan		2
Fair value of plan assets at the end of the period	**4,261**	**4,433**

The above plan assets as of December 31, 2011 and 2010 include the Pactiv Retirement Plan assets of $3,362 million and $3,622 million, respectively. In addition to the above plan assets, the Group is required to hold assets as collateral against certain unfunded defined benefit obligations assumed as part of the Pactiv Acquisition. As of December 31, 2011 and 2010, $27 million and $28 million in cash, respectively, included in other non-current assets in the statements of financial position, was held as collateral against these obligations.

Plan assets consist of the following:

	As of December 31, 2011	2010
	(In $ million)	
Equity instruments	2,620	2,858
Debt instruments	1,270	1,304
Property	214	207
Other	157	64
Total plan assets	**4,261**	**4,433**
Actual return on plan assets	**35**	**148**

The actual return on plan assets includes the actual return on plan assets of the Pactiv Retirement Plan of $21 million for the period ended December 31, 2011 and $125 million for the period from November 16, 2010 to December 31, 2010.

The Group expects to contribute $36 million to the pension plans during the annual period beginning after the reporting date.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Actuarial assumptions all plans

	For the period ended December 31,		
	2011	2010	2009
Discount rates at December 31	1.8% - 8.25%	1.8% - 6.0%	2.0% - 6.1%
Expected returns on plan assets at January 1	2.0% - 9.0%	1.5% - 8.0%	0.0% - 8.0%
Future salary increases	0.0% - 5.0%	0.0% - 4.0%	1.8% - 4.0%
Future pension increases	0.0% - 4.0%	0.0% - 2.0%	0.0% - 2.0%

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

The actuarial assumptions on the Group s most significant defined benefit pension plan for the period ended December 31, 2011 and 2010, being the Pactiv Retirement Plan, are as follows:

	For the period ended December 31,	
	2011	2010
Discount rates at December 31	4.8%	5.2%
Expected returns on plan assets at January 1	7.8%	7.8%
Future salary increases	%	4.0%
Future pension increases	%	2.7%

The actuarial assumptions on the Group s most significant defined benefit pension plan prior to the Pactiv Acquisition in November 2010, being the SIG Combibloc Group AG plan, are as follows:

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

Historical information

	For the period ended December 31,				
	2011	**2010**	**2009**	**2008**	**2007**
	(In $ million)				
Liability for the defined benefit obligations	(5,433)	(4,936)	(718)	(694)	(621)
Fair value of plan assets	4,261	4,433	736	665	674
Plan (deficit) surplus	**(1,172)**	**(503)**	**18**	**(29)**	**53**
Experience adjustments arising on plan liabilities	(99)	(3)	(4)	1	
Experience adjustments arising on plan assets	(277)	14	(46)	9	

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

The assumed discount rates have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in assumed discount rates would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	7	(5)
Effect on the defined benefit obligation	(274)	267

The expected rates of return on plan assets have a significant effect on the amounts recognized in the statement of comprehensive income. A half percentage point change in expected rates of return on plan assets would have the following effects:

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost	22	(22)
Effect on the defined benefit obligation		

26.2 Post-employment medical benefits

The Group operates post-employment medical benefit plans mainly in the United States. The liability for the post-employment medical benefits has been assessed using the same assumptions as for the pension benefits, together with the assumption of a weighted average healthcare cost trend rate of 8.0% in 2011 (2010: 7.9% and 2009: 8.0%).

The main actuarial assumption is the published mortality rates within the RP2000 combined mortality rate table for 2011 and 2010.

	As of December 31,	
	2011	2010
	(In $ million)	
Present value of unfunded obligations	147	158
Unrecognized actuarial gains (losses)	(7)	3
Unrecognized past service costs	5	8
Total present value of obligations	145	169
Fair value of plan assets		
Total post-employment medical benefits	**145**	**169**

The Group expects to contribute $9 million to the post-employment medical benefit plans during the annual period ending December 31, 2012.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

Movement in the defined benefit obligation

	For the period ended December 31,	
	2011	2010
	(In $ million)	
Liability for defined benefit obligations at the beginning of the period	158	87
Defined benefit obligations assumed in a business combination	1	71
Current service cost	3	2
Interest cost	8	5
Past service cost(b)	(7)	
Contributions by plan participants	4	1
Benefits paid by the plan	(12)	(3)
Plan amendments(a)		(1)
Curtailments(b)	(17)	
Actuarial (gains) losses recognized	9	(4)
Liability for defined benefit obligations at the end of the period	**147**	**158**

(a) During 2010, the Evergreen segment replaced post-65 AARP coverage with an HRA which resulted in a plan amendment credit of $1 million.

(b) On August 8, 2011, the Group terminated Pactiv retiree medical coverage, except for those who retired prior to 2003, which resulted in a curtailment gain of $17 million. The Group also capped the retiree life insurance benefit associated with the retiree medical plan. These actions resulted in a reduction of $7 million in past service costs during the period ended December 31, 2011.

Expense recognized in the statements of comprehensive income

	For the period ended December 31,		
	2011	2010	2009
		(In $ million)	
Current service cost	3	2	3
Interest cost	8	5	5
Past service cost	(10)	(2)	(2)
Curtailments	(17)		5

Actuarial losses recognized			1
Plan amendments		(1)	
Total (income) expense recognized in the statement of comprehensive income	**(16)**	**4**	**12**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

26. Employee Benefits (continued)

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

	For the period ended December 31, 2011	2010	2009
	(In $ million)		
Cost of sales	5	4	7
General and administration expenses	(21)		5
Total plan (income) expense	**(16)**	**4**	**12**

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

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	4	(3)

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

	Increase	Decrease
	(In $ million)	
Effect on the aggregated service and interest cost		
Effect on the defined benefit obligation	(8)	9

Historical information

	For the period ended December 31, 2011	2010	2009	2008	2007
	(In $ million)				

Present value of the defined benefit obligation	147	158	87	86	25
Experience adjustments arising on plan liabilities	3	5		(1)	

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

27. Provisions

	Legal	Warranty	Restructuring	Workers compensation	Other	Total
			(In $ million)			
Balance as of December 31, 2010	41	12	17	35	55	160
Acquisitions through business combinations	12	4	1	12	20	49
Provisions made	2	8	90	18	18	136
Provisions used	(9)	(13)	(69)	(15)	(9)	(115)
Provisions reversed	(5)	(2)	(2)		(1)	(10)
Transfers to other liabilities	(3)	2	(1)		9	7
Effect of movements in exchange rates	(1)				(1)	(2)
Balance as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	7	11	33	24	23	98
Non-current	30		3	26	68	127
Total Provisions as of December 31, 2011	**37**	**11**	**36**	**50**	**91**	**225**
Current	16	12	17	17	12	74
Non-current	25			18	43	86
Total Provisions as of December 31, 2010	**41**	**12**	**17**	**35**	**55**	**160**

Legal

The Group is subject to litigation in the ordinary course of operations. Provisions for legal claims are recognized when estimated costs associated with settling current legal proceedings are considered probable. Provisions may include estimated legal and other fees associated with settling these claims. While it is not possible to predict the outcome of any of these matters, based on management s assessment of the facts and circumstances now known, management does not believe any of these matters, individually or in the aggregate, will have a material effect on the Group s financial position, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on the Group s financial position, results of operations or cash flows in a particular future period.

Warranty

A provision for warranty is recognized for all products under warranty as of the reporting date based on sales volumes and past experience of the level of problems reported and product returns.

Restructuring

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

Workers compensation

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

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

27. Provisions (continued)

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

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

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

Other provisions

The main components of other provisions are lease provisions and contingent liabilities recognized in acquisitions, environmental remediation, asset retirement obligations, brokerage provisions for customs duties, and rent contracts related to investment properties. Other provisions as of December 31, 2011 included $26 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition and the Dopaco Acquisition, $17 million related to asset retirement obligations, which were acquired in connection with the Graham Packaging Acquisition and the Dopaco Acquisition and $10 million related to environmental remediation programs. Other provisions as of December 31, 2010 included $29 million related to make-good obligations with respect to leases acquired in connection with the Pactiv Acquisition, $5 million related to a contingent tax liability acquired in the Pactiv Acquisition and $9 million related to environmental remediation programs.

28. Equity

28.1 Share capital

The reported share capital balance as of December 31, 2011 is that of the Company, which is the sole parent of the Group.

In accordance with the Group s accounting policy in respect of common control transactions (refer to note 3.1(d)), financial information presented in these financial statements has been recast to include the balances of the combined entities as though the common control transactions occurred on the date that the common control originally commenced rather than the date that the common control transactions actually occurred. As a result, the reported share capital balance as of January 1, 2010, is that of the Company, EPI, Evergreen Packaging International B.V. (EPIBV), Reynolds Packaging Inc. (RPI) (now named Reynolds Packaging Holdings LLC), and Reynolds Packaging International B.V. (RPIBV).

On September 1, 2010, the issued capital of RPI and RPIBV was acquired by entities controlled by the Company. From this date, each of RPI and RPIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $149 million difference between the consideration paid of $342 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $193 million has been recognized as a debit to other reserves which is a component of equity.

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

28. Equity (continued)

consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $899 million difference between the consideration paid of $1,612 million (representing the fair value of the businesses acquired determined at the date of the common control acquisition) and the share capital acquired of $713 million has been recognized as a debit to other reserves which is a component of equity.

On November 5, 2009, the issued capital of Reynolds Consumer Products Holdings Inc. (RCPHI) (now named Reynolds Consumer Products Holdings LLC), Reynolds Consumer Products International B.V. (RCPIBV) and Closure Systems International B.V. (CSIBV) was acquired by entities controlled by the Company. From this date, each of RCPHI, RCPIBV, and CSIBV as well as their respective controlled entities are consolidated by the Group. In accordance with the Group s accounting policy in respect of common control transactions, the $584 million difference between the consideration paid of $1,692 million (representing the fair value of the businesses acquired determined at the date of the common control acquisitions) and the share capital acquired of $1,108 million has been recognized as a debit to other reserves which is a component of equity.

A summary of the impact of these transactions recognized in other reserves within equity is as follows:

	Reynolds Consumer	Closures	Evergreen	Reynolds Foodservice
		(In $ million)		
Total consideration	984	708	1,612	342
Net book value of share capital of the acquired businesses	(641)	(467)	(713)	(193)
Difference between total consideration and book value of share capital of the acquired business (recognized in other reserves within equity)	343	241	899	149

During the period ended December 21, 2010, the Group recognized a total adjustment of $1,048 million (2009: $584 million) for the above common control transaction related to the Evergreen and Reynolds Foodservice acquisitions as a component of other reserves within equity.

Further information regarding the Company s issued capital is detailed below:

	For the period ended December 31,		
Number of shares	**2011**	**2010**	**2009**
Balance as of the beginning of the period	13,063,527	13,063,527	13,063,527
Issue of shares			
Balance as of December 31	**13,063,527**	**13,063,527**	**13,063,527**

On November 16, 2010, RGHL contributed $322 million.

On November 6. 2009, RGHL contributed $544 million.

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

28. Equity (continued)

28.2 Reserves

	For the period ended December 31,		
	2011	**2010**	**2009**
	(In $ million)		
Translation reserve	310	331	53
Other reserves	(1,561)	(1,561)	(513)
Balance	**(1,251)**	**(1,230)**	**(460)**

Translation reserve

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

Other reserves

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

In accordance with the Group s accounting policy for transactions under common control (refer to note 3.1(d)), the Group has recognized in other reserves the difference between the total consideration paid for the businesses acquired and the book value of the issued capital of the parent companies acquired for the transactions which occurred on November 5, 2009, May 4, 2010 and September 1, 2010 (refer to Note 28.1).

The Group has also recognized in other reserves the net contributions from related parties in respect of the acquisition from Alcoa of the packaging and consumer divisions.

28.3 Dividends

There were no dividends declared or paid during the period ended December 31, 2011 (2010: none; 2009: none) by the Company.

On August 31, 2010, RPI paid a dividend of $39 million, of which $38 million was paid in cash and $1 million was settled through reductions in related party balances payable, to its shareholder at the time, Reynolds Packaging (NZ) Limited, in advance of the acquisition of the Reynolds foodservice packaging business by the Group on September 1, 2010.

28.4 Capital management

The Directors are responsible for monitoring and managing the Group s capital structure. Capital is comprised of equity and external borrowings.

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

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management

29.1 Overview

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

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

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

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

29.2 Market risk

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

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

(a) Foreign exchange risk

Translation risk

As a result of the Group s international operations, foreign exchange risk exposures exist on sales, purchases, financial assets and borrowings that are denominated in foreign currencies (i.e. currencies other than $). The currencies in which these transactions primarily are denominated are Euro ( ), Mexican Pesos (MXN) and Canadian Dollars (CA$)

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

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

Exposure to foreign exchange risk

		MXN	**CA$**
	(In $ million)		
As of December 31, 2011			
Cash and cash equivalents	99	11	7
Trade and other receivables	141	73	21
Non-current receivables	7		
Trade and other payables	(209)	(43)	(12)
Loans and borrowings:			
August 2011 Credit Agreement	(316)		
2009 Notes	(571)		
Related Party Notes at 8%	(606)		
Related Party Notes at 9.5%	(530)		
Other borrowings	(1)		
Related party borrowings	(39)		
Total exposure	(2,025)	41	16
Embedded derivative	9		
Commodity derivative	(3)		
Effect of derivative contracts	6		
Net exposure	**(2,019)**	**41**	**16**

		MXN	**CA$**
	(In $ million)		
As of December 31, 2010			
Cash and cash equivalents	81	9	14
Trade and other receivables	120	47	13
Non-current receivables	24		
Trade and other payables	(152)	(16)	(2)
Loans and borrowings:			
2009 Credit Agreement	(320)		
2009 Notes	(585)		
Related Party Notes at 8%	(621)		
Related Party Notes at 9.5%	(542)		

Other borrowings	(2)		
Related party borrowings	(16)		
Total exposure	**(2,013)**	**40**	**25**
Embedded derivative	16		
Commodity derivative			
Effect of derivative contracts	16		
Net exposure	**(1,997)**	**40**	**25**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

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

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

Significant exchange rates

The following significant exchange rates applied during the period:

	Average rate for the period ended December 31,		As of December 31	
	2011	2010	2011	2010
1	1.39	1.33	1.32	1.33
10 MXN	0.80	0.79	0.71	0.81
1 CA$	1.01	0.97	0.98	1.00

Sensitivity analysis

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

	Comprehensive income for the period ended December 31, 2011	
	10% strengthening of $	10% weakening of $
	(In $ million)	
	(202)	202
MXN	4	(4)
CA$	2	(2)

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

Transaction risk

The Group has $1,583 million of $ denominated notes in an entity with a functional currency of . A 10% strengthening of the $ against the would have resulted in a $158 million loss recognized as a financial expense in the statement of comprehensive income. A 10% weakening would have an equal but opposite effect.

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

(b) Interest rate risk

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

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

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

The Group has adopted a policy, which is consistent with the covenants under the August 2011 Credit Agreement, to ensure that at least 50% of its overall exposure to changes in interest rates on borrowings is on a fixed rate basis.

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

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

	Total	6 months or Less	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years
			(In $ million)			
As of December 31, 2011						
Fixed rate instruments						
Loans and borrowings:						
August 2011 Senior Secured Notes	(1,500)					(1,500)
August 2011 Senior Notes	(1,000)					(1,000)
February 2011 Senior Secured Notes	(1,000)					(1,000)
February 2011 Senior Notes	(1,000)					(1,000)
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,707)				(1,707)	
Related Party Notes at 8%	(621)					(621)
Related Party Notes at 9.5%	(544)					(544)
Pactiv 2012 Notes	(249)		(249)			
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Graham Packaging 2014 Notes	(355)				(355)	
Graham Packaging 2017 Notes	(14)					(14)
Graham Packaging 2018 Notes	(19)					(19)
Other borrowings	(33)	(4)	(1)	(2)	(4)	(22)
Total fixed rate instruments	**(12,834)**	**(4)**	**(250)**	**(2)**	**(2,066)**	**(10,512)**
Floating rate instruments						
Cash and cash equivalents	597	597				
Bank overdrafts	(3)	(3)				
Loans and borrowings:						
August 2011 Credit Agreement	(4,574)	(4,574)				
Related party borrowings	(39)	(39)				
Other borrowings	(20)	(19)		(1)		
Total variable rate instruments	**(4,039)**	**(4,038)**		**(1)**		

Total	**(16,873)**	**(4,042)**	**(250)**	**(3)**	**(2,066)**	**(10,512)**

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Total	6 months or Less	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years
			(In $ million)			
As of December 31, 2010						
Fixed rate instruments						
Loans and borrowings:						
October 2010 Senior Secured Notes	(1,500)					(1,500)
October 2010 Senior Notes	(1,500)					(1,500)
May 2010 Notes	(1,000)					(1,000)
2009 Notes	(1,723)					(1,723)
Related Party Notes at 8%	(638)					(638)
Related Party Notes at 9.5%	(558)					(558)
Pactiv 2012 Notes	(249)			(249)		
Pactiv 2017 Notes	(300)					(300)
Pactiv 2018 Notes	(16)					(16)
Pactiv 2025 Notes	(276)					(276)
Pactiv 2027 Notes	(200)					(200)
Other borrowings	(31)	(1)	(2)	(1)	(1)	(26)
Total fixed rate instruments	**(7,991)**	**(1)**	**(2)**	**(250)**	**(1)**	**(7,737)**
Floating rate instruments						
Cash and cash equivalents	663	663				
Bank overdrafts	(12)	(12)				
Loans and borrowings:						
2009 Credit Agreement	(4,150)	(4,150)				
Related party borrowings	(16)	(16)				
Other borrowings	(3)	(3)				
Total variable rate instruments	**(3,518)**	**(3,518)**				
Total	**(11,509)**	**(3,519)**	**(2)**	**(250)**	**(1)**	**(7,737)**

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

Fair value sensitivity analysis

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

Cash flow sensitivity analysis

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

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

As of December 31, 2011, most of the Group s debt has been issued with a fixed interest rate. While interest on the August 2011 Credit Agreement is at a floating rate, there is a LIBOR/EURIBOR floor of between 1.25% and 1.50%. Given current LIBOR/EURIBOR rates, a 1% decrease in interest rates would have no impact on interest expense on this facility due to the LIBOR floor. However, a 1% increase in interest rates would have a $3 million impact on interest expense.

(c) Commodity and other price risk

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

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

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

The following table provides the detail of out outstanding derivative contracts as of 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 the Group would pay or receive to terminate the contracts. During the period ended December 31, 2011, the Group recognized an unrealized loss of $26 million (2010: unrealized gain of

$4 million; 2009: unrealized gain of $129 million) as a component of other income in the statements of comprehensive income. During the period ended December 31, 2011, the Group recognized a realized gain of $7 million (2010: realized loss of $11 million; 2009: realized loss of $96 million) as a component of cost of sales in the statements of comprehensive income.

The impact on the statement of comprehensive income from a revaluation of derivative contracts at December 31, 2011 assuming a ten percent parallel upwards movement in the price curve used to value the contracts is a gain of $15 million (2010: none; 2009: gain of $13 million) assuming all other variables remain constant. A 10% parallel decrease in the price curve would have an equal but opposite effect on the statement of comprehensive income.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

29.3 Credit risk

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

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

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

The Group s exposure to credit risk is primarily in its trade and other receivables and is influenced mainly by the individual characteristics of each customer. Refer to note 16.

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

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

29.4 Liquidity risk

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

The Group evaluates its liquidity requirements on an ongoing basis using a 13 week rolling forecast and a 12 month rolling forecast and ensures that it has sufficient cash on demand to meet expected operating expenses including the servicing of financial obligations.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It also has credit lines in place to cover potential shortfalls. As of December 31, 2011, the Group had undrawn lines of credit under the revolving facilities of the August 2011 Credit Agreement totaling $35 million and 63 million ($82 million) (2010: $71 million and 56 million ($74 million) under the 2009 Credit Agreement). In addition, the Group has local working capital facilities in various jurisdictions which are available if needed to support the cash management of local operations.

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

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

	Carrying Amount	Total	6 Months or Less	6 to 12 Months (In $ million)	1 to 2 Years	2 to 5 Years	More than 5 Years
As of December 31, 2011							
Non-derivative financial liabilities							
Bank overdrafts	(3)	(3)	(3)				
Trade and other payables	(1,747)	(1,747)	(1,747)				
Non-current payables	(33)	(33)			(33)		
Loans and borrowings:							
August 2011 Credit Agreement	(4,490)	(6,142)	(271)	(267)	(522)	(1,471)	(3,611)
August 2011 Senior Secured Notes	(1,468)	(2,444)	(59)	(59)	(118)	(354)	(1,854)
August 2011 Senior Notes	(972)	(1,789)	(49)	(49)	(99)	(296)	(1,296)
February 2011 Senior Secured Notes	(999)	(1,652)	(34)	(34)	(69)	(206)	(1,309)
February 2011 Senior Notes	(993)	(1,784)	(41)	(41)	(83)	(248)	(1,371)
October 2010 Senior Secured Notes	(1,473)	(2,301)	(53)	(53)	(107)	(321)	(1,767)
October 2010 Senior Notes	(1,466)	(2,514)	(68)	(68)	(135)	(405)	(1,838)
May 2010 Notes	(980)	(1,554)	(43)	(43)	(85)	(255)	(1,128)
2009 Notes	(1,642)	(2,368)	(66)	(66)	(132)	(2,104)	
Related Party Notes at 8%	(606)	(870)	(25)	(25)	(50)	(770)	
Related Party Notes at 9.5%	(530)	(803)	(26)	(26)	(52)	(699)	
Pactiv 2012 Notes	(253)	(264)	(7)	(257)			
Pactiv 2017 Notes	(314)	(433)	(12)	(12)	(24)	(73)	(312)
Pactiv 2018 Notes	(17)	(23)	(1)	(1)	(1)	(3)	(17)
Pactiv 2025 Notes	(269)	(584)	(11)	(11)	(22)	(66)	(474)
Pactiv 2027 Notes	(197)	(459)	(8)	(8)	(17)	(50)	(376)
Graham Packaging 2014 Notes	(367)	(461)	(18)	(18)	(35)	(390)	
Graham Packaging 2017 Notes	(14)	(21)	(1)	(1)	(1)	(3)	(15)
Graham Packaging 2018 Notes	(19)	(31)	(1)	(1)	(2)	(5)	(22)
Related party borrowings	(39)	(57)		(2)	(2)	(5)	(48)
Other borrowings	(53)	(66)	(25)	(2)	(5)	(9)	(25)

	(18,944)	**(28,403)**	**(2,569)**	**(1,044)**	**(1,594)**	**(7,733)**	**(15,463)**
Derivative financial liabilities							
Commodity derivatives:							
Inflows		26	17	9			
Outflows	(15)	(41)	(27)	(14)			
	(15)	**(15)**	**(10)**	**(5)**			
Total	**(18,959)**	**(28,418)**	**(2,579)**	**(1,049)**	**(1,594)**	**(7,733)**	**(15,463)**

Table of Contents

Beverage Packaging Holdings (Luxembourg) I S.A.

Notes to the financial statements (Continued)

29. Financial risk management (continued)

	Carrying Amount	Total	6 Months or Less	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years
				(In $ million)			
As of December 31, 2010							
Non-derivative financial liabilities							
Bank overdrafts	(12)	(12)	(12)				
Trade and other payables	(1,239)	(1,239)	(1,239)				
Non-current payables	(9)	(9)			(9)		
Loans and borrowings:							
2009 Credit Agreement	(4,026)	(5,381)	(176)	(198)	(419)	(1,986)	(2,602)
October 2010 Senior Secured Notes	(1,470)	(2,407)	(53)	(53)	(107)	(320)	(1,874)
October 2010 Senior Notes	(1,464)	(2,649)	(68)	(68)	(135)	(405)	(1,973)
May 2010 Notes	(978)	(1,639)	(43)	(43)	(85)	(255)	(1,213)
2009 Notes	(1,648)	(2,526)	(67)	(67)	(134)	(401)	(1,857)
Related Party Notes at 8%	(621)	(945)	(26)	(26)	(51)	(153)	(689)
Related Party Notes at 9.5%	(542)	(904)	(27)	(27)	(53)	(159)	(638)
Pactiv 2012 Notes	(261)	(278)	(7)	(7)	(264)		