BERRY PLASTICS GROUP INC
Form S-1/A
May 30, 2012
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**As filed with the Securities and Exchange Commission on May 30, 2012**

**Registration No. 333-180294**

# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# Amendment No. 2

# to

# Form S-1

# REGISTRATION STATEMENT

***UNDER***

***THE SECURITIES ACT OF 1933***

# BERRY PLASTICS GROUP, INC.

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **3089** | **20-5234618** |
|---|---|---|
| **(State or other jurisdiction of incorporation)** | **(Primary Industrial Classification Code Number)** | **(I.R.S. Employer Identification Number)** |

**101 Oakley Street**

**Evansville, IN 47710**

**(812) 424-2904**

**(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)**

**Jonathan D. Rich**

**Chief Executive Officer**

**101 Oakley Street**

**Evansville, IN 47710**

**(812) 424-2904**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***Copy to:***

**Jeffrey D. Thompson**

**Executive Vice President and Chief Legal Officer**

**Berry Plastics Corporation**

**101 Oakley Street**

**Evansville, IN 47710**

**(812) 424-2904**

**Andrew J. Nussbaum**

**Wachtell, Lipton, Rosen & Katz**

**51 West 52nd Street**

**New York, NY 10019**

**(212) 403-1000**

**John A. Tripodoro**

**William J. Miller**

**Cahill Gordon & Reindel LLP**

**80 Pine Street**

**New York, NY 10005**

**(212) 701-3000**

**Approximate date of commencement of proposed sale to the public:** As promptly as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ¨ | Accelerated filer | ¨ |
| Non-accelerated filer | x (Do not check if a smaller reporting company) | Smaller reporting company | ¨ |

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion, dated May 30, 2012**

**PRELIMINARY PROSPECTUS**

# Shares

# Berry Plastics Group, Inc.

## Common Stock

## $ per share

This is Berry Plastics Group, Inc. s initial public offering. Berry Plastics Group, Inc. is selling shares of its common stock.

After the completion of this offering, funds affiliated with Apollo Global Management, LLC will continue to own a majority of the voting power of our outstanding common stock. As a result, we expect to be a controlled company within the meaning of the corporate governance standards of the New York Stock Exchange ( NYSE ). See Principal Stockholders.

We expect the public offering price to be between $ and $ per share. Currently, no public market exists for the shares. We intend to apply to list our shares of common stock on the NYSE under the symbol BERY.

**Investing in our common stock involves risks that are described in the Risk Factors section beginning on page 13 of this prospectus.**

| | Per Share | Total |
|---|---|---|
| Public offering price | $ | $ |
| Underwriting discount | $ | $ |
| Proceeds to us | $ | $ |

We have agreed to allow the underwriters to purchase up to an additional shares from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares of common stock against payment on or about , 2012.

**Apollo Global Securities**

**Baird**

**Barclays**

**BofA Merrill Lynch**

**Citigroup**

**Credit Suisse**

**Deutsche Bank Securities**

**Goldman, Sachs & Co.**

**J.P. Morgan**

**Wells Fargo Securities**

**The date of this prospectus is , 2012.**

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**You should rely only on the information contained in this prospectus and any free writing prospectus prepared by us or on our behalf that we have referred you to. We and the underwriters have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are not making an offer of these securities in any state or other jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus and any free writing prospectus is accurate as of any date other than the date of the applicable document regardless of its time of delivery or the time of any sales of our common stock. Our business, financial condition, results of operations or cash flows may have changed since the date of the applicable document.**

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## INDUSTRY AND MARKET DATA

This prospectus includes industry and trade association data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry publications and surveys and other information available to us. Some data are also based on our good-faith estimates, which are derived from management s knowledge of the industry and independent sources. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe these sources are reliable, we have not independently verified the information. In certain of the markets in which we operate, it may be difficult to directly ascertain industry or market data. Unless otherwise noted, statements as to our market share and market position are approximated and based on management experience and estimates using the above-mentioned third-party data combined with our internal analysis and estimates. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors in this prospectus. Similarly, while we believe our internal research is reliable, such research has not been verified by any independent sources.

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## NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA and Adjusted Free Cash Flow, as presented in this prospectus, are supplemental financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ( GAAP ). Adjusted EBITDA and Adjusted Free Cash Flow are not GAAP financial measures and should not be considered as an alternative to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP.

We define Adjusted Free Cash Flow as cash flow from operating activities less additions to property, plant and equipment. We use Adjusted Free Cash Flow as a measure of liquidity because it assists us in assessing our company s ability to fund its growth through its generation of cash. We believe Adjusted Free Cash Flow is useful to an investor in evaluating our liquidity because Adjusted Free Cash Flow and similar measures are widely used by investors, securities analysts and other interested parties in our industry to measure a company s liquidity without regard to revenue and expense recognition, which can vary depending upon accounting methods. Although we use Adjusted Free Cash Flow as a liquidity measure to assess our ability to generate cash, the use of Adjusted Free Cash Flow has important limitations, including that: (1) Adjusted Free Cash Flow does not reflect the cash requirements necessary to service principal payments on our indebtedness; and (2) Adjusted Free Cash Flow removes the impact of accrual basis accounting on asset accounts and non-debt liability accounts.

We define Adjusted EBITDA as net income (loss) before depreciation and amortization, income tax expense (benefit), interest expense (net) and certain restructuring and business optimization charges and as adjusted for unrealized cost reductions and acquired businesses, including unrealized synergies, which are more particularly defined in our credit documents and the indentures governing our notes. Adjusted EBITDA is used by our lenders for debt covenant compliance purposes and by our management as one of several measures to evaluate management performance. Adjusted EBITDA eliminates certain charges that we believe do not reflect operations and underlying operational performance. Although we use Adjusted EBITDA as a financial measure to assess the performance of our business, the use of Adjusted EBITDA has important limitations, including that (1) Adjusted EBITDA does not represent funds available for dividends, reinvestment or other discretionary uses, or account for one-time expenses and charges; (2) Adjusted EBITDA does not reflect cash outlays for capital expenditures or contractual commitments; (3) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital; (4) Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on indebtedness; (5) Adjusted EBITDA does not reflect income tax expense or the cash necessary to pay income taxes; (6) Adjusted EBITDA excludes depreciation and amortization and, although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements; and (7) Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations.

Adjusted EBITDA and Adjusted Free Cash Flow may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. Because of these limitations, you should consider Adjusted EBITDA and Adjusted Free Cash Flow alongside other performance measures and liquidity measures, including operating income, various cash flow metrics, net income and our other GAAP results.

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## PROSPECTUS SUMMARY

*The following summary highlights information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and consolidated financial statements included elsewhere in this prospectus. This summary is not complete and may not contain all of the information that may be important to you. You should carefully read the entire prospectus, including the Risk Factors section and our consolidated financial statements and notes to those statements, before making an investment decision. As used in this prospectus, Berry, the company, we, our and us mean Berry Plastics Group, Inc. and its subsidiaries on a consolidated basis.*

### Our Company

We are a leading provider of value-added plastic consumer packaging and engineered materials with a 30-year track record of delivering high-quality customized solutions to our customers. Our products utilize our proprietary research and development platform, which includes a continually evolving library of Berry-owned molds, patents, manufacturing techniques and technologies. We sell our solutions predominantly into consumer-oriented end markets, such as food and beverage, healthcare and personal care, which together represented 75% of our sales in the 12 months ending March 31, 2012. Our customers look to us for solutions that have high consumer impact in terms of form, function and branding. Representative examples of our products include thermoform drink cups, thin-wall containers, blow-molded bottles, specialty closures, prescription vials, specialty plastic films, adhesives and corrosion protection materials. We have also been one of the most active acquirers of plastic packaging businesses globally, having acquired more than 30 businesses since 1988, including ten acquisitions completed in the past five years. We believe our focus on delivering unique and customized solutions to our customers and our ability to successfully integrate strategic acquisitions have enabled us to grow at rates in excess of our industry peers, having achieved a compound annual net sales growth rate over the last ten years of 25%.

We believe that we have created one of the largest product libraries in our industry, allowing us to be a comprehensive solution provider to our customers. We have more than 13,000 customers, which consist of a diverse mix of leading national, mid-sized regional and local specialty businesses. The size and scope of our customer network allow us to introduce new products we develop or acquire to a vast audience that is familiar with, and we believe partial to, our brand. In fiscal 2011, no single customer represented more than 3% of net sales and our top ten customers represented less than 17% of net sales. We currently supply our customers through 81 strategically located manufacturing facilities throughout the United States (69 locations) and select international locations (12 locations). We believe our manufacturing processes and our ability to leverage our scale to reduce expenses on items, such as raw materials, position us as a low-cost manufacturer relative to our competitors. For example, we believe based on management estimates that we are one of the largest global purchasers of polyolefin resins, at more than 2.5 billion pounds per year, which gives us both unique insight into this market as well as scale purchasing savings.

We enjoy market leadership positions in many of our markets, with 75% of net sales during the 12 months ended March 31, 2012 in markets in which we held the #1 or #2 market position. We look to build leadership in markets where we have a strategic angle and can achieve attractive profit margins through technology and design leadership and a competitive cost position such as highly decorated plastic containers. We believe that our product and technology development capabilities are best-in-class, supported by a newly built research and design facility located in Evansville, Indiana (which we refer to in this prospectus as the Berry Research and Design Center ) and a network of more than 200 engineers and material scientists. We seek to have our product and technology development efforts provide a meaningful impact on sales. An example of our focused new product development is our thermoform plastic drink cup technology. We identified an unfulfilled need in the market with an opportunity for significant return on invested capital and ultimately introduced the technology to the market in 2001. This

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product line has grown steadily since introduction and generated $387 million of net sales during the 12 months ended March 31, 2012.

Our success is driven by our more than 16,000 employees. Over the past 30 years, we have developed a culture that incorporates both loyalty to best practices and acceptance of new perspectives, which we have often identified from the companies we have acquired. Our employees hold themselves accountable to exceed the expectations of our customers and to create value for our stakeholders. Consistent with this focus on value creation, more than 400 employees own equity in the company. As of March 31, 2012 and before giving effect to this offering, these employees owned more than 20% of our fully diluted equity.

We believe the successful execution of our business strategy has enabled us to outperform the growth of our industry over the past decade with Adjusted EBITDA increasing from $80 million in 2000 to $770 million for the 12 months ended March 31, 2012, representing a compound annual growth rate (which we refer to in this prospectus as a CAGR ) of 23%. For the 12 months ended March 31, 2012, Berry had pro forma net sales of $4.9 billion, Adjusted EBITDA of $770 million, net loss of $226 million and Adjusted Free Cash Flow of $197 million. For a reconciliation of Adjusted EBITDA and Adjusted Free Cash Flow to the nearest GAAP measures, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

**Our Businesses**

We organize our business into: Rigid Packaging, Engineered Materials and Flexible Packaging. We strive to leverage the talents, technologies and resources of each segment for the benefit of Berry as a whole. We believe this practice has enabled us to cross-fertilize technologies, materials and manufacturing processes across our entire platform to create unique solutions for our customers, developing a partnership approach and strong long-term relationships.

The table below is a summary of our business and some of our key product lines:

| ($ in millions) | Rigid Packaging | | Engineered Materials | Flexible Packaging |
|---|---|---|---|---|
| **Adjusted EBITDA for the 12 months ended March 31, 2012** | | | | |
| **Operating Income for the 12 months ended March 31, 2012** | $243 | | ($50) | ($101) |
| **Product Examples** | Foodservice Items<br>Housewares<br>Containers | Overcaps<br>Closures<br>Bottles<br>Prescription Vials<br>Tubes | Tapes<br>CPG<br>FIBC<br>Food Wrap<br>Shrink Films<br>Trash Bags<br>Stretch Films | Personal Care Films<br>Barrier/ Sealant Films<br>Medical Films<br>Printed Films<br>Coated and Laminated Packaging |

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**Rigid Packaging (69% of Adjusted EBITDA for 12 months ended March 31, 2012)**

Our Rigid Packaging business primarily consists of containers, foodservice items, housewares, closures, overcaps, bottles, prescription vials, and tubes. The largest end uses for these products are consumer-oriented end markets such as food and beverage, retail mass marketers, healthcare, personal care and household chemical. We believe that we offer the broadest line of rigid packaging products among industry participants and that we maintained the #1 or #2 market positions in markets representing approximately 80% of the Rigid Packaging business net sales for the 12 months ended March 31, 2012. Many of our products are manufactured from proprietary molds that we develop and own, which we believe would result in significant costs to our customers to switch to a different supplier. In addition to a complete product line, we have sophisticated decorating capabilities and in-house graphic arts and tooling departments, which allow us to integrate ourselves into, and, we believe, add significant value to, our customers packaging design processes. For the 12 months ended March 31, 2012, our Rigid Packaging business had pro forma net sales and Adjusted EBITDA of $2.8 billion and $529 million, respectively.

**Engineered Materials (21% of Adjusted EBITDA for 12 months ended March 31, 2012)**

Our Engineered Materials business primarily consists of pipeline corrosion protection solutions, specialty tapes and adhesives, polyethylene-based film products, and can liners served to a variety of end markets including oil, water and gas infrastructure, industrial and consumer-oriented end markets. We believe that we offer one of the broadest product lines among industry participants and that we maintained the #1 or #2 market position in markets representing approximately 65% of Engineered Products net sales for the 12 months ended March 31, 2012. For the 12 months ended March 31, 2012, our Engineered Materials business had net sales and Adjusted EBITDA of $1.4 billion and $166 million, respectively.

**Flexible Packaging (10% of Adjusted EBITDA for 12 months ended March 31, 2012)**

Our Flexible Packaging business consists of high barrier, multilayer film products as well as finished flexible packages such as printed bags and pouches. The largest end uses for our flexible products are consumer-oriented end markets such as food and beverage, medical and personal care. We believe that we offer one of the broadest product lines among industry participants and that we maintained the #1 or #2 market position in markets representing approximately 90% of Flexible Packaging business net sales for the 12 months ended March 31, 2012. For the 12 months ended March 31, 2012, our Flexible Packaging segment had net sales and Adjusted EBITDA of $756 million and $75 million, respectively.

## Our Strengths

We believe our strong financial performance is the direct result of the following competitive strengths:

***Leading market positions in profitable product lines.*** Our profitability is enhanced by what we believe are our market-leading positions in high value-added product lines, such as thermoform drink cups, pharmaceutical packaging and thin-wall containers, among others. We have focused on achieving #1 or #2 positions in product lines in which we can realize attractive margins through (1) product innovation, differentiated technology and quality manufacturing processes; (2) leveraging our broad customer network; (3) our low-cost manufacturing platform; and (4) superior customer service. For the 12 months ended March 31, 2012, we estimate that 75% of our net sales were derived from products in which we have a #1 or #2 market position.

***Leader in developing and commercializing new technologies.*** We believe our product and technology development capabilities are best-in-class. Our research efforts focus on projects with the potential to deliver unique performance characteristics that add value for our customers, command a sustainable premium price, develop customer loyalty and support the overall profitability of our company. We believe we have a track record of commercializing new products that generate incremental organic profitability well in excess of our company

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and industry averages. Our thermoformed plastic drink cups are an example of a successful commercialization of a new technology that we internally developed to address an unfilled need of our customers. Since introducing this technology to the market, we have developed the product line into a business which delivered $387 million of net sales for the 12 months ended March 31, 2012.

***Large and diversified customer base in attractive end markets.*** We sell our packaging solutions to more than 13,000 customers spanning a diverse mix of leading national, mid-sized regional and local specialty businesses. For the 12 months ended March 31, 2012, no single customer represented more than 3% of net sales and our top ten customers in total represented less than 17% of net sales. We believe the size and diversity of our customer network gives us a competitive advantage as we are able to market new products we develop or acquire seamlessly to a large customer base. Furthermore, our customer network is primarily involved in consumer-oriented end markets, such as food and beverage, healthcare and personal care, which we believe are growth end markets.

***Scale and low-cost operations drive profitability.*** We believe that our proprietary tools and technologies, manufacturing capabilities, operating expertise and purchasing scale provide us with a competitive advantage in the marketplace. Our competitive success is due, in part, to our having capitalized on economies of scale to lower costs in a number of critical functions:

- Our large, high-volume equipment, longer production runs and flexible, cross-facility manufacturing capabilities result in lower unit-production costs than many of our competitors;

- Our position as one of the largest purchasers of packaging-grade resins globally at more than 2.5 billion pounds per year provides considerable purchasing power and enhances the reliability of our supply of resins; and

- Our global network of 81 strategically located manufacturing facilities provides increased opportunities to optimize transportation costs and realize distribution efficiencies and allows for quick turnaround times to our customers.

***Track record in mergers and acquisitions.*** We have successfully integrated over 30 acquisitions since 1988, including ten over the past five years. These acquisitions have enabled us to (1) develop new business platforms; (2) add products to market to our customer network; (3) create incremental profitability by achieving synergies; (4) acquire manufacturing processes and technologies; and (5) capitalize on the best practices of acquired companies. Our management team seeks to acquire companies at attractive, value-enhancing multiples, utilizing what we believe is our flexible, low-cost capital structure to fund the transactions. In September 2011, we acquired Rexam Specialty and Beverage Closures for a multiple of purchase price to Adjusted EBITDA (including synergies) of 5.2x and funded the transaction entirely with debt financing under our revolving asset-based credit facility, which carries a LIBOR plus 2% interest rate. This transaction was immediately deleveraging for us and accretive to shareholder value while also increasing free cash flow generation.

***Outsized earnings growth, attractive margins and strong free cash flow generation.*** We believe our earnings growth has exceeded the growth of our industry, with Adjusted EBITDA growing from $80 million in 2000 to $770 million for the 12 months ended March 31, 2012, representing a CAGR of 23%. We also believe we maintain attractive profit margins and generate significant Adjusted Free Cash Flow for our stockholders relative to our peers. For the 12 months ended March 31, 2012, our Adjusted EBITDA margin was 16%, and we generated Adjusted Free Cash Flow of $197 million. We believe our profit margins and Adjusted Free Cash Flow generation are stable and increasing, driven by new product launches, market share gains, stable input cost pass-through, cost improvement actions, disciplined capital spending, prudent working capital management, minimal contingent liabilities and strategic investments in new projects and acquisitions with synergies.

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***Proven management and employee culture with significant equity ownership.*** We believe that our management team is among the deepest and most experienced in the packaging industry. Our management team has been responsible for developing and executing our strategy that has generated consistent year-over-year sales growth and the successful integration of more than 30 acquisitions. We believe our employees have developed a unique culture in which each employee throughout the entire company is aligned, focused and holds each other accountable to achieve goals that drive value creation for our stakeholders. Our employee ownership pool is deep with more than 400 individual employees owning more than 20% of the shares in our company on a fully diluted basis as of March 31, 2012, before giving effect to this offering.

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## Our Strategy

We intend to capitalize on our market-leading position in high value-added plastic consumer packaging and highly engineered materials to increase revenues and profits and maximize cash flow. We seek to achieve this objective by executing on the following strategies:

***Develop and commercialize new product technologies.*** We intend to continue to focus our product and technology development efforts on projects that we believe have significant profit potential. We have several projects in various stages of development that we believe can be commercialized into attractive organic growth and profit opportunities. Certain projects in development involve leveraging what we believe is our unique expertise in both rigid and flexible packaging technologies and manufacturing processes to create unique hybrid packaging solutions that address a need in the market that is not addressable by either technology on its own. We also have certain projects underway that we are developing in close collaboration with specific customers, which upon successful commercialization would allow us to enter into a new market backed by the strength of both our products and our broad existing customer base.

***Continue to make acquisitions in our industry.*** Given the breadth of our product offering, multiple business platforms in rigid and flexible packaging and scale of our customer network, we believe we have the broadest opportunity set for acquisitions in our industry. Furthermore, we believe we have a competitive advantage over our peers in mergers and acquisitions due to our (1) historical acquisition track record; (2) flexibility to utilize purchase price funding sources with attractive cost of capital; and (3) ability to leverage our scale to generate incremental synergies versus our peers. We intend to continue to apply a selective and disciplined acquisition strategy, focused on enhancing our scale, product diversity and geographic reach, while bolstering our financial performance through synergies and additional cash generation. We continue to evaluate acquisition opportunities on an ongoing basis and may at any time be in preliminary discussions with third parties.

***Continue to drive Adjusted Free Cash Flow generation.*** We continually focus on ways to increase our Adjusted Free Cash Flow through new business generation and also disciplined capital and cost management strategies. We intend to further increase profitability and Adjusted Free Cash Flow generation with a continued emphasis on operational excellence, including (1) leveraging our scale to reduce material costs; (2) efficiently reinvesting capital into our manufacturing processes to enhance technological leadership and achieve productivity gains; (3) focusing on ways to streamline operations through overhead rationalization; and (4) working with our engineering and research and development teams to replace existing materials with lower cost alternatives. Furthermore, we believe there are significant incremental opportunities to improve Adjusted EBITDA margins in our Engineered Materials and Flexible Packaging businesses through increased focus on utilizing our asset base on more value-added products.

***Increase sales to existing customers.*** We believe we have significant opportunities to increase our share of packaging sales made to our network of more than 13,000 existing customers. We believe our ability to offer our customers a comprehensive solution through our breadth of product offering yields economic benefits to our customers that cannot be matched by many of our competitors. We will also continue to develop and acquire new products that we can distribute though our customer network, which we believe will allow these products to gain instant scale and traction. We are also working with several customers to expand internationally.

***Realize value from recent capital investments and acquisitions.*** In fiscal 2011, we invested $110 million of capital in new growth projects including a new pharmaceutical package for a major retailer, additional thermoforming capacity, and new printing technology, among others. We expect the majority of these projects to be up and running by the end of 2012 and expect them to be a contributor to organic growth over the next several years. In fiscal 2011, we also undertook a number of cost saving actions including six plant consolidations and the implementation of numerous cost-reduction initiatives. Furthermore, in September 2011, we completed the acquisition of the Rexam Specialty and Beverage Closures business, and believe that we will realize, or have put actions in place to realize, approximately $20 million of synergies by the end of the 2012 calendar year.

## Risk Factors

Participating in this offering involves substantial risk. Our ability to execute our strategy also is subject to certain risks. The risks described under the heading Risk Factors immediately following this summary may cause us not to realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. Some of the more significant challenges and risks include the following:

- our substantial indebtedness;
- the risk of increases in prices or unavailability of key inputs, such as plastic resins, for our products;
- the intense competition we face in the sale of our products;
- the risks associated with potential acquisitions that we have completed and that we may pursue as part of our growth strategy;
- our reliance on patent and trademark rights and unpatented proprietary know-how and trade secrets; and
- the impact of current and future environmental and other governmental requirements and regulations.

Before you participate in this offering, you should carefully consider all of the information in this prospectus, including matters set forth under the heading Risk Factors.

## Income Tax Receivable Agreement

In connection with this offering, we will enter into an income tax receivable agreement that will provide for the payment by us to our existing stockholders and option holders of 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that we actually realize (or are deemed to realize in the case of an early termination by us or a change of control) as a result of the utilization of our net operating losses attributable to periods prior to this offering, and of certain other tax benefits related to our entering into the income tax receivable agreement, including tax benefits attributable to payments under the income tax receivable agreement. Assuming our initial public offering occurred as of March 31, 2012, we expect to pay between $ million and $ million in cash related to this agreement over the next five years, based on our current taxable income estimates, and will record a liability on our consolidated balance sheet for 85% of our net operating losses upon consummation of our initial public offering. See Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and Certain Relationships and Related Party Transactions Income Tax Receivable Agreement.

## Principal Stockholders

Our principal stockholders are investment funds affiliated with or managed by Apollo Global Management, LLC, which we refer to in this prospectus as Apollo, including Apollo Investment Fund VI, L.P. and Apollo Investment Fund V, L.P., along with their parallel investment funds, as well as investment funds affiliated with or managed by Graham Partners, Inc. and investment entities affiliated with Donald C. Graham.

Founded in 1990, Apollo is one of the world s largest alternative investment managers, with total assets under management of $105 billion as of April 1, 2012, and a team of 601 employees located in ten offices around the world.

Graham Partners manages approximately $1.6 billion in equity capital across multiple private investment funds and related entities, and is a member of The Graham Group, an alliance of independently owned and operated industrial and investment management businesses, which all share in the common legacy of entrepreneur Donald C. Graham. We refer to Graham Partners, Inc. and The Graham Group in this prospectus as Graham.

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**Additional Information**

Berry Plastics Group, Inc. was incorporated in Delaware on June 26, 2006. The principal executive offices of Berry Plastics Group, Inc. are located at 101 Oakley Street, Evansville, Indiana 47710, and the telephone number there is (812) 424-2904. We also maintain an Internet site at *http://www.berryplastics.com*. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or registration statement of which this prospectus forms a part and you should not rely on any such information in making your decision whether to purchase our securities.

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**The Offering**

| | |
|---|---|
| Common stock offered | shares. |
| Common stock to be outstanding after this offering | shares ( shares if the underwriters exercise their option to purchase additional shares in full). |
| Listing | We intend to apply to list our common stock on the NYSE under the symbol BERY. |
| Option to Purchase Additional Shares | We have agreed to allow the underwriters to purchase up to an additional shares from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus. |
| Use of proceeds | Assuming an initial public offering price of $ per share, which is the midpoint of the offering price range set forth on the cover page of this prospectus, we estimate that the net proceeds to us from the sale of our common stock in this offering will be $ (or $ if the underwriters exercise in full their option to purchase additional shares of common stock from us), after deducting estimated underwriting discounts and commissions and offering expenses. |
| | We currently intend to use $ million of net proceeds to redeem or repurchase $ of the 11% Senior Subordinated Notes due September 15, 2016, and any remaining proceeds for working capital and general corporate purposes. |
| Dividends | We do not currently anticipate paying dividends on our common stock following this offering. Any declaration and payment of future dividends to holders of our common stock may be limited by restrictive covenants in our debt agreements, and will be at the sole discretion of our Board of Directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board of Directors deems relevant. See Dividend Policy, Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources, and Description of Capital Stock Common Stock. |
| Conflicts of Interest | Apollo Global Securities, LLC, an underwriter of this offering, is an affiliate of Apollo, our controlling stockholder. Since Apollo beneficially owns more than 10% of our outstanding common stock, a conflict of interest is deemed to exist under Rule 5121(f)(5)(B) of the Conduct Rules of the Financial Industry Regulatory Authority, or FINRA. In addition, affiliates of Goldman, Sachs & Co., an underwriter of this offering, will receive more than 5% of net offering proceeds by virtue of their ownership of our 11.0% senior subordinated notes outstanding and will have a conflict of interest |

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| | |
|---|---|
| | pursuant to Rule 5121(f)(5)(C)(ii) of the Conduct Rules of FINRA. Accordingly, this offering will be made in compliance with the applicable provisions of Rule 5121. See Underwriting (Conflicts of Interest). |
| Risk Factors | You should carefully read and consider the information set forth under Risk Factors beginning on page 12 of this prospectus and all the other information set forth in this prospectus before investing in our stock. |

Except as otherwise indicated, all information in this prospectus:

- assumes no exercise of the underwriters option to purchase additional shares to buy up to additional shares from us; and
- does not give effect to the exercise of outstanding options or shares reserved for issuance under the 2006 Equity Incentive Plan.

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## SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth certain historical financial data for Berry Plastics Group, Inc. Our fiscal year is the 52- or 53-week period ending generally on the Saturday closest to September 30. Fiscal 2010 represents a 53-week period. The summary historical financial data as of and for the fiscal years ended October 1, 2011, October 2, 2010 and September 26, 2009 have been derived from our audited consolidated financial statements and related notes included in this prospectus. The summary historical financial data set forth below should be read in conjunction with and is qualified in its entirety by reference to the audited consolidated financial statements and the related notes included in this prospectus.

The summary historical financial data as of and for the two quarterly periods ended March 31, 2012 and April 2, 2011 have been derived from our unaudited financial statements included in this prospectus. The unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial information set forth in those statements.

The unaudited last twelve months financial data for the two quarterly periods ending March 31, 2012 has been calculated by subtracting the data for the two quarterly periods ended April 2, 2011 from the data for the year ended October 1, 2011 and adding the data for the two quarterly periods ended March 31, 2012.

Our historical results are not necessarily indicative of results to be expected in any future period, and results for the two quarterly periods ended March 31, 2012, are not necessarily indicative of results to be expected for the full year.

The following financial information should be read in conjunction with Selected Historical Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, and our historical consolidated financial statements and the related notes included in this prospectus.

| ($ in millions, shares in thousands) | Unaudited Last Twelve Months[(a)] March 31, 2012 | Unaudited Two Quarterly Periods Ended March 31, 2012 | Unaudited Two Quarterly Periods Ended April 2, 2011 | Audited Year Ended October 1, 2011 | Audited Year Ended October 2, 2010 | Audited Year Ended September 26, 2009 |
|---|---|---|---|---|---|---|
| **Statement of Operations Data:** | | | | | | |
| Net sales | $ 4,736 | $ 2,320 | $ 2,145 | $ 4,561 | $ 4,257 | $ 3,187 |
| Cost of sales | 3,981 | 1,944 | 1,841 | 3,878 | 3,667 | 2,641 |
| Operating expenses[(b)] | 663 | 256 | 234 | 641 | 466 | 360 |
| Operating income | 92 | 120 | 70 | 42 | 124 | 186 |
| Other expense (income)[(c)] | (7) | (2) | 66 | 61 | (27) | (373) |
| Net interest expense | 332 | 166 | 161 | 327 | 313 | 304 |
| Income (loss) before income taxes | (233) | (44) | (157) | (346) | (162) | 255 |
| Income tax expense (benefit) | (7) | (15) | (55) | (47) | (49) | 99 |
| Loss on discontinued operations | | | | | | 4 |
| Net income (loss) | $ (226) | $ (29) | $ (102) | $ (299) | $ (113) | $ 152 |
| Income (loss) per share basic | (33.04) | $ (4.25) | $ (14.82) | $ (43.54) | $ (16.38) | $ 22.00 |
| Income (loss) per share diluted | (33.04) | $ (4.25) | $ (14.82) | $ (43.54) | $ (16.38) | $ 21.97 |
| Number of shares used in per share calculations basic | 6,840 | 6,831 | 6,884 | 6,867 | 6,900 | 6,909 |
| Number of shares used in per share calculations diluted | 6,840 | 6,831 | 6,884 | 6,867 | 6,900 | 6,918 |

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| ($ in millions, shares in thousands) | Unaudited Last Twelve Months[a] | Unaudited Two Quarterly Periods Ended | | Audited Year Ended | | |
|---|---|---|---|---|---|---|
| | March 31, 2012 | March 31, 2012 | April 2, 2011 | October 1, 2011 | October 2, 2010 | September 26, 2009 |
| **Balance Sheet Data (at period end):** | | | | | | |
| Working capital[d] | $ 575 | $ 575 | $ 633 | $ 571 | $ 653 | $ 351 |
| Total assets | 5,053 | 5,053 | 5,208 | 5,217 | 5,344 | 4,216 |
| Long-term debt obligations | 4,518 | 4,518 | 4,440 | 4,581 | 4,397 | 3,422 |
| **Cash Flows Data:** | | | | | | |
| Cash from operating activities | $ 369 | $ 155 | $ 113 | $ 327 | $ 112 | $ 413 |
| Cash from investing activities | (520) | (91) | (94) | (523) | (852) | (195) |
| Cash from financing activities | 57 | (74) | (41) | 90 | 878 | (398) |
| **Other Financial Data:** | | | | | | |
| Capital expenditures | $ 172 | $ 106 | $ 94 | $ 160 | $ 223 | $ 194 |
| Depreciation | 244 | 122 | 116 | 238 | 210 | 158 |
| Amortization of intangibles | 107 | 54 | 53 | 106 | 107 | 96 |
| **Pro Forma Data:** | | | | | | |
| Pro forma interest expense[e] | | | | | | |
| Pro forma income (loss) | | | | | | |
| Pro forma income (loss) per share basic[f] | | | | | | |
| Pro forma income (loss) per share diluted[f] | | | | | | |
| Pro forma number of shares used in pro forma per share calculation basic[f] | | | | | | |
| Pro forma number of shares used in pro forma per share calculation diluted[f] | | | | | | |
| Tax sharing obligation[g] | | | | | | |
| Long-term debt obligations[e] | | | | | | |

(a) References to financial results as of and for the last twelve months ended March 31, 2012 have been calculated by subtracting the data for the six months ended April 2, 2011 from the data for the year ended October 1, 2011, and adding the data for the six months ended March 31, 2012.

(b) Year ended October 1, 2011 and last twelve months ended March 31, 2012 include a $165 non-cash goodwill impairment.

(c) Year ended September 26, 2009 includes a $368 gain on repurchase of debt.

(d) Represents total current assets less total current liabilities.

(e) Represents pro forma interest expense assuming repayment of $ million of the 11% Senior Subordinated Notes due September 15, 2016, assuming this offering occurred at the beginning of the respective period.

(f) Represents the pro forma income (loss) per share and weighted average shares outstanding assuming this offering occurred at the beginning of the respective period and the income tax receivable agreement was executed at the beginning of the period.

(g) Represents the obligation we will record upon entering into the income tax receivable agreement in connection with our initial public offering. See Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and Certain Relationships and Related Party Transactions Income Tax Receivable Agreement.

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## RISK FACTORS

*Investing in our common stock involves a high degree of risk. You should carefully consider the risk factors set forth below as well as the other information contained in this prospectus before investing in our common stock. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose part or all of your original investment.*

### Risks Related to Our Business

***Our substantial indebtedness could affect our ability to meet our obligations and may otherwise restrict our activities.***

We have a significant amount of indebtedness. As of March 31, 2012, the end of our second 2012 fiscal quarter, we had total indebtedness (including current portion) of $4,564 million with cash and cash equivalents totaling $32 million. We would have been able to borrow a further $417 million under the revolving portion of our senior secured credit facilities, subject to the solvency of our lenders to fund their obligations and our borrowing base calculations. We are permitted by the terms of our debt instruments to incur substantial additional indebtedness, subject to the restrictions therein. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms, would have a material adverse effect on our business, financial condition and results of operations.

Our substantial indebtedness could have important consequences. For example, it could:

- limit our ability to borrow money for our working capital, capital expenditures, debt service requirements or other corporate purposes;
- require us to dedicate a substantial portion of our cash flow to payments on our indebtedness, which would reduce the amount of cash flow available to fund working capital, capital expenditures, product development and other corporate requirements;
- increase our vulnerability to general adverse economic and industry conditions; and
- limit our ability to respond to business opportunities, including growing our business through acquisitions.

In addition, the credit agreements and indentures governing our current indebtedness contain, and any future debt instruments would likely contain, financial and other restrictive covenants, which will impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- incur or guarantee additional debt;
- pay dividends and make other restricted payments;
- create or incur certain liens;
- make certain investments;
- engage in sales of assets and subsidiary stock;

- enter into transactions with affiliates;
- transfer all or substantially all of our assets or enter into merger or consolidation transactions; and
- make capital expenditures.

As a result of these covenants, we will be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. Furthermore, a failure to comply with these covenants could result in an event of default, which, if not cured or waived, could have a material adverse affect on our business, financial condition and results of operations.

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***Increases in resin prices or a shortage of available resin could harm our financial condition and results of operations.***

To produce our products, we use large quantities of plastic resins. Plastic resins are subject to price fluctuations, including those arising from supply shortages and changes in the prices of natural gas, crude oil and other petrochemical intermediates from which resins are produced. Over the past several years, we have at times experienced rapidly increasing resin prices. If rapid increases in resin prices continue, our revenue and profitability may be materially and adversely affected, both in the short term as we attempt to pass through changes in the price of resin to customers under current agreements and in the long term as we negotiate new agreements or if our customers seek product substitution.

We source plastic resin primarily from major industry suppliers. We have long-standing relationships with certain of these suppliers but have not entered into a firm supply contract with any of them. We may not be able to arrange for other sources of resin in the event of an industry-wide general shortage of resins used by us, or a shortage or discontinuation of certain types of grades of resin purchased from one or more of our suppliers. In addition, the largest supplier of the company s total resin material requirements represented 31% of purchases in fiscal 2011. Any such shortage may materially negatively impact our competitive position versus companies that are able to better or more cheaply source resin.

***We may not be able to compete successfully and our customers may not continue to purchase our products.***

We face intense competition in the sale of our products and compete with multiple companies in each of our product lines. We compete on the basis of a number of considerations, including price, service, quality, product characteristics and the ability to supply products to customers in a timely manner. Our products also compete with metal, glass, paper and other packaging materials as well as plastic packaging materials made through different manufacturing processes. Some of these competitive products are not subject to the impact of changes in resin prices which may have a significant and negative impact on our competitive position versus substitute products. Our competitors may have financial and other resources that are substantially greater than ours and may be better able than us to withstand higher costs. In addition, our success may depend on our ability to adapt to technological changes, and if we fail to enhance existing products and develop and introduce new products and new production technologies in a timely fashion in response to changing market conditions and customer demands, our competitive position could be materially and adversely affected. Furthermore, some of our customers do and could in the future choose to manufacture the products they require for themselves. Each of our product lines faces a different competitive landscape. Competition could result in our products losing market share or our having to reduce our prices, either of which would have a material adverse effect on our business and results of operations and financial condition. In addition, since we do not have long-term arrangements with many of our customers, these competitive factors could cause our customers to shift suppliers and/or packaging material quickly.

***We may pursue and execute acquisitions, which could adversely affect our business.***

As part of our growth strategy, we plan to consider the acquisition of other companies, assets and product lines that either complement or expand our existing business and create economic value. We cannot assure you that we will be able to consummate any such transactions or that any future acquisitions will be consummated at acceptable prices and terms.

We continually evaluate potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope. Acquisitions involve a number of special risks, including:

- the diversion of management s attention and resources to the assimilation of the acquired companies and their employees and to the management of expanding operations;
- the incorporation of acquired products into our product line;
- problems associated with maintaining relationships with employees and customers of acquired businesses;

- the increasing demands on our operational systems;

- ability to integrate and implement effective disclosure controls and procedures and internal controls for financial reporting within the allowable time frame as permitted by Sarbanes-Oxley Act;

- possible adverse effects on our reported operating results, particularly during the first several reporting periods after such acquisitions are completed; and

- the loss of key employees and the difficulty of presenting a unified corporate image.

We may become responsible for unexpected liabilities that we failed or were unable to discover in the course of performing due diligence in connection with historical acquisitions and any future acquisitions. We have typically required selling stockholders to indemnify us against certain undisclosed liabilities. However, we cannot assure you that indemnification rights we have obtained, or will in the future obtain, will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business or property acquired. Any of these liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

In addition, we may not be able to successfully integrate future acquisitions without substantial costs, delays or other problems. The costs of such integration could have a material adverse effect on our operating results and financial condition. Although we conduct what we believe to be a prudent level of investigation regarding the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual condition of these businesses. Until we actually assume operating control of such businesses and their assets and operations, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations. Furthermore, we may not realize all of the cost savings and synergies we expect to achieve from our current strategic initiatives due to a variety of risks, including, but not limited to, difficulties in integrating shared services with our business, higher than expected employee severance or retention costs, higher than expected overhead expenses, delays in the anticipated timing of activities related to our cost-saving plans and other unexpected costs associated with operating our business. If we are unable to achieve the cost savings or synergies that we expect to achieve from our strategic initiatives, it could adversely affect our business, financial condition and results of operations.

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

In addition to relying on patent and trademark rights, we rely on unpatented proprietary know-how and trade secrets, and employ various methods, including confidentiality agreements with employees and consultants, customers and suppliers to protect our know-how and trade secrets. However, these methods and our patents and trademarks may not afford complete protection and there can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods than us. Further, we may not be able to deter current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Additionally, we have licensed, and may license in the future, patents, trademarks, trade secrets, and similar proprietary rights to third parties. While we attempt to ensure that our intellectual property and similar proprietary rights are protected when entering into business relationships, third parties may take actions that could materially and adversely affect our rights or the value of our intellectual property, similar proprietary rights or reputation. In the future, we may also rely on litigation to enforce our intellectual property rights and contractual rights, and, if not successful, we may not be able to protect the value of our intellectual property. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of its outcome.

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

***Current and future environmental and other governmental requirements could adversely affect our financial condition and our ability to conduct our business.***

Our operations are subject to federal, state, local and foreign environmental laws and regulations that impose limitations on the discharge of pollutants into the air and water, establish standards for the treatment, storage and disposal of solid and hazardous wastes and require clean up of contaminated sites. While we have not been required historically to make significant capital expenditures in order to comply with applicable environmental laws and regulations, we cannot predict with any certainty our future capital expenditure requirements because of continually changing compliance standards and environmental technology. Furthermore, violations or contaminated sites that we do not know about (including contamination caused by prior owners and operators of such sites or newly discovered information) could result in additional compliance or remediation costs or other liabilities, which could be material. We have limited insurance coverage for potential environmental liabilities associated with historic and current operations and we do not anticipate increasing such coverage in the future. We may also assume significant environmental liabilities in acquisitions. In addition, federal, state, local and foreign governments could enact laws or regulations concerning environmental matters that increase the cost of producing, or otherwise adversely affect the demand for, plastic products. Legislation that would prohibit, tax or restrict the sale or use of certain types of plastic and other containers, and would require diversion of solid wastes such as packaging materials from disposal in landfills, has been or may be introduced in the U.S. Congress, state legislatures and other legislative bodies. While container legislation has been adopted in a few jurisdictions, similar legislation has been defeated in public referenda in several states, local elections and many state and local legislative sessions. Although we believe that the laws promulgated to date have not had a material adverse effect on us, there can be no assurance that future legislation or regulation would not have a material adverse effect on us. Furthermore, a decline in consumer preference for plastic products due to environmental considerations could have a negative effect on our business.

The Food and Drug Administration, which we refer to as the FDA, regulates the material content of direct-contact food and drug packages we manufacture pursuant to the Federal Food, Drug and Cosmetic Act. Furthermore, some of our products are regulated by the Consumer Product Safety Commission, which we refer to as the CPSC, pursuant to various federal laws, including the Consumer Product Safety Act and the Poison Prevention Packaging Act. Both the FDA and the CPSC can require the manufacturer of defective products to repurchase or recall these products and may also impose fines or penalties on the manufacturer. Similar laws exist in some states, cities and other countries in which we sell products. In addition, laws exist in certain states restricting the sale of packaging with certain levels of heavy metals and imposing fines and penalties for noncompliance. Although we use FDA-approved resins and pigments in our products that directly contact food and drug products and we believe our products are in material compliance with all applicable requirements, we remain subject to the risk that our products could be found not to be in compliance with these and other requirements. A recall of any of our products or any fines and penalties imposed in connection with noncompliance could have a materially adverse effect on us. See Business Environmental Matters and Government Regulation.

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***In the event of a catastrophic loss of one of our key manufacturing facilities, our business would be adversely affected.***

While we manufacture our products in a large number of diversified facilities and maintain insurance covering our facilities, including business interruption insurance, a catastrophic loss of the use of all or a portion of one of our key manufacturing facilities due to accident, labor issues, weather conditions, natural disaster or otherwise, whether short or long-term, could have a material adverse effect on us.

***Goodwill and other intangibles represent a significant amount of our net worth, and a future write-off could result in lower reported net income and a reduction of our net worth.***

As of March 31, 2012, the net value of our goodwill and other intangibles was $2,621 million. We are no longer required or permitted to amortize goodwill reflected on our balance sheet. We are, however, required to evaluate goodwill reflected on our balance sheet when circumstances indicate a potential impairment, or at least annually, under the impairment testing guidelines outlined in the standard. Future changes in the cost of capital, expected cash flows, or other factors may cause our goodwill to be impaired, resulting in a non-cash charge against results of operations to write off goodwill for the amount of impairment. If a future write-off is required, the charge could have a material adverse effect on our reported results of operations and net worth in the period of any such write-off.

***Disruptions in the overall economy and the financial markets may adversely impact our business.***

Our industry is affected by current economic factors, including the deterioration of national, regional and local economic conditions, declines in employment levels, and shifts in consumer spending patterns. Disruptions in the overall economy and volatility in the financial markets could reduce consumer confidence in the economy, negatively affecting consumer spending, which could be harmful to our financial position and results of operations. As a result, decreased cash flow generated from our business may adversely affect our financial position and our ability to fund our operations. In addition, macroeconomic disruptions, as well as the restructuring of various commercial and investment banking organizations, could adversely affect our ability to access the credit markets. The disruption in the credit markets may also adversely affect the availability of financing for our operations. There can be no assurance that government responses to the disruptions in the financial markets will restore consumer confidence, stabilize the markets, or increase liquidity and the availability of credit.

**Risks Related to an Investment in our Common Stock and this Offering**

***There is no existing market for our common stock and we do not know if one will develop, which could impede your ability to sell your shares and depress the market price of our common stock.***

Prior to this offering, there has not been a public market for our common stock. We cannot predict the extent to which investor interest in the company will lead to the development of an active trading market on the NYSE or otherwise, or how liquid that market might become. If an active trading market does not develop, you may have difficulty selling any of our common stock that you buy. The initial public offering price for the common stock will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the open market following this offering. See Underwriting. Consequently, you may not be able to sell our common stock at prices equal to or greater than the price you paid in this offering.

***The price of our common stock may fluctuate significantly and you could lose all or part of your investment.***

Volatility in the market price of our common stock may prevent you from being able to sell your shares of common stock at or above the price you paid for them. The market price for our common stock could fluctuate significantly for various reasons, including:

- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry;

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- conditions that impact demand for our products and services;
- future announcements concerning our business or our competitors businesses;
- the public s reaction to our press releases, other public announcements and filings with the SEC;
- changes in earnings estimates or recommendations by securities analysts who track our common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in government and environmental regulation;
- general market, economic and political conditions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival and departure of key personnel;
- the number of shares to be publicly traded after this offering;
- sales of common stock by us, Apollo, Graham or members of our management team;
- adverse resolution of new or pending litigation against us;
- changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war and responses to such events; and
- material weakness in our internal costs over financial reporting.

In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our common stock could fluctuate based upon factors that have little or nothing to do with the company, and these fluctuations could materially reduce our share price.

***We had net losses in recent years and we may not be profitable in the future.***

We generated net income in only one of our last five fiscal years, and during the remaining four fiscal years, we incurred net losses of over $100 million per year. We may not generate net income from operations in the future, and continuing net losses may limit our ability to execute our strategy. Factors contributing to our financial performance include non-cash impairment charges, depreciation/amortization on our long lived tangible and intangible assets, interest expense on our debt obligations as well as other factors more fully disclosed in Management s Discussion and Analysis of Financial Condition and Results of Operations.

***Apollo controls us, and its interests may conflict with or differ from your interests as a stockholder.***

After the consummation of this offering, funds affiliated with our equity sponsor, Apollo, will indirectly beneficially own approximately % of our common stock, assuming the underwriters do not exercise their option to purchase additional shares. If the underwriters exercise in full their option to purchase additional shares, funds affiliated with Apollo will indirectly beneficially own approximately % of our common stock. As a result, Apollo will have the power to elect all of our directors. Therefore, Apollo effectively will have the ability to prevent any transaction that requires the approval of our Board of Directors or our stockholders, including the approval of significant corporate transactions such as mergers and the sale of substantially all of our assets. Thus, Apollo will continue to be able to significantly influence or effectively control our decisions. See Certain Relationships and Related Party Transactions and Description of Capital Stock Composition of Board of Directors; Election and Removal of Directors.

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The interests of Apollo could conflict with or differ from your interests as a holder of our common stock. For example, the concentration of ownership held by Apollo could delay, defer or prevent a change of control of the company or impede a merger, takeover or other business combination that you as a stockholder may otherwise view favorably. Additionally, Apollo is in the business of making or advising on investments in companies and holds (and may from time to time in the future acquire) interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. Apollo may also pursue acquisitions that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. A sale of a substantial number of shares of stock in the future by funds affiliated with Apollo could cause our stock price to decline.

***We expect to be a controlled company within the meaning of the NYSE rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.***

Upon the closing of this offering, funds affiliated with Apollo will continue to control a majority of our voting common stock. As a result, we expect to qualify as a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including:

- the requirement that a majority of the Board of Directors consists of independent directors;
- the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees.

Following this offering, we intend to utilize these exemptions. As a result, we will not have a majority of independent directors nor will our nominating/corporate governance and compensation committees consist entirely of independent directors, and we will not be required to have an annual performance evaluation of the nominating/corporate governance and compensation committees. See Management. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to such corporate governance requirements.

***We have no plans to pay regular dividends on our common stock, so you may not receive funds without selling your common stock.***

We have no plans to pay regular dividends on our common stock. Any declaration and payment of future dividends to holders of our common stock may be limited by restrictive covenants of our debt agreements, will be at the sole discretion of our Board of Directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board of Directors deems relevant.

The terms of our senior secured credit facilities and the indentures governing our notes may restrict our ability to pay cash dividends on our common stock. Our debt instruments contain covenants that restrict our ability to pay dividends on our common stock, as well as the ability of our subsidiaries to pay dividends to us. See Description of Certain Indebtedness and Description of Capital Stock Common Stock. Furthermore, we will be permitted under the terms of our debt instrument to incur additional indebtedness, which may restrict or prevent us from paying dividends on our common stock. Agreements governing any future indebtedness, in addition to those governing our current indebtedness, may not permit us to pay dividends on our common stock.

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***Future sales or the possibility of future sales of a substantial amount of our common stock may depress the price of shares of our common stock.***

Future sales or the availability for sale of substantial amounts of our common stock in the public market could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

Our amended and restated certificate of incorporation authorizes us to issue 15 million shares of common stock. In connection with the completion of this offering, we will amend and restate our certificate of incorporation, among other reasons, to provide for enough authorized shares to complete the offering. Upon consummation of this offering, shares will be outstanding. This number includes shares that we are selling in this offering, which will be freely transferable without restriction or further registration under the Securities Act of 1933, as amended, which we refer to as the Securities Act. The remaining shares of our common stock outstanding, including the shares of common stock owned by funds affiliated with Apollo, Graham and certain members of our management, will be restricted from immediate resale under the federal securities laws and the lock-up agreements between our current stockholders and the underwriters, but may be sold in the near future. See Underwriting. Following the expiration of the applicable lock-up period, all these shares of our common stock will be eligible for resale under Rule 144 or Rule 701 of the Securities Act, subject to volume limitations and applicable holding period requirements. See Shares Eligible for Future Sale for a discussion of the shares of our common stock that may be sold into the public market in the future.

We may issue shares of our common stock or other securities from time to time as consideration for future acquisitions and investments. If any such acquisition or investment is significant, the number of shares of our common stock, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We may also grant registration rights covering those shares of our common stock or other securities in connection with any such acquisitions and investments.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares of our common stock issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

***Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.***

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation and bylaws that we expect to be effective upon completion of this offering may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our Board of Directors. Among other things, these provisions:

- classify our Board of Directors so that only some of our directors are elected each year;
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- delegate the sole power of a majority of the Board of Directors to fix the number of directors;
- provide the power of our Board of Directors to fill any vacancy on our board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- authorize the issuance of blank check preferred stock without any need for action by stockholders;

eliminate the ability of stockholders to call special meetings of stockholders;

- prohibit stockholders from acting by written consent if less than 50.1% of our outstanding common stock is controlled by Apollo; and

- establish advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

The foregoing factors, as well as the significant common stock ownership by our equity sponsor, could impede a merger, takeover or other business combination or discourage a potential investor from making a tender offer for our common stock, which, under certain circumstances, could reduce the market value of our common stock. See Description of Capital Stock.

***We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock.***

Our amended and restated certificate of incorporation to be in effect following this offering will authorize us to issue one or more series of preferred stock. Our Board of Directors will have the authority to determine the preferences, limitations and relative rights of shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our common stock.

***You will suffer immediate and substantial dilution in the net tangible book value of the common stock you purchase.***

Prior investors have paid substantially less per share than the price in this offering. The initial offering price is substantially higher than the net tangible book value per share of the outstanding common stock immediately after this offering. Accordingly, based on an assumed initial public offering price of $ per share (the midpoint of the range set forth on the cover page of this prospectus), purchasers of common stock in this offering will experience immediate and substantial dilution of approximately $ per share in net tangible book value of the common stock. See Dilution.

***Berry Plastics Group, Inc. is a holding company and relies on dividends and other payments, advances and transfers of funds from its subsidiaries to meet its obligations and pay dividends.***

Berry Plastics Group, Inc. has no direct operations and no significant assets other than ownership of 100% of the stock of Berry Plastics Corporation. Because Berry Plastics Group, Inc. conducts its operations through its subsidiaries, it depends on those entities for dividends and other payments to generate the funds necessary to meet its financial obligations, and to pay any dividends with respect to our common stock. Legal and contractual restrictions in the agreements governing current and future indebtedness of Berry Plastics Group, Inc. s subsidiaries, as well as the financial condition and operating requirements of Berry Plastics Group, Inc. s subsidiaries, may limit Berry Plastics Group, Inc. s ability to obtain cash from its subsidiaries. The earnings from, or other available assets of, Berry Plastics Group, Inc. s subsidiaries may not be sufficient to pay dividends or make distributions or loans to enable Berry Plastics Group, Inc. to pay any dividends on our common stock.

***The additional requirements of having a class of publicly traded equity securities may strain our resources and distract management.***

Although our principal operating subsidiary voluntarily files periodic reports with the Securities and Exchange Commission, or the SEC, after the consummation of this offering, we will be subject to additional reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act and the Sarbanes-Oxley Act of 2002, which we refer to as the Sarbanes-Oxley Act. The Sarbanes-Oxley Act requires that we maintain

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effective disclosure controls and procedures and internal control for financial reporting. Under Section 404 of the Sarbanes-Oxley Act, our independent public accountants auditing our financial statements must attest to the effectiveness of our internal control over financial reporting. In order to continue to maintain the effectiveness of our disclosure controls and procedures and internal control over financial reporting following the consummation of this offering, significant resources and management oversight will be required. Furthermore, if we are unable to conclude that our disclosure controls and procedures and internal control over financial reporting are effective, or if our independent public accounting firm is unable to provide us with an unqualified report as to management s assessment of the effectiveness of our internal control over financial reporting in future years, investors may lose confidence in our financial reports and our stock price may decline.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which we refer to as Dodd-Frank and which amended the Sarbanes-Oxley Act and other federal laws, has created uncertainty for public companies, and we cannot predict with any certainty the requirements of the regulations that will ultimately be adopted under Dodd-Frank or how such regulations will affect the cost of compliance for a company with publicly traded common stock. There is likely to be continuing uncertainty regarding compliance matters because the application of these laws and regulations, which are subject to varying interpretations, may evolve over time as new guidance is provided by regulatory and governing bodies. We intend to invest resources to comply with these evolving laws and regulations, which may result in increased general and administrative expenses and divert management s time and attention from other business concerns. Furthermore, if our compliance efforts differ from the activities that regulatory and governing bodies expect or intend due to ambiguities related to interpretation or practice, we may face legal proceedings initiated by such regulatory or governing bodies and our business may be harmed. In addition, new rules and regulations may make it more difficult for us to attract and retain qualified directors and officers and may make it more expensive for us to obtain director and officer liability insurance.

***If securities analysts do not publish research or reports about our company, or if they issue unfavorable commentary about us or our industry or downgrade our common stock, the price of our common stock could decline.***

The trading market for our common stock will depend in part on the research and reports that third-party securities analysts publish about our company and our industry. One or more analysts could downgrade our common stock or issue other negative commentary about our company or our industry. In addition, we may be unable or slow to attract research coverage. Alternatively, if one or more of these analysts cease coverage of our company, we could lose visibility in the market. As a result of one or more of these factors, the trading price of our common stock could decline.

***We will be required to pay our existing owners for certain tax benefits, which amounts are expected to be material.***

We will enter into an income tax receivable agreement with our existing stockholders and option holders that will provide for the payment by us to our existing stockholders of 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that we actually realize as a result of the utilization of our net operating losses attributable to periods prior to this offering and certain other tax benefits related to our entering into the income tax receivable agreement, including tax benefits attributable to payments under the income tax receivable agreement.

These payment obligations are our obligations and not obligations of any of our subsidiaries. The actual utilization of net operating losses as well as the timing of any payments under the income tax receivable agreement will vary depending upon a number of factors, including the amount, character and timing of our taxable income in the future.

We expect that the payments we make under this income tax receivable agreement will be material. Assuming no material changes in the relevant tax law, and that we earn sufficient income to realize the full tax benefits subject to the income tax receivable agreement, we expect that future payments under the income tax receivable agreement will aggregate to between $ million and $ million.

If we had completed our initial public offering as of March 31, 2012, we would have recorded a liability of $ million, which represents the full obligation for our recognized deferred tax assets, with an offset to Additional Paid in Capital if the income tax receivable agreement had been executed. We expect to record a stock compensation charge in connection with our initial public offering related to the income tax receivable agreement for the payments to option holders. Any future changes in the realizability of our net operating loss carry forwards that were generated prior to our initial public offering, will impact the amount of the liability that will be paid to our shareholders or option holders. Changes in the realizability of these tax assets will be recorded in income tax expense (benefit) and any changes in the obligation under the income tax receivable agreement will be recorded in other income (expense). Based on our current taxable income estimates, we expect to repay the majority of this obligation by the end of our 2016 fiscal year.

In addition, the income tax receivable agreement provides that upon certain mergers, asset sales, other forms of business combinations or other changes of control, the income tax receivable agreement will terminate and we will be required to make a payment equal to the present value of future payments under the income tax receivable agreement, which payment would be based on certain assumptions, including those relating to our future taxable income. In these situations, our obligations under the income tax receivable agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control.

Our counterparties under this agreement will not reimburse us for any payments previously made under the income tax receivable agreement if such benefits are subsequently disallowed (although future payments would be adjusted to the extent possible to reflect the result of such disallowance). As a result, in certain circumstances, payments could be made under the income tax receivable agreement in excess of our cash tax savings. See Management s Discussion and Analysis of Financial Condition and Results of Operations and Certain Relationships and Related Person Transactions Tax Receivable Agreement.

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## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements which involve risks and uncertainties. You can identify forward-looking statements because they contain words such as believes, expects, may, will, should, would, could, seeks, approximately, intends, plans, anticipates or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on the date of this prospectus.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All forward-looking information in this prospectus and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- risks associated with our substantial indebtedness and debt service;
- changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices on a timely basis;
- performance of our business and future operating results;
- risks related to our acquisition strategy and integration of acquired businesses;
- reliance on unpatented know-how and trade secrets;
- increases in the cost of compliance with laws and regulations, including environmental, safety, production and product laws and regulations;
- risks related to disruptions in the overall economy and the financial markets may adversely impact our business;
- catastrophic loss of one of our key manufacturing facilities, natural disasters and other unplanned business interruptions;
- risks of competition, including foreign competition, in our existing and future markets;
- general business and economic conditions, particularly an economic downturn;

- the ability of our insurance to cover fully our potential exposures; and

- the other factors discussed in the section of this prospectus titled Risk Factors.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this prospectus may not in fact occur. Accordingly, investors should not place undue reliance on those statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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## USE OF PROCEEDS

Assuming an initial public offering price of $ per share, which is the midpoint of the offering price range set forth on the cover page of this prospectus, we estimate that the net proceeds to us from the sale of shares of our common stock in this offering will be $ (or $ if the underwriters exercise in full their option to purchase additional shares of common stock from us), after deducting estimated underwriting discounts and offering expenses.

We currently intend to use $ million of net proceeds to redeem or repurchase $ of the 11% Senior Subordinated Notes due September 15, 2016, and any remaining proceeds for working capital and general corporate purposes. See Underwriting (Conflicts of Interest) for further information.

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## DIVIDEND POLICY

We do not currently anticipate paying dividends on our common stock following this offering. Any declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board of Directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board of Directors deems relevant. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries. The terms of our indebtedness may restrict us from paying dividends, or may restrict our subsidiaries from paying dividends to us. Under Delaware law, dividends may be payable only out of surplus, which is our net assets minus our liabilities and our capital, or, if we have no surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. See Description of Certain Indebtedness, and Description of Capital Stock Common Stock.

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## CAPITALIZATION

The following table sets forth cash and cash equivalents and capitalization as of March 31, 2012:

- on a historical basis; and
- on an as adjusted basis to reflect the sale of approximately shares of our common stock in this offering at the initial public offering price of $ per share, which is the midpoint of the offering price range set forth on the cover page of this prospectus, providing net proceeds to us from this offering (after deducting the estimated underwriting discounts and commissions and other expenses) of approximately $ and the application of the net proceeds as described in Use of Proceeds.

This table should be read together with Use of Proceeds, Selected Historical Consolidated Financial Data, Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations, and the combined financial statements and notes to those statements included elsewhere in this prospectus.

| | (Unaudited) As of March 31, 2012 | |
|---|---|---|
| **($ in millions)** | **Historical** | **As Adjusted** |
| Cash and cash equivalents | $ 32 | $ |
| Long-term debt, including current portion: | | |
| Term loan | 1,140 | |
| Revolving line of credit | 150 | |
| First Priority Senior Secured Floating Rate Notes | 681 | |
| 8 1/4% First Priority Notes | 370 | |
| Second Priority Senior Secured Floating Rate Notes | 210 | |
| 9 1/2% Second Priority Notes | 500 | |
| Senior Unsecured Term Loan | 53 | |
| 9 3/4% Second Priority Notes | 800 | |
| 10 1/4% Senior Subordinated Notes | 127 | |
| 11% Senior Subordinated Notes | 455 | |
| Debt discount, net | (11) | |
| Capital leases and other | 89 | |
| Total debt | 4,564 | |
| Redeemable shares | 12 | |
| Stockholders deficit: | | |
| Common stock; $.01 par value; authorized shares; shares issued and outstanding (actual); shares issued and outstanding (as adjusted) | | |
| Paid-in capital | 143 | |
| Notes receivable common stock | (2) | |
| Noncontrolling interest | 3 | |
| Accumulated deficit | (592) | |
| Accumulated other comprehensive loss | (39) | |
| Total stockholders deficit | (487) | |
| Total capitalization | $ 4,089 | $ |

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## OWNERSHIP AND ORGANIZATIONAL STRUCTURE

The following diagram sets forth our ownership and organizational structure as of immediately following the completion of this offering (ownership percentages are given assuming the underwriters do not exercise their option to purchase additional shares). See Principal Stockholders and Capitalization.

(1) See Capitalization and Description of Certain Indebtedness.

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## DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the net tangible book value per share of our common stock upon completion of this offering. Dilution results from the fact that the per share offering price of our common stock is substantially in excess of the book value per share attributable to our existing equityholders.

Our net tangible book (deficit) as of March 31, 2012 was $(3,096) million, or $(447.79) per share of common stock. Net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the number of shares of common stock outstanding as of that date.

After giving effect to the sale by us of shares of common stock in this offering at the assumed initial public offering price of $ per share (the midpoint of the range set forth on the cover of this prospectus) and the execution of the income tax receivable agreement, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value (deficit) as of March 31, 2012 would have been $ million, or $ per share. This amount represents an immediate dilution of $ per share to new investors. The following table illustrates this dilution per share:

| | | |
|---|---|---|
| Assumed initial public offering price per share of common stock | | $ |
| Net tangible book deficit per share of common stock as of March 31, 2012 | $ (447.79) | |
| Increase in net tangible book value per share attributable to this offering[(1)] | | |
| Adjusted net tangible book value (deficit) per share after this offering | | |
| Dilution per share to new investors | | $ |

(1) Net tangible book deficit is calculated by subtracting goodwill, identifiable intangibles, deferred tax assets and deferred financing costs from total net assets.

If the underwriters exercise their option to purchase additional shares in full, our as adjusted net tangible book value (deficit) will increase to $ per share, representing an increase to existing holders of $ per share, and there will be an immediate dilution of $ per share to new investors.

Assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us in connection with the offering, a $ increase (decrease) in the assumed public offering price of $ per share would increase (decrease) the adjusted net tangible book value attributable to this offering by $ per share and the dilution to new investors by $ per share and decrease (increase) the as adjusted net tangible book deficit after this offering by $ per share.

The following table summarizes, as of March 31, 2012, as adjusted to give effect to this offering, the difference between the number of shares of our common stock purchased from us, the total consideration paid to us, and the average price per share paid by existing stockholders and by new investors, at the assumed initial public offering price of $ per share, before deducting the estimated underwriting discounts and commissions and offering expenses payable by us in connection with this offering:

| | **Shares Purchased** | | **Total Consideration** | | **Average Price per Share** |
|---|---|---|---|---|---|
| | **Number** | **Percent** | **Amount (in millions)** | **Percent** | |
| Existing stockholders | | % | $ | % | $ |
| New investors in this offering | | % | $ | % | $ |
| **Total** | | 100.0% | $ | 100.0% | $ |

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The number of shares purchased is based on shares of common stock outstanding as of March 31, 2012. The discussion and table above exclude shares of common stock issuable upon exercise of outstanding options issued, and additional shares of common stock reserved, under our 2006 Equity Incentive Plan. To the extent outstanding options are exercised, new investors will experience further dilution. If the underwriters exercise their option to purchase additional shares in full, the percentage of shares of common stock held by existing stockholders will decrease to , or % of the total number of shares of our common stock outstanding after the offering, and the number of shares of our common stock held by new investors will increase to , or % of the total shares of our common stock outstanding after this offering.

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## SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table presents our selected historical consolidated financial data. This information should be read in conjunction with, and is qualified by reference to, the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and the audited and unaudited consolidated financial statements of Berry Plastics Group, Inc. and their notes included elsewhere in this prospectus, as well as the other financial information included in this prospectus. We derived the consolidated statement of operations data for fiscal 2009, 2010 and 2011, as well as the consolidated balance sheet data at October 1, 2011 and October 2, 2010 from our audited consolidated financial statements included elsewhere in this prospectus. We derived the audited consolidated statement of operations data for fiscal 2007 and 2008 as well as the audited consolidated balance sheet data at September 26, 2009, September 27, 2008, and September 29, 2007 from our audited consolidated financial statements not included in this prospectus. We derived the unaudited consolidated statement of operations data for the two quarterly periods ended March 31, 2012 and April 2, 2011, as well as the unaudited consolidated balance sheet data at March 31, 2012, from our unaudited interim consolidated financial statements included elsewhere in this prospectus. We derived the unaudited interim consolidated balance sheet data at April 2, 2011 from our unaudited interim consolidated financial statements not included in this prospectus. The unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial information set forth in those statements. Our historical results are not necessarily indicative of results to be expected in any future period, and results for the two quarterly periods ended March 31, 2012 are not necessarily indicative of results to be expected for the full year.

| | **Two Quarterly Periods Ended** | | **Year Ended** | | | | |
|---|---|---|---|---|---|---|---|
| **($ in millions)** | **March 31, 2012** | **April 2, 2011** | **October 1, 2011** | **October 2, 2010** | **September 26, 2009** | **September 27, 2008** | **September 29, 2007** |
| **Statement of Operations Data:** | | **Unaudited** | | | **Audited** | | |
| Net sales | $ 2,320 | $ 2,145 | $ 4,561 | $ 4,257 | $ 3,187 | $ 3,513 | $ 3,055 |
| Cost of sales | 1,944 | 1,841 | 3,878 | 3,667 | 2,641 | 3,019 | 2,583 |
| Gross profit | 376 | 304 | 683 | 590 | 546 | 494 | 472 |
| Selling, general and administrative expenses | 151 | 133 | 275 | 272 | 229 | 247 | 244 |
| Amortization of intangibles | 54 | 53 | 106 | 107 | 96 | 93 | 78 |
| Restructuring and impairment charges | 26 | 31 | 221 | 41 | 11 | 10 | 39 |
| Other operating expenses | 25 | 17 | 39 | 46 | 24 | 33 | 44 |
| Operating income | 120 | 70 | 42 | 124 | 186 | 111 | 67 |
| Other expense (income) | (2) | 66 | 61 | (27) | (373) | | 37 |
| Net interest expense | 166 | 161 | 327 | 313 | 304 | 321 | 257 |
| Income (loss) before income taxes | (44) | (157) | (346) | (162) | 255 | (210) | (227) |
| Income tax expense (benefit) | (15) | (55) | (47) | (49) | 99 | (72) | (96) |
| Minority interest | | | | | | | (3) |
| Loss on discontinued operations | | | | | 4 | | |
| Net income (loss) | $ (29) | $ (102) | $ (299) | $ (113) | $ 152 | $ (138) | $ (128) |
| **Net Income (Loss) Available to Common Stockholders:** | | | | | | | |
| Basic | $ (4.25) | $ (14.82) | $ (43.54) | $ (16.38) | $ 22.00 | $ (19.99) | $ (18.55) |
| Diluted | (4.25) | (14.82) | (43.54) | (16.38) | 21.97 | (19.99) | (18.55) |
| **Balance Sheet Data (at period end):** | | | | | | | |
| Cash and cash equivalents | $ 32 | $ 126 | $ 42 | $ 148 | $ 10 | $ 190 | $ 15 |
| Property, plant and equipment, net | 1,213 | 1,112 | 1,250 | 1,146 | 875 | 863 | 785 |
| Total assets | 5,053 | 5,208 | 5,217 | 5,344 | 4,216 | 4,766 | 3,915 |
| Long-term debt obligations | 4,518 | 4,440 | 4,581 | 4,397 | 3,422 | 4,124 | 3,188 |
| Total liabilities | 5,528 | 5,425 | 5,668 | 5,474 | 4,236 | 4,923 | 3,918 |
| Redeemable shares | 12 | 14 | 16 | 11 | | | |
| Total stockholders deficit | (487) | (231) | (467) | (141) | (20) | (157) | (3) |
| **Cash Flow and Other Financial Data:** | | | | | | | |
| Net cash from operating activities | $ 155 | $ 113 | $ 327 | $ 112 | $ 413 | $ 10 | $ 74 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Net cash from investing activities | (91) | (94) | (523) | (852) | (195) | (656) | (164) |
| Net cash from financing activities | (74) | (41) | 90 | 878 | (398) | 821 | 23 |

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**MANAGEMENT S DISCUSSION AND ANALYSIS OF**

**FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with the consolidated financial statements of Berry Plastics Group, Inc. and its subsidiaries and the accompanying notes thereto, which information is included elsewhere herein. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the Risk Factors section. Our actual results may differ materially from those contained in any forward-looking statements.*

**Overview**

We are a leading provider of value-added plastic consumer packaging and engineered materials with a 30-year track record of delivering high-quality customized solutions to our customers. Our products utilize our proprietary research and development platform, which includes a continually evolving library of Berry-owned molds, patents, manufacturing techniques and technologies. We sell our solutions predominantly into consumer-oriented end-markets, such as food and beverage, healthcare and personal care, which together represented 75% of our sales in the 12 months ended March 31, 2012. Our customers look to us for solutions that have high consumer impact in terms of form, function and branding. Representative examples of our products include thermoform drink cups, thin-wall containers, blow-molded bottles, specialty closures, prescription vials, specialty plastic films, adhesives and corrosion protection materials. We have also been one of the most active acquirers of plastic packaging businesses globally, having acquired more than 30 businesses since 1988, including ten acquisitions completed in the past five years. We believe our focus on delivering unique and customized solutions to our customers and our ability to successfully integrate strategic acquisitions have enabled us to grow at rates in excess of our industry peers, having achieved a compound annual net sales growth rate over the last ten years of 25%.

We believe that we have created one of the largest product libraries in our industry, allowing us to be a comprehensive solution provider to our customers. We have more than 13,000 customers, which consist of a diverse mix of leading national, mid-sized regional and local specialty businesses. The size and scope of our customer network allow us to introduce new products we develop or acquire to a vast audience that is familiar with, and we believe partial to, our brand. In fiscal 2011, no single customer represented more than 3% of net sales and our top ten customers represented less than 17% of net sales. We currently supply our customers through 81 strategically located manufacturing facilities throughout the United States (69 locations) and select international locations (12 locations). We believe our manufacturing processes and our ability to leverage our scale to reduce expenses on items, such as raw materials, position us as a low-cost manufacturer relative to our competitors. For example, we believe based on management estimates that we are one of the largest global purchasers of polyolefin resins, at more than 2.5 billion pounds per year, which gives us both unique insight into this market as well as scale purchasing savings.

We enjoy market leadership positions in many of our markets, with, we estimate, 75% of net sales during the 12 months ended March 31, 2012 in markets in which we held the #1 or #2 market position. We look to build leadership in markets where we have a strategic angle and can achieve attractive profit margins through technology and design leadership and a competitive cost position such as highly decorated plastic containers. We believe that our product and technology development capabilities are best-in-class, supported by a newly built Berry Research and Design Center in Evansville, Indiana and a network of more than 200 engineers and material scientists. We seek to have our product and technology development efforts provide a meaningful impact on sales. An example of our focused new product development is our thermoform plastic drink cup technology. We identified an unfulfilled need in the market with an opportunity for significant return on invested capital and ultimately introduced the technology to the market in 2001. This product line has grown steadily since introduction and generated $387 million of net sales during the 12 months ended March 31, 2012.

Our success is driven by our more than 16,000 employees. Over the past 30 years, we have developed a culture that incorporates both loyalty to best practices and acceptance of new perspectives, which we have often identified from the companies we have acquired. Our employees hold themselves accountable to exceed the expectations of our customers and to create value for our stakeholders. Consistent with this focus on value creation, more than 400 employees own equity in the company. As of March 31, 2012 and before giving effect to this offering, these employees owned more than 20% of our fully diluted equity.

We believe the successful execution of our business strategy has enabled us to outperform the growth of our industry over the past decade with Adjusted EBITDA increasing from $80 million in 2000 to $770 million for the 12 months ended March 31, 2012, representing a CAGR of 23%. For the 12 months ended March 31, 2012, Berry had pro forma net sales of $4.9 billion, Adjusted EBITDA of $770 million, net loss of $226 million and Adjusted Free Cash Flow of $197 million. For a reconciliation of Adjusted EBITDA and Adjusted Free Cash Flow to the nearest GAAP measures, see Liquidity and Capital Resources.

**Executive Summary**

***Business.*** We have historically operated our business in four operating segments: Rigid Open Top, Rigid Closed Top (which together make up our Rigid Packaging business), Specialty Films and Tapes, Bags and Coatings. Effective January 1, 2012, we realigned our operating segments to enhance the company s current product portfolio and leverage our rigid and flexible technologies to serve our customers with innovative packaging solutions. Our new operating segments and the description of our results in this prospectus are aligned into the following four segments: Rigid Open Top, Rigid Closed Top (together our Rigid Packaging business), Engineered Materials, and Flexible Packaging. The Rigid Packaging business sells primarily containers, foodservice items, housewares, closures, overcaps, bottles, prescription containers and tubes. Our Engineered Materials segment sells specialty tapes, adhesives, laminated coatings, polyethylene based film products and waste bags. The Flexible Packaging segment sells primarily high barrier, multilayer film products as well as printed bags and pouches.

***Raw Material Trends.*** Our primary raw material is plastic resin. Polypropylene and polyethylene account for more than 90% of our plastic resin purchases based on the pounds purchased. Plastic resins are subject to price fluctuations, including those arising from supply shortages and changes in the prices of natural gas, crude oil and other petrochemical intermediates from which resins are produced. The average industry prices, as published in Chem Data as of March 31, 2012 per pound were as follows by fiscal year:

| | Polyethylene Butene Film | | | Polypropylene | | |
|---|---|---|---|---|---|---|
| | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 |
| **1st quarter** | $ .68 | $ .68 | $ .71 | $ .79 | $ .78 | $ .70 |
| **2nd quarter** | .76 | .72 | .67 | .88 | .95 | .82 |
| **3rd quarter** | | .79 | .68 | | 1.08 | .84 |
| **4th quarter** | | .73 | .62 | | .98 | .77 |

We expect that plastic resin cost volatility will continue in calendar year 2012 as prices are expected to decline during the third fiscal quarter after rising sharply during the second fiscal quarter. Due to differences in the timing of passing through resin cost changes to our customers on escalator/de-escalator programs, segments are negatively impacted in the short term when plastic resin costs increase and are positively impacted when plastic resin costs decrease. During fiscal 2011, the company made progress towards shortening these timing lags, but we still have a number of customers whose prices adjust quarterly based on various index prices. This timing lag in passing through raw material increases could affect our results as plastic resin costs fluctuate.

***Outlook.*** The company is impacted by general economic and industrial growth, plastic resin availability and affordability, and general industrial production. Our business has both geographic and end market diversity, which reduces the effect of any one of these factors on our overall performance. Our results are affected by our ability to pass through raw material cost changes to our customers, improve manufacturing productivity and adapt to volume changes of our customers. We seek to improve our overall profitability by implementing cost reduction programs for our manufacturing, selling and general and administrative expenses in order to manage inflationary cost pressures.

We continue to believe that both the Rexam Specialty Beverage and Closures ( Rexam SBC ) and LINPAC Packaging Filmco, Inc. ( Filmco ) acquisitions completed at the end of fiscal 2011 will be accretive to our operations. The integration of each of these businesses remains on track and is in line with our expectations. The Filmco business has converted to the Berry IT platform and the domestic Rexam SBC facilities are expected to be converted by the end of fiscal 2012.

**Acquisitions, Dispositions and Facility Rationalizations**

We have a long history of acquiring and integrating companies, having completed ten transactions in the last five years. We maintain an opportunistic acquisition strategy, which is focused on improving our long-term financial performance, enhancing our market positions and expanding our product lines or, in some cases, providing us with a new or complementary product line. We believe we have been one of the most active acquirers of plastic packaging businesses globally, having acquired more than 30 businesses since 1988. In our acquisitions, we seek to obtain businesses for attractive post-synergy multiples, creating value for our stockholders from synergy realization, leveraging the acquired products across our customer base, creating new platforms for future growth, and assuming best practices from the businesses we acquire.

The company has included the expected benefits of acquisition integrations within our unrealized synergies, which are in turn recognized in earnings after an acquisition has been fully integrated. While the expected benefits on earnings is estimated at the commencement of each transaction, once the execution of the plan and integration occur, we are generally unable to accurately estimate or track what the ultimate effects have been due to system integrations and movements of activities to multiple facilities. As historical business combinations have not allowed us to accurately separate realized synergies compared to what was initially identified, we measure the synergy realization based on the overall segment profitability post integration. In connection with our acquisitions, we have in the past and may in the future incur charges related to reductions and rationalizations.

We also include the expected impact of our restructuring plans within our unrealized synergies which are in turn recognized in earnings after the restructuring plans are completed. While the expected benefits on earnings is estimated at the commencement of each plan, due to the nature of the matters we are generally unable to accurately estimate or track what the ultimate effects have been due to movements of activities to multiple facilities.

*LINPAC Packaging Filmco, Inc.*

In August 2011, the company acquired 100% of the common stock of Filmco from LINPAC USA Holdings, Inc., a subsidiary of the UK-based LINPAC Group, for a purchase price of $19 million. Filmco is a manufacturer of PVC stretch film packaging for fresh meats, produce, freezer and specialty applications. The newly added business is operated in the company s Engineered Materials reporting segment. To finance the purchase, the company used cash on hand and existing credit facilities. The Filmco acquisition has been accounted for under the purchase method of accounting, and accordingly, the purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

*Rexam Specialty and Beverage Closures*

In September 2011, the company acquired 100% of the capital stock of Rexam SBC. The aggregate purchase price was $351 million ($340 million, net of cash acquired). Rexam SBC s primary products include plastic closures, fitments and dispensing closure systems, and jars. The business is operated in the company s Rigid Packaging business. To finance the purchase, the company used cash on hand and existing credit facilities.

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The Rexam SBC acquisition has been accounted for under the purchase method of accounting, and accordingly, the purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

*Plant Rationalizations*

During fiscal 2011, the company announced the intention to shut down three facilities within its Engineered Materials division with the affected business accounting for approximately $110 million of annual net sales. The company also announced the intention to shut down two facilities within its Flexible Packaging division with the affected business accounting for approximately $20 million of annual net sales. The company also announced its intention to shut down a manufacturing location within its Rigid Closed Top operating segments with the affected business accounting for approximately $14 million of annual net sales. The majority of the operations related to these shutdowns were transferred to other facilities. The primary factors contributing to these shut downs included volume declines and integration of acquisitions. The volume declines were primarily attributed to the company pursuing a strategy of raising price to improve product profitability in markets with historically lower margins. Plant rationalizations are frequently part of the overall acquisition strategy when the company estimates acquisition synergies. As of fiscal 2011, the company anticipates these restructuring initiatives will require future charges of $3 million that the company intends to fund with cash from operations and $6 million of future cost savings.

**Financial Statement Presentation**

The following paragraphs provide a brief description of certain items and accounting policies that appear in our financial statements and general factors that impact these items.

*Net Sales*

Net sales represent gross sales less deductions taken for sales returns and allowances, sales term discounts and incentive rebates programs.

*Cost of Sales*

Cost of sales includes all costs of manufacturing to bring a product to its sale condition. Such costs include direct and indirect materials, direct and indirect labor costs, including fringe benefits, supplies, utilities, depreciation, insurance, pension and postretirement benefits, and other manufacturing related costs. The largest component of our costs of sales is the cost of materials, and the most significant component of this is plastic resin.

*Selling, general and administrative expenses*

Selling, general and administrative expenses primarily include sales and marketing, finance and administration, research and development and information technology costs. Our major cost elements include salary and wages, fringe benefits, travel and information technology costs.

*Amortization expense*

Amortization expense includes the amortization of the company s definite lived intangible assets.

*Restructuring and impairment charges*

Restructuring and impairment charges include severance, non-cash impairment charges and other expenses associated with the company s facility rationalization programs and also includes non-cash impairment charges for goodwill impairments.

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*Other operating expenses*

Other operating expenses primarily consists of management fees to our sponsors, acquisition integration expenses and transaction costs associated with acquisitions.

*Other expense (income)*

Other expense (income) primarily consists of gains or losses on the extinguishment of debt and the changes in the fair value of any derivative instruments.

*Interest expense*

Interest expense represents the cash and non-cash interest for all of the company s outstanding indebtedness. Based on $ of IPO proceeds (at the midpoint of the range set forth on the cover) anticipated to be available for repayment of the company s 11% Senior Subordinated Notes, our annualized cash interest expense is projected to be approximately $ , based on assumed interest rates of % (as of , 2012), of which $ represents cash interest expense on fixed-rate obligations, including variable-rate debt subject to interest rate swap agreements.

**Comparison of the Two Quarterly Periods Ended March 31, 2012 (the YTD ) and the Two Quarterly Periods Ended April 2, 2011 (the Prior YTD )**

*Net Sales*. Net sales increased from $2,145 million in the Prior YTD to $2,320 million in the YTD. This increase is primarily attributed to acquisition volume growth of 11% relating to the Rexam SBC and Filmco acquisition and increased selling prices of 5% partially offset by a base volume decline of 8%. The following discussion in this section provides a comparison of net sales by business segment.

| | Two Quarterly Periods Ended | | | |
|---|---|---|---|---|
| **(in millions)** | **March 31, 2012** | April 2, 2011 | $ Change | % Change |
| Net sales: | | | | |
| Rigid Open Top | **$ 583** | $ 565 | $ 18 | 3% |
| Rigid Closed Top | **711** | 480 | 231 | 48% |
| Rigid Packaging | **$ 1,294** | $ 1,045 | $ 249 | 24% |
| Engineered Materials | **665** | 705 | (40) | (6%) |
| Flexible Packaging | **361** | 395 | (34) | (9%) |
| Total net sales | **$ 2,320** | $ 2,145 | $ 175 | 8% |

Net sales in the Rigid Open Top business increased from $565 million in the Prior YTD to $583 million in the YTD as a result of net selling price increases of 8% partially offset by a base volume decline of 5%. The base volume decline is primarily attributed to general market softness. Net sales in the Rigid Closed Top business increased from $480 million in the Prior YTD to $711 million in the YTD primarily as a result of a 46% acquisition volume growth attributed to Rexam SBC and net selling price increases of 4% partially offset by a base volume decline of 2%. The base volume decline is primarily attributed to general market softness. The Engineered Materials business net sales decreased from $705 million in the Prior YTD to $665 million in the YTD as a result of a base volume decline of 11% partially offset by net selling price increases of 4% and acquisition volume growth attributed to Filmco. The base volume decline is primarily attributed to the company pursuing a strategy to improve product profitability in markets with historically lower margins. Net sales in the Flexible Packaging business decreased from $395 million in the Prior YTD to $361 million in the YTD as a result of a base volume decline of 14% partially offset by 5% net selling price increases. The base volume decline is primarily due to the company pursuing a strategy to improve product profitability in markets with historically lower margins.

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*Operating Income.* Operating income increased from $70 million (3% of sales) in the Prior YTD to $120 million (5% of sales) in the YTD. This increase is primarily attributed to a $44 million improvement in the relationship of net selling price to raw material costs, $12 million of improved operating performance and $15 million reduction in depreciation expense partially offset by $9 million operating loss from acquisitions and a $12 million decline from the base volume. The operating loss from acquisitions includes $15 million of selling, general and administrative expenses as well as $7 million of integration costs. Selling, general and administrative expense increased $3 million excluding the impact of acquisitions. This increase is primarily attributed to $7 million of increased performance compensation partially offset by cost reduction efforts initiated in fiscal 2011. The following discussion in this section provides a comparison of operating income by business segment.

| | Two Quarterly Periods Ended | | | |
|---|---|---|---|---|
| **(in millions)** | **March 31, 2012** | April 2, 2011 | $ Change | % Change |
| Operating income (loss): | | | | |
| Rigid Open Top | **$ 76** | $ 54 | $ 22 | 41% |
| Rigid Closed Top | **27** | 38 | (11) | (29%) |
| Rigid Packaging | **$ 103** | $ 92 | $ 11 | 12% |
| Engineered Materials | **20** | (1) | 21 | 2,100% |
| Flexible Packaging | **(3)** | (21) | 18 | 86% |
| Total operating income | **$ 120** | $ 70 | $ 50 | 71% |

Operating income for the Rigid Open Top business increased from $54 million (10% of net sales) in the Prior YTD to $76 million (13% of sales) in the YTD. This increase is primarily attributed to a $22 million improvement in the relationship of net selling price to raw material costs and $3 million reduction in depreciation and amortization expense partially offset by $3 million decline from base volume and $3 million decline in operating performance. Operating income for the Rigid Closed Top business decreased from $38 million (8% of sales) in the Prior YTD to $27 million (4% of net sales) in the YTD. This decrease is primarily attributed to $11 million of integration and business optimization expenses, $9 million from acquisitions and $2 million decline from base volume partially offset by $10 million of improved operating performance. Operating income for the Engineered Materials business improved from an operating loss of $1 million (0% of net sales) in the Prior YTD to operating income of $20 million (3% of net sales) in the YTD. This improvement is primarily attributed to an $11 million improvement in the relationship of net selling price to raw material costs, $3 million reduction in depreciation and amortization expense, $2 million reduction of restructuring and integration charges and $6 million of improved operating performance partially offset by $4 million decline of base volumes. Operating loss for the Flexible Packaging business improved from $21 million (negative 5% of net sales) in the Prior YTD to $3 million (negative 1% of net sales) in the YTD. This improvement is primarily attributed to a $13 million improvement in the relationship of net selling price to raw material costs, $8 million reduction in depreciation and amortization expense and a $4 million reduction of restructuring and integration charges partially offset by $3 million increase in selling, general and administrative expenses and $2 million decline from base volume decline described above as the majority of the segment s costs are variable.

*Other Expense (Income) Net.* Other expense (income) moved from expense of $66 million in the Prior YTD to income of $2 million in the YTD. The Prior YTD Other expense is primarily related to the loss on extinguishment of debt of $68 million attributed to the write-off of deferred fees, debt discount and the premiums paid related to the debt extinguishment of the company s 8 7/8% Second Priority Senior Secured Notes partially offset by a gain attributed to the fair value adjustment for our interest rate swaps.

*Interest Expense.* Interest expense increased from $161 million in the Prior YTD to $166 million in the YTD primarily as a result of increased borrowings to finance the acquisitions of Rexam SBC and Filmco.

*Income Tax Expense (Benefit).* For the YTD, we recorded an income tax benefit of $15 million or an effective tax rate of 34% compared to an income tax benefit of $55 million or an effective tax rate of 35% in the Prior YTD.

*Net Income (Loss).* Net income (loss) improved from a net loss of $102 million in the Prior YTD to $29 million in the YTD for the reasons discussed above.

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**Discussion of Results of Operations for Fiscal 2011 Compared to Fiscal 2010**

*Net Sales*. Net sales increased to $4,561 million for fiscal 2011 from $4,257 million for fiscal 2010. This increase is primarily attributed to (1) increased selling prices of 9% as a result of higher plastic resin costs as noted in the Raw Material Trends section above and the company pursuing a strategy to improve product profitability in markets with historically lower margins and (2) acquisition volume growth of 5% partially offset by a base volume decline of 7%. The following discussion in this section provides a comparison of net sales by business segment.

| | Fiscal Year | | | |
|---|---|---|---|---|
| **(in millions)** | **2011** | **2010** | $ Change | % Change |
| Net sales: | | | | |
| Rigid Open Top | **$ 1,261** | $ 1,160 | $ 101 | 9% |
| Rigid Closed Top | **1,053** | 970 | 83 | 9% |
| Rigid Packaging | **$ 2,314** | $ 2,130 | $ 184 | 9% |
| Engineered Materials | **1,451** | 1,457 | (6) | 0% |
| Flexible Packaging | **796** | 670 | 126 | 19% |
| Total net sales | **$ 4,561** | $ 4,257 | $ 304 | 7% |

Net sales in the Rigid Open Top business increased from $1,160 million in fiscal 2010 to $1,261 million in fiscal 2011 as a result of net selling price increases of 10% due to the factors noted above and acquisition growth attributed to Superfos Packaging, Inc. ( Superfos ) of 1% partially offset by a base volume decline. The base volume decline is primarily attributed to a decrease in sales volumes in various container products due to market softness partially offset by continued volume growth in thermoforming drink cups as capital investments from prior periods provided additional capacity. Net sales in the Rigid Closed Top business increased from $970 million in fiscal 2010 to $1,053 million in fiscal 2011 as a result of net selling price increases of 6% due to the factors noted above and acquisition volume growth attributed to Rexam SBC of 4% partially offset by a base volume decline. The base volume decline is primarily attributed to a decrease in sales volumes in closures and tubes due to softness in the personal care market. Net sales in the Engineered Materials business decreased from $1,457 million in fiscal 2010 to $1,451 million in fiscal 2011 as a result of a base volume decline of 11% partially offset by acquisition volume growth attributed to Pliant Corporation ( Pliant ) and Filmco of 3% and net selling price increases of 8% due to the factors listed above. The base volume decline is primarily attributed to a decrease in sales volumes in bags, sheeting, institutional can liners and stretch film. The bags and sheeting decreases were primarily due to the loss of the private label Wal-Mart waste bag business and our decision to exit certain sheeting businesses during fiscal 2010. The declines in institutional can liners and stretch film were primarily attributed to the company strategically addressing products with profitability that was lower than the value we believed our product provided to our customers. Net sales in the Flexible Packaging business increased from $670 million in fiscal 2010 to $796 million in fiscal 2011 primarily as a result of net selling price increases of 13% due to the factors listed above and acquisition growth attributed to Pliant of 19% partially offset by a base volume decline of 13%. The base volume decline is primarily attributed to a decrease in sales volumes in personal care films and barrier films. These declines were primarily attributed to the company strategically addressing products with profitability that was lower than the value we believed our products provided to our customers.

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*Operating Income.* Operating income decreased from $124 million in fiscal 2010 to $42 million in fiscal 2011. This decrease is primarily attributed to a $165 million non-cash goodwill impairment, $11 million increase integration and business optimization expenses excluding acquisition activity for periods without comparable prior year activity, $15 million increase in depreciation expense excluding acquisition activity for periods without comparable prior year activity and $13 million from base volume decline described above partially offset by $61 million from the relationship of net selling price to raw material costs, $5 million decrease in amortization expense excluding acquisition activity for periods without comparable prior year activity, $9 million of operating income from acquisitions for periods without comparable prior year activity and $48 million of improved operating performance. The operating income from acquisition for periods without comparable prior year activity includes $2 million of selling, general and administrative expenses and $4 million of amortization expense. The following discussion in this section provides a comparison of operating income by business segment.

| | Fiscal Year | | | |
|---|---|---|---|---|
| **(in millions)** | **2011** | 2010 | $ Change | % Change |
| Operating income (loss): | | | | |
| Rigid Open Top | **$ 155** | $ 124 | $ 31 | 25% |
| Rigid Closed Top | **77** | 73 | 4 | 5% |
| Rigid Packaging | **$ 232** | $ 197 | $ 35 | 18% |
| Engineered Materials | **(71)** | 4 | (75) | (1,875%) |
| Flexible Packaging | **(119)** | (77) | (42) | (55%) |
| Total operating income | **$ 42** | $ 124 | $ (82) | (66%) |

Operating income for the Rigid Open Top business increased from $124 million (11% of net sales) for fiscal 2010 to $155 (12% of net sales) million in fiscal 2011. This increase is primarily attributed to $19 million of improved operating performance in manufacturing, $22 million from the relationship of net selling price to raw material costs and $4 million reduction of business optimization expense partially offset by $9 million of higher selling, general and administrative expenses and $9 million of higher depreciation and amortization expense. Operating income for the Rigid Closed Top business increased from $73 million (8% of net sales) for fiscal 2010 to $77 million (7% of net sales) in fiscal 2011. This increase is primarily attributed to $16 million of improved operating performance in manufacturing partially offset by a $2 million negative relationship of net selling price to raw material costs, $3 million of higher selling, general and administrative costs, $5 million increase in restructuring costs and $4 million decline from base volume partially offset by $4 million of operating income from acquisitions. Engineered Materials operating income declined from $4 million (0% of net sales) of operating income for fiscal 2010 to $71 million (negative 5% of net sales) of operating loss in fiscal 2011. This decline is primarily attributed to an $88 million non-cash goodwill impairment charge in fiscal 2011, $11 million increase of integration and business optimization costs and $2 million from base volume decline described above as the majority of the segment s costs are variable partially offset by $12 million of improved operating performance, $9 million improvement from the relationship of net selling price to raw material costs, $6 million of lower selling, general and administrative expenses. Operating loss for the Flexible Packaging business increased from $77 million (negative 11% of net sales) for fiscal 2010 to $119 million (negative 15% of net sales) in fiscal 2011. This increase is primarily attributed to a $77 million non-cash goodwill impairment charge in fiscal 2011 and $7 million from base volume decline partially offset by $1 million of improved operating performance, $32 million improvement in the relationship of net selling price to raw material costs, $5 million from acquisitions and $4 million of lower selling, general and administrative expenses.

*Other Expense (Income), Net.* Other expense of $61 million recorded in fiscal 2011 is primarily attributed to a $68 million loss on extinguishment of debt attributed to the write-off of $14 million of deferred financing fees, $17 million of non-cash debt discount and $37 million of premiums paid related to the debt extinguishment of the company s 8 7/8% Second Priority Senior Secured Notes. Other income recorded in fiscal 2010 is primarily attributed to a $13 million gain related to the repurchase of debt and a $13 million gain attributed to the fair value adjustment for our interest rate swaps. See footnote 3 to the Consolidated Financial Statements for further discussion on debt repurchases and footnote 4 to the Consolidated Financial Statements for further discussion of financial instruments and fair value measurements.

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*Interest Expense.* Interest expense increased from $313 million in fiscal 2010 to $327 million in fiscal 2011 primarily as a result of increased borrowings to fund acquisitions.

*Income Tax Benefit.* For fiscal 2011, we recorded an income tax benefit of $47 million or an effective tax rate of 14% compared to an income tax benefit of $49 million or an effective tax rate of 30% in fiscal 2010. The effective tax rate is less than the statutory rate primarily attributed to the non-cash goodwill impairment charge in fiscal 2011 which is not tax deductible and the establishment of a valuation allowance for certain foreign operating losses where the benefits are not expected to be realized.

*Net Loss*. Net loss was $299 million for fiscal 2011 compared to $113 million for fiscal 2010 for the reasons discussed above.

**Discussion of Results of Operations for Fiscal 2010 Compared to Fiscal 2009**

*Net Sales*. Net sales increased to $4,257 million for fiscal 2010 from $3,187 million for fiscal 2009. This increase includes base volume growth of 7% due to the company electing to aggressively protect market share during a soft economic period and acquisition volume growth of 27% attributed to Pliant and Superfos. The following discussion in this section provides a comparison of net sales by business segment.

| | **Fiscal Year** | | | |
|---|---|---|---|---|
| **(in millions)** | **2010** | 2009 | $ Change | % Change |
| Net sales: | | | | |
| Rigid Open Top | **$ 1,160** | $ 1,028 | $ 132 | 13% |
| Rigid Closed Top | **970** | 857 | 113 | 13% |
| Rigid Packaging | **$ 2,130** | $ 1,885 | $ 245 | 13% |
| Engineered Materials | **1,457** | 1,219 | 238 | 19% |
| Flexible Packaging | **670** | 83 | 587 | 707% |
| Total net sales | **$ 4,257** | $ 3,187 | $ 1,070 | 34% |

Net sales in the Rigid Open Top business increased from $1,028 million in fiscal 2009 to $1,160 million in fiscal 2010 as a result of base volume growth of 9% and acquisition growth attributed to Superfos. The base volume growth is primarily attributed to increased sales volumes in various container products and continued volume growth in thermoforming drink cups resulting in the company electing to expand our thermoformed drink cup capacity with significant capital investment in fiscal 2010. Net sales in the Rigid Closed Top business increased from $857 million in fiscal 2009 to $970 million in fiscal 2010 primarily as a result of base volume growth of 14% partially offset by net selling price decreases of 1%. The base volume growth is primarily attributed to increased sales volumes in closures and bottles due to factors listed above. Net sales in the Engineered Materials business increased from $1,219 million in fiscal 2009 to $1,457 million in fiscal 2010 primarily as a result of acquisition volume growth attributed to Pliant. Net sales in the Flexible Packaging business increased from $83 million in fiscal 2009 to $670 million in fiscal 2010 primarily as a result of acquisition volume growth attributed to Pliant and a base volume growth of 6% due to factors listed above.

*Operating Income.* Operating income decreased from $186 million in fiscal 2009 to $124 million in fiscal 2010. This decrease is primarily attributed to $13 million increase integration and business optimization expenses excluding acquisition activity for periods without comparable prior year activity, $31 million of operating losses from acquisitions for periods without comparable prior year activity, $11 million increase in depreciation expense excluding acquisition activity for periods without comparable prior year activity and $72 million from the relationship of net selling price to raw material costs partially offset by $47 million from base volume growth described above, $6 million decrease in amortization expense excluding acquisition activity for periods without comparable prior year activity, $6 million of lower selling general and administrative expense excluding the impact of acquisition activity for periods without comparable prior year activity and $3 million of improved

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operating performance. The operating loss from acquisition for periods without comparable prior year activity includes $49 million of selling, general and administrative expenses, $40 million of integration and business optimization expense and $17 million of amortization expense. The following discussion in this section provides a comparison of operating income by business segment.

| | Fiscal Year | | | |
|---|---|---|---|---|
| **(in millions)** | **2010** | 2009 | $ Change | % Change |
| Operating income (loss): | | | | |
| Rigid Open Top | **$ 124** | $ 114 | $ 10 | 9% |
| Rigid Closed Top | **73** | 58 | 15 | 26% |
| Rigid Packaging | **$ 197** | $ 172 | $ 23 | 13% |
| Engineered Materials | **4** | 27 | (23) | (85%) |
| Flexible Packaging | **(77)** | (13) | (64) | (492%) |
| Total operating income | **$ 124** | $ 186 | $ (62) | (33%) |

Operating income for the Rigid Open Top business increased from $114 million (11% of net sales) for fiscal 2009 to $124 million (11% of net sales) in fiscal 2010. The increase is attributed to $21 million increase from base volume growth, $5 million of lower selling, general and administrative expenses, $18 million reduction of integration and business optimization expense and $6 million from acquisitions partially offset by a $28 million negative relationship of net selling price to raw material cost, $6 million increase in depreciation expense and an $8 million decline in operations. Operating income for the Rigid Closed Top business increased from $58 million (7% of net sales) for fiscal 2009 to $73 million (8% of net sales) in fiscal 2010. The increase is primarily attributable to $27 million from base volume growth and $2 million from improved operating performance in manufacturing partially offset by a $12 million negative relationship of net selling price to raw material cost. Operating income for the Engineered Materials business decreased from $27 million (2% of net sales) for fiscal 2009 to $4 million (0% of net sales) in fiscal 2010. The decline is primarily attributable to a $31 million negative relationship of net selling price to raw material cost partially offset by $8 million of improved operating performance in manufacturing, $7 million higher depreciation and amortization expense and $2 million lower selling, general and administrative expenses. Operating loss for the Flexible Packaging business increased from $13 million (negative 16% of net sales) for fiscal 2009 to $77 million (negative 11% of net sales) in fiscal 2010. The increased operating loss is primarily attributable to $37 million from acquisitions, including $26 million of transaction costs, and $33 million increase of integration and business optimization expense partially offset by $7 million lower depreciation and amortization expense.

*Other Income.* Other income recorded in fiscal 2010 is primarily attributed to a $13 million gain related to the repurchase of debt and a $13 million gain attributed to the fair value adjustment for our interest rate swaps. Other income recorded in fiscal 2009 is primarily attributed to a $368 million gain related to the repurchase of debt and a $6 million gain attributed to the fair value adjustment for our interest rate swaps. See footnote 3 to the Consolidated Financial Statements for further discussion debt repurchases and footnote 4 to the Consolidated Financial Statements for further discussion of financial instruments and fair value measurements.

*Interest Expense.* Interest expense increased by $9 million in fiscal 2010 primarily as a result of increased borrowings partially offset by a decline in borrowing rates on variable rate debt partially attributed to the swap agreement that expired in November 2009.

*Income Tax Expense (Benefit).* For fiscal 2010, we recorded an income tax benefit of $49 million or an effective tax rate of 30%, which is a change of $148 million from the income tax expense of $99 million or an effective tax rate of 39% in fiscal 2009. The effective tax rate is different than the statutory rate primarily attributed to the relative impact to permanent items and establishment of valuation allowance for certain foreign operating losses where the benefits are not expected to be realized.

*Net Income (Loss).* Net loss was $113 million for fiscal 2010 compared to a net income of $152 million for fiscal 2009 for the reasons discussed above.

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**Income Tax Matters**

At fiscal year-end 2011, the company had unused federal operating loss carryforwards of $904 million which begin to expire in 2021 and $33 million of foreign operating loss carryforwards. Alternative minimum tax credit carryforwards of $8 million are available to the company indefinitely to reduce future years federal income taxes. The net operating losses are subject to an annual limitation under guidance from the Internal Revenue Code, however the annual limitation is in excess of the net operating loss, so effectively no limitation exists. As part of the effective tax rate calculation, if we determine that a deferred tax asset arising from temporary differences is not likely to be utilized, we will establish a valuation allowance against that asset to record it at its expected realizable value. The company has not provided a valuation allowance on its net federal net operating loss carryforwards in the United States because it has determined that future reversal of its temporary taxable differences will occur in the same periods and are of the same nature as the temporary differences giving rise to the deferred tax assets. The company has provided a valuation allowance against a portion of the state operating loss carryforwards because it is unlikely they will be utilized. Our valuation allowance against deferred tax assets was $43 million and $47 million at the end of fiscal 2011 and 2010, respectively, related to certain foreign and state operating loss carryforwards. In connection with our initial public offering, we will enter into an income tax receivable agreement, whereby we will pay our existing shareholders and option holders 85% of the amount of cash savings from the utilization of our federal, foreign, state and local net operating loss carryforwards. Assuming our initial public offering occurred as of March 31, 2012, we expect to pay between $ million and $ million in cash related to this agreement over the next five years, based on our current taxable income estimates. Any changes in our valuation allowance subsequent to our initial public offering that related to our net operating loss carryforwards that were generated prior to our initial public offering will be treated as income tax expense (benefit) in our consolidated statement of operations. Any changes in the amount we expect to pay under the income tax receivable agreement is based on the realizability of the underlying deferred tax assets, and the related change in our obligation under the income tax receivable agreement would be recognized in the statement of operations in other income (expense).

**Liquidity and Capital Resources**

*Berry Plastics Corporation Senior Secured Credit Facility*

Our wholly owned subsidiary Berry Plastics Corporation s senior secured credit facilities consist of a $1,200 million term loan and a $650 million asset-based revolving line of credit ( *Credit Facility* ). The term loan matures in April 2015 and the revolving line of credit matures in June 2016, subject to certain conditions. The availability under the revolving line of credit is the lesser of $650 million or a defined borrowing base which is calculated based on available accounts receivable and inventory. The revolving line of credit allows up to $130 million of letters of credit to be issued instead of borrowings under the revolving line of credit. At March 31, 2012, the company had $150 million outstanding on the revolving credit facility, $39 million outstanding letters of credit and a $44 million borrowing base reserve providing unused borrowing capacity of $417 million under the revolving line of credit. The company was in compliance with all covenants as of March 31, 2012.

Berry Plastics Corporation s fixed charge coverage ratio, as defined in the revolving credit facility, is calculated based on a numerator consisting of Adjusted EBITDA less pro forma adjustments, income taxes paid in cash and capital expenditures, and a denominator consisting of scheduled principal payments in respect of indebtedness for borrowed money, interest expense and certain distributions. Berry Plastics Corporation is obligated to sustain a minimum fixed charge coverage ratio of 1.0 to 1.0 under the revolving credit facility at any time when the aggregate unused capacity under the revolving credit facility is less than 10% of the lesser of the revolving credit facility commitments and the borrowing base (and for 10 business days following the date upon which availability exceeds such threshold) or during the continuation of an event of default. At March 31, 2012, the company had unused borrowing capacity of $417 million under the revolving credit facility and thus was not subject to the minimum fixed charge coverage ratio covenant. Our fixed charge coverage ratio was 1.8 to 1.0 at March 31, 2012.

Despite not having financial maintenance covenants, Berry Plastics Corporation s debt agreements contain certain negative covenants. The failure to comply with these negative covenants could restrict Berry Plastics

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Corporation s ability to incur additional indebtedness, effect acquisitions, enter into certain significant business combinations, make distributions or redeem indebtedness. The term loan facility contains a negative covenant first lien secured leverage ratio covenant of 4.0 to 1.0 on a pro forma basis for a proposed transaction, such as an acquisition or incurrence of additional first lien debt. Berry Plastics Corporation s first lien secured leverage ratio was 3.1 to 1.0 at March 31, 2012.

A key financial metric utilized in the calculation of the first lien leverage ratio is Adjusted EBITDA as defined in Berry Plastics Corporation s senior secured credit facilities. The following table reconciles Berry Plastics Corporation s Adjusted EBITDA for fiscal 2011, the twelve months ended and quarterly period ended March 31, 2012 to net loss.

| (in millions) | Fiscal 2011 | Four Quarters ended March 31, 2012 | Quarterly Period Ended March 31, 2012 |
|---|---|---|---|
| Adjusted EBITDA | $ 750 | $ 770 | $ 198 |
| Net interest expense | (327) | (332) | (83) |
| Depreciation and amortization | (344) | (351) | (88) |
| Income tax benefit (expense) | 47 | 7 | (4) |
| Business optimization and other expense | (42) | (59) | (16) |
| 8.875% Second Priority Notes extinguishment[a] | (68) | | |
| Restructuring and impairment[b] | (221) | (216) | (3) |
| Pro forma acquisitions | (55) | (24) | |
| Unrealized cost savings | (39) | (21) | (2) |
| Net loss | $ (299) | $ (226) | $ 2 |
| Cash flow from operating activities | $ 327 | $ 369 | $ 66 |
| Additions to property, plant and equipment | (160) | (172) | (61) |
| Adjusted free cash flow | $ 167 | $ 197 | $ 5 |
| Cash flow from investing activities | (523) | (520) | (54) |
| Cash flow from financing activities | 90 | 57 | (9) |

(a) Includes $14 of non-cash write off of deferred financing fees, $17 of non-cash write off of debt discount and $37 of premiums paid for extinguishment of debt.

(b) Includes: $165 of non-cash goodwill impairment for fiscal 2011 and four quarters ended March 31, 2012.

While the determination of appropriate adjustments in the calculation of Adjusted EBITDA is subject to interpretation under the terms of the Credit Facility, management believes the adjustments described above are in accordance with the covenants in the Credit Facility. Adjusted EBITDA should not be considered in isolation or construed as an alternative to net income (loss) or other measures as determined in accordance with GAAP. In addition, other companies in our industry or across different industries may calculate bank covenants and related definitions differently than we do, limiting the usefulness of our calculation of Adjusted EBITDA as a comparative measure.

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*Contractual Obligations and Off Balance Sheet Transactions*

Our contractual cash obligations at the end of fiscal 2011 are summarized in the following table (and do not give effect to the application of the proceeds from this offering).

| | Payments due by period as of the end of fiscal 2011 (in millions) | | | | |
|---|---|---|---|---|---|
| | **Total** | **< 1 year** | **1-3 years** | **4-5 years** | **> 5 years** |
| Long-term debt, excluding capital leases | $ 4,542 | $ 24 | $ 279 | $ 2,937 | $ 1,302 |
| Capital leases[(a)] | 120 | 27 | 48 | 33 | 12 |
| Fixed interest rate payments[(b)] | 1,536 | 248 | 473 | 402 | 413 |
| Variable interest rate payments[(c)] | 219 | 56 | 130 | 33 | |
| Operating leases | 247 | 47 | 63 | 46 | 91 |
| Redeemable shares | 16 | 5 | 9 | 2 | |
| Funding of pension and other postretirement obligations[(d)] | 8 | 8 | | | |
| Total contractual cash obligations[(e)] | $ 6,688 | $ 415 | $ 1002 | $ 3,453 | $ 1,818 |

(a) Includes anticipated interest of $22 million over the life of the capital leases.
(b) Includes variable rate debt subject to interest rate swap agreements.
(c) Based on applicable interest rates in effect at the end of fiscal 2011.
(d) Pension and other postretirement contributions have been included in the above table for the next year. The amount is the estimated contributions to our defined benefit plans. The assumptions used by the actuary in calculating the projection includes weighted average return on pension assets of approximately 8% for 2011. The estimation may vary based on the actual return on our plan assets.
(e) Excludes Uncertain Tax Positions as we believe that any potential required payment would reduce the Net Operating Loss Carryforward and not result in a material cash payment by the company.

*Cash Flows from Operating Activities*

Net cash provided by operating activities increased from $113 million in the Prior YTD to $155 million in the YTD. This increase is primarily attributed to improved operating performance.

Net cash provided by operating activities was $327 million for fiscal 2011 compared to $112 million of cash flows provided by operating activities for fiscal 2010. The change is primarily the result of an improvement in working capital and improved profitability, excluding non-cash charges.

Net cash provided by operating activities was $112 million for fiscal 2010 compared to $413 million of cash flows provided by operating activities for fiscal 2009. The change is primarily the result of a change in working capital and acquisition costs incurred of $22 million in fiscal 2010. The working capital change is primarily attributed to higher volumes and increased raw material costs.

*Cash Flows from Investing Activities*

Net cash used for investing activities decreased from $94 million in the Prior YTD to $91 million in the YTD primarily as a result of increased capital spending partially offset by the proceeds from disposal of assets and the final Rexam SBC working capital settlement in the YTD. Our capital expenditures are forecasted to be approximately $210 million for fiscal 2012 and will be funded from cash flows from operating activities and existing liquidity.

Net cash used for investing activities was $523 million for fiscal 2011 compared to net cash used of $852 million for fiscal 2010. The change is primarily a result of the acquisitions of Pliant and Superfos and higher capital spending in fiscal 2010 partially offset by the acquisitions of Rexam SBC and Filmco in fiscal 2011.

Net cash used for investing activities was $852 million for fiscal 2010 compared to net cash used of $195 million for fiscal 2009. The change is primarily a result of the acquisition of Pliant and Superfos in fiscal 2010.

*Cash Flows from Financing Activities*

Net cash used for financing activities was $41 million in the Prior YTD compared to $74 million in the YTD. The change is primarily attributed to the net cash used for repayments on the revolving line of credit in the YTD.

Net cash provided by financing activities was $90 million for fiscal 2011 compared to net cash provided by financing activities of $878 million for fiscal 2010. This change is primarily attributed to the issuance of the 9 $^{3}/4$% Second Priority Notes in fiscal 2010 partially offset by borrowing on the existing line of credit to fund the Rexam SBC acquisition in fiscal 2011.

Net cash provided by financing activities was $878 million for fiscal 2010 compared to net cash used for financing activities of $398 million for fiscal 2009. This change is primarily attributed to the $620 million debt issued in November 2009 in order to fund the Pliant acquisition and $500 million of 9 $^{1}/2$% Second Priority Notes in April 2010.

We will enter into an income tax receivable agreement with our existing stockholders and option holders that will provide for the payment of 85% of the cash savings, if any, in U.S. Federal, foreign, state and local net operating loss carryforwards. Assuming our initial public offering occurred as of March 31, 2012, we expect to pay between $ million and $ million in cash related to this agreement over the next five years, based on our current taxable income estimates, and will record a liability on our consolidated balance sheet for 85% of our net operating losses upon consummation of our initial public offering. Based on our current taxable income projections, we would pay a majority of this obligation by the end of Fiscal 2016. We plan to fund the payments under the income tax receivable agreement with cash flow from operations and borrowings under our revolving line of credit. See Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and Certain Relationships and Related Party Transactions Income Tax Receivable Agreement.

Based on our current level of operations, we believe that cash flow from operations and available cash, together with available borrowings under our senior secured credit facilities, will be adequate to meet our short-term liquidity needs over the next twelve months. We base such belief on historical experience and the funds available under the senior secured credit facilities. In addition, we believe that we have the business strategy and resources to generate free cash flow from operations in the long-term. We do not expect this free cash flow to be sufficient to cover all long-term debt obligations and intend to refinance these obligations prior to maturity. This will require market conditions to allow for such refinancing (see under the heading Risk Factors for further disclosure. However, we cannot predict our future results of operations and our ability to meet our obligations involves numerous risks and uncertainties, including, but not limited to, those described in the Risk Factors section in this prospectus. In particular, increases in the cost of resin which we are unable to pass through to our customers on a timely basis or significant acquisitions could severely impact our liquidity. At March 31, 2012, our cash balance was $32 million, and we had unused borrowing capacity of $417 million under our revolving line of credit.

**Critical Accounting Policies**

We disclose those accounting policies that we consider to be significant in determining the amounts to be utilized for communicating our consolidated financial position, results of operations and cash flows in the first note to our consolidated financial statements included elsewhere herein. Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with these principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results are likely to differ from these estimates, but management does not believe such differences will materially affect our financial position or results of operations. We believe that the following accounting policies are the most critical because they have the greatest impact on the presentation of our financial condition and results of operations.

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*Revenue Recognition*. Revenue from the sales of products is recognized at the time title and risks and rewards of ownership pass to the customer (either when the products reach the free-on-board shipping point or destination depending on the contractual terms), there is persuasive evidence of an arrangement, the sales price is fixed and determinable and collection is reasonably assured.

*Accrued Rebates.* We offer various rebates to our customers in exchange for their purchases. These rebate programs are individually negotiated with our customers and contain a variety of different terms and conditions. Certain rebates are calculated as flat percentages of purchases, while others include tiered volume incentives. These rebates may be payable monthly, quarterly, or annually. The calculation of the accrued rebate balance involves significant management estimates, especially where the terms of the rebate involve tiered volume levels that require estimates of expected annual sales. These provisions are based on estimates derived from current program requirements and historical experience. We use all available information when calculating these reserves. Our accrual for customer rebates was $60 million and $50 million as of fiscal year-end 2011 and 2010, respectively.

*Impairments of Long-Lived Assets.* In accordance with the guidance from the FASB for the impairment or disposal of long-lived assets we review long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Impairment losses are recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets carrying amounts. The impairment loss is measured by comparing the fair value of the asset to its carrying amount. We recognized non-cash asset impairment of long-lived assets of $35 million, $19 million and $8 million in fiscal 2011, fiscal 2010 and fiscal 2009, respectively, related to our facility rationalization programs.

*Goodwill and Other Indefinite Lived Intangible Assets.* We are required to perform a review for impairment of goodwill and other indefinite lived intangibles to evaluate whether events and circumstances have occurred that may indicate a potential impairment, or on an annual basis. Goodwill is considered to be impaired if we determine that the carrying value of the reporting unit exceeds its fair value. Other indefinite lived intangibles are considered to be impaired if the carrying value exceeds the fair value.

In accordance with our policy, we completed our most recent annual evaluation for impairment of goodwill as of the first day of the fourth fiscal quarter of 2011. We utilized a six year discounted cash flow analysis with a terminal year in combination with a comparable company market approach to determine the fair value of our reporting units. As of October 2, 2011, we had four operating segments, Rigid Open Top, Rigid Closed Top, Specialty Films and Tapes, Bags & Coatings. Each of the operating segments has goodwill with the exception of the Tapes, Bags & Coatings segment. For purposes of conducting our annual goodwill impairment test, we have determined that our operating segments are the same as our reporting units. We determined that each of the components within each of our respective operating segments have similar economic characteristics and therefore should be aggregated into one reporting unit. We reached this conclusion because within each of our operating segments, we have similar products and production processes which allow us to share assets and resources across the product lines. We regularly re-align our production equipment and manufacturing facilities in order to take advantage of cost savings opportunities, obtain synergies and create manufacturing efficiencies. In addition, we utilize our research and development centers, design center, tool shops, and graphics center which all provide benefits to each of the operating segments and work on new products that can not only benefit one product line, but can benefit multiple product lines. We also believe that the goodwill is recoverable from the overall operations of the segment given the similarity in production processes, synergies from leveraging the combined resources, common raw materials, common research and development, similar margins and similar distribution methodologies.

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The company s goodwill, fair value and carrying value of our reporting units are as follows:

| (in millions) | Fair Value as of July 2, 2011 | Carrying Value as of July 2, 2011 | Goodwill as of October 1, 2011 | Goodwill as of October 2, 2010 |
|---|---|---|---|---|
| Rigid Open Top | $ 2,110 | $ 1,719 | $ 690 | $ 691 |
| Rigid Closed Top | 1,800 | 1,542 | 819 | 771 |
| Specialty Films | 865 | 982 | 86 | 238 |
| | | | $ 1,595 | $ 1,700 |

In connection with our annual impairment test in fiscal 2011, despite generating positive free cash flow in fiscal 2011, we determined that the estimated carrying value of the Specialty Films reporting unit calculated as part of the Step 1 impairment test declined by approximately $225 million resulting in the reporting unit s estimated carrying value exceeding its fair value. This determination required us to perform a Step 2 impairment analysis under ASC 350. Based on our valuation on the Step 2 impairment test, we recorded a goodwill impairment charge of $165 million. Following our impairment charge, the carrying value of our Specialty Films reporting unit was $817 million.

In fiscal 2011, we experienced a base volume decline of 11% in our Specialty Films segment. This base volume decline of 11% occurred because of a pricing strategy that we implemented in our second fiscal quarter and continued throughout the remainder of fiscal 2011. This base volume decline of 11% compares to base volume growth of 4% used in our fiscal 2010 annual impairment test. The volume declines we experienced impacted most of our product lines, which included products acquired as part of the Pliant acquisition and integrated into our combined Specialty Films product lines. These price increases drove declines in our overall volumes when comparing fiscal 2011 to fiscal 2010. Since Pliant was acquired out of bankruptcy in the first quarter of fiscal 2010, we did not have a full year of operating results in fiscal 2010 and this resulted in an increase in our 2011 segment net sales of 12% due to the full year impact which offset this 11% loss in volume. We assumed a 2011 net sales growth rate of 4% for Pliant within our fiscal 2010 annual impairment test compared to a 2% decline in Pliant s actual net sales on a pro forma basis. This volume decline resulted in net sales of $1.5 billion for fiscal 2011 (as adjusted for selling price changes, primarily due to the fluctuation in the cost of plastics resins, our primary raw material input, which is largely passed through to customers) compared to the projected net sales of $1.7 billion used in our 2010 annual impairment test. This decline in net sales volume resulted in our assuming a lower sales volume base to grow future earnings during year one through year six of our discounted cash flow model, as we do not anticipate recovering the volume lost to competition as a result of the strategy mentioned above. As a result, the estimated carrying value of the Specialty Films Segment was reduced by approximately $65 million.

In addition, as a result of a more complete understanding of the Pliant business post integration and the focus on higher margin business noted above, we believe a higher level of capital investment is required in order to achieve desired segment margins. In our fiscal 2011 annual impairment test we estimated a required level of capital investment of 3-4% of sales in years one through six and a terminal year capital investment rate of 4% of sales compared to 2-3% of sales in years one through six and a terminal year capital investment rate of 3% of sales assumed in our fiscal 2010 annual impairment test. When comparing our fiscal 2010 annual impairment test to our fiscal 2011 annual impairment test the increased levels of capital investment assumed in years one through six of our discounted cash flow model resulted in an estimated carrying value decline of approximately $85 million.

When comparing our fiscal 2010 annual impairment test to our fiscal 2011 annual impairment test the increased level of capital investment coupled with a lower sales base to grow future earnings mentioned above resulted in a terminal year reduction in the segment s discounted future cash flows of approximately $75 million.

We expect to grow our Specialty Films segment in the future at 2-3% through the terminal year, where we have estimated that our terminal growth rate will remain at 3%. We believe the volume declines experienced in fiscal 2011 are primarily attributed to the pricing strategy mentioned above and are not an accurate reflection of the reporting unit s long term growth rates. The goodwill in our Specialty Films segment consisted of goodwill from our Pliant acquisition ($226 million) and other previous flexible film acquisitions. If we continue to experience significant volume declines in future years, this could result in additional impairment charges to goodwill in our Specialty Films segment. In addition, if we are unable to maintain or improve our operating margin for our Specialty Films segment, this could also lead to additional impairment charges. A volume decline of greater than 3% in our Specialty Films segment could result in a future impairment.

We also completed our annual impairment test for our Rigid Open Top and Rigid Closed Top reporting units. The fair value of our Rigid Open Top and Rigid Closed Top reporting units substantially exceeded the carrying value of the reporting units by 23% and 17%, respectively for fiscal 2011. Our forecasts for Rigid Open Top and Rigid Closed Top include overall growth of 3-4% through and including the terminal year, which is 3%. Growth by reporting unit varies from year-to-year between segments. A significant decline in our revenue and earnings could result in an impairment charge; however, our Rigid Open Top and Rigid Closed Top reporting units have historically provided consistent operating cash flows excluding the restructuring charges and acquisition integrations that we have undertaken. We also performed our annual impairment test for fiscal 2011 of our indefinite lived intangible assets, which primarily relate to our Rigid Packaging business. The cash flow assumptions, growth rates and risks to these cash flows are similar to those used in our analysis to determine the fair value of our combined Rigid Packaging businesses. The annual impairment test did not result in any impairment as the fair value exceeded the carrying value. A decline of greater than 10% in the fair value of our trademarks could result in future impairments.

Given the uncertainty in economic trends, revenue and earnings growth, the cost of capital and other risk factors discussed under the heading Risk Factors , there can be no assurance that when we complete our future annual or other periodic reviews for impairment of goodwill that an additional material impairment charge will not be recorded as a result. In addition, historically we have grown our business by acquiring and integrating companies into our existing operations. We may not, however, achieve the expected benefits of integrating such acquisitions into our business that we anticipated at the time of the transaction or at the time that we performed our annual impairment tests, which may impact the overall recoverability of our goodwill and indefinite lived intangible assets in future periods. We believe based on our current forecasts and estimates that we will not recognize any future impairment charge, but given the current uncertainty in the economic trends, our forecasts and estimates could change quickly and materially in future periods and differ substantially from actual results. Goodwill totaled $1,595 million and $1,700 million at the end of fiscal 2011 and 2010, respectively. Indefinite lived trademarks totaled $220 at the end of fiscal 2011 and 2010, respectively. Effective with our segment realignment on January 1, 2012, goodwill was allocated to the new operating segments based on an estimated fair value. We considered whether any potential impairment existed after the operations were realigned into their new reporting structure and no additional impairment was determined due to this reorganization. Goodwill as of March 31, 2012 and October 1, 2011 under the new and old segment reporting structure is as follows:

| **(in millions)** | **March 31, 2012** | **October 1, 2011** |
|---|---|---|
| Goodwill (New Segments): | | |
| Rigid Open Top | $ 681 | $ 681 |
| Rigid Closed Top | 813 | 819 |
| Engineered Materials | 53 | 55 |
| Flexible Packaging | 40 | 40 |
| | $ 1,587 | $ 1,595 |

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| **(in millions)** | **March 31, 2012** | **October 1, 2011** |
|---|---|---|
| Goodwill (Old Segments): | | |
| Rigid Open Top | $ 690 | $ 690 |
| Rigid Closed Top | 813 | 819 |
| Specialty Films | 84 | 86 |
| Tapes, Bags and Coatings | | |
| | $ 1,587 | $ 1,595 |

*Deferred Taxes and Effective Tax Rates.* We estimate the effective tax rates ( *ETR* ) and associated liabilities or assets for each legal entity of ours in accordance with authoritative guidance. We use tax planning to minimize or defer tax liabilities to future periods. In recording ETRs and related liabilities and assets, we rely upon estimates, which are based upon our interpretation of United States and local tax laws as they apply to our legal entities and our overall tax structure. Audits by local tax jurisdictions, including the United States Government, could yield different interpretations from our own and cause the company to owe more taxes than originally recorded. For interim periods, we accrue our tax provision at the ETR that we expect for the full year. As the actual results from our various businesses vary from our estimates earlier in the year, we adjust the succeeding interim periods ETRs to reflect our best estimate for the year-to-date results and for the full year. As part of the ETR, if we determine that a deferred tax asset arising from temporary differences is not likely to be utilized, we will establish a valuation allowance against that asset to record it at its expected realizable value. In multiple foreign jurisdictions, the company believes that it will not generate sufficient future taxable income to realize the related tax benefits. The company has provided a full valuation allowance against its foreign net operating losses included within the deferred tax assets in multiple foreign jurisdictions. The company has not provided a valuation allowance on its federal net operating losses in the United States because it has determined that future reversals of its temporary taxable differences will occur in the same periods and are of the same nature as the temporary differences giving rise to the deferred tax assets. Our valuation allowance against deferred tax assets was $43 million and $47 million as of fiscal year-end 2011 and 2010, respectively.

*Restructuring.* Our restructuring charges consist of four primary costs: workforce reduction or severance, lease termination, non-cash asset impairments and other facility exit costs. We estimate severance costs when we have an established severance policy, statutory requirements dictate the severance amounts, or we have an established pattern of paying by a specific formula. Where we have provided notice of cancellation pursuant to a lease agreement or abandoned space and have no intention of reoccupying it, we recognize a loss. The loss reflects our best estimate of the net present value of the future cash flows associated with the lease at the date we vacate the property or sign a sublease arrangement. To determine the loss, we estimate sublease income based on current market quotes for similar properties. When we finalize definitive agreements with the sublessee, we adjust our sublease losses for actual outcomes. We record non-cash asset impairments on property and equipment that we have no intention of redeploying elsewhere within our company. To determine the loss, we estimate fair value based on market knowledge for similar properties and equipment. We recognize other facility exit costs associated with exit and disposal activities as they are incurred, including moving costs and consulting and legal fees.

Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, we believe that our consolidated financial statements provide a meaningful and fair perspective of the company and its consolidated subsidiaries. This is not to suggest that other risk factors such as changes in economic conditions, changes in material costs, our ability to pass through changes in material costs, and others could not materially adversely impact our consolidated financial position, results of operations and cash flows in future periods.

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**Quantitative and Qualitative Disclosures about Market Risk**

*Interest Rate Sensitivity*

We are exposed to market risk from changes in interest rates primarily through our senior secured credit facilities, senior secured first priority notes, second priority senior secured notes and senior unsecured term loan. Our senior secured credit facilities are comprised of (i) a $1,200 million term loan and (ii) a $650 million revolving credit facility. At March 31, 2012, the company had $150 million outstanding on the revolving credit facility. The net outstanding balance of the term loan was $1,140 million at March 31, 2012. Borrowings under our senior secured credit facilities bear interest, at our option, at either an alternate base rate or an adjusted LIBOR rate for a one-, two-, three- or six-month interest period, or a nine- or twelve-month period, if available to all relevant lenders, in each case, plus an applicable margin. The alternate base rate is the mean the greater of (i) in the case of our term loan, Credit Suisse s prime rate or, in the case of our revolving credit facility, Bank of America s prime rate and (ii) one-half of 1.0% over the weighted average of rates on overnight Federal Funds as published by the Federal Reserve Bank of New York. Our $681 million of senior secured first priority notes accrue interest at a rate per annum, reset quarterly, equal to LIBOR plus 4.75%. Our second priority senior secured floating rate notes of $210 million bear interest at a rate of LIBOR plus 3.875% per annum, which resets quarterly. Our senior unsecured term loan bears interest based on (1) a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus $^1/2$ of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Credit Suisse as its prime rate plus 525 basis points or (2) LIBOR plus 625 basis points.

At March 31, 2012, the LIBOR rate of 0.48% was applicable to the term loan, first priority senior secured floating rate notes second priority senior secured floating rate notes and senior unsecured term loan. If the LIBOR rate increases 0.25% and 0.50%, we estimate an annual increase in our interest expense of $3 million and $6 million, respectively.

In November 2010, the company entered into two separate interest rate swap transactions to protect $1 billion of the outstanding variable rate term loan debt from future interest rate volatility. The first agreement had a notional amount of $500 million and became effective in November 2010. The agreement swaps three-month variable LIBOR contracts for a fixed three-year rate of 0.8925% and expires in November 2013. The second agreement had a notional amount of $500 million and became effective in December 2010. The agreement swaps three-month variable LIBOR contracts for a fixed three-year rate of 1.0235% and expires in November 2013. The counterparties to these agreements are with global financial institutions. In August 2011, the company began utilizing one-month LIBOR contracts for the underlying senior secured credit facility. The company s change in interest rate selection caused the company to lose hedge accounting on both of the interest rate swaps. The company recorded subsequent changes in fair value in the Consolidated Statement of Operations and will amortize the unrealized losses to Interest expense through the end of the respective swap agreements. A 0.25% change in LIBOR would not have a material impact on the fair value of the interest rate swaps.

*Resin Cost Sensitivity*

We are exposed to market risk from changes in plastic resin prices that could impact our results of operations and financial condition. Our plastic resin purchasing strategy is to deal with only high-quality, dependable suppliers. We believe that we have maintained strong relationships with these key suppliers and expect that such relationships will continue into the foreseeable future. The resin market is a global market and, based on our experience, we believe that adequate quantities of plastic resins will be available at market prices, but we can give you no assurances as to such availability or the prices thereof. If the price of resin increased or decreased by 5% this would result in a material change to our cost of goods sold.

## BUSINESS

### General

We believe we are a leading provider of value-added plastic consumer packaging and engineered materials with a 30-year track record of delivering high-quality customized solutions to our customers. Our products utilize our proprietary research and development platform, which includes a continually evolving library of Berry-owned molds, patents, manufacturing techniques and technologies. We sell our solutions predominantly into consumer-oriented end-markets, such as food and beverage, healthcare and personal care, which together represented 75% of our sales in the 12 months ended March 31, 2012. We believe our customers look to us for solutions that have high consumer impact in terms of form, function and branding. Representative examples of our products include thermoform drink cups, thin-wall containers, blow-molded bottles, specialty closures, prescription vials, specialty plastic films, adhesives and corrosion protection materials. We have also been one of the most active acquirers of plastic packaging businesses globally, having acquired more than 30 businesses since 1988, including ten acquisitions completed in the past five years. We believe our focus on delivering unique and customized solutions to our customers and our ability to successfully integrate strategic acquisitions have enabled us to grow at rates in excess of our industry peers, having achieved a compound annual net sales growth rate over the last ten years of 25%.

We believe that we have created one of the largest product libraries in our industry, allowing us to be a comprehensive solution provider to our customers. We have more than 13,000 customers, which consist of a diverse mix of leading national, mid-sized regional and local specialty businesses. The size and scope of our customer network allow us to introduce new products we develop or acquire to a vast audience that is familiar with, and we believe partial to, our brand. In fiscal 2011, no single customer represented more than 3% of net sales and our top ten customers represented less than 17% of net sales. We currently supply our customers through 81 strategically located manufacturing facilities throughout the United States (69 locations) and select international locations (12 locations). We believe our manufacturing processes and our ability to leverage our scale to reduce expenses on items, such as raw materials, position us as a low-cost manufacturer relative to our competitors. For example, we believe we are one of the largest global purchasers of polyolefin resins, at more than 2.5 billion pounds per year, which gives us both unique insight into this market as well as scale purchasing savings.

We enjoy market leadership positions in many of our markets, with, we estimate, 75% of net sales in markets in which we held the #1 or #2 market position during the 12 months ended March 31, 2012. We look to build leadership in markets where we have a strategic angle and can achieve attractive profit margins through technology and design leadership and a competitive cost position such as highly decorated plastic containers. We believe that our product and technology development capabilities are best-in-class, supported by a newly built Berry Research and Design Center in Evansville, Indiana and a network of more than 200 engineers and material scientists. We seek to have our product and technology development efforts provide a meaningful impact on sales. An example of our focused new product development is our thermoform plastic drink cup technology. We identified an unfulfilled need in the market with an opportunity for significant return on invested capital and ultimately introduced the technology to the market in 2001. This product line has grown steadily since introduction and generated $387 million of net sales during the 12 months ended March 31, 2012.

Our success is driven by our more than 16,000 employees. Over the past 30 years, we have developed a culture that incorporates both loyalty to best practices and acceptance of new perspectives, which we have often identified from the companies we have acquired. Our employees hold themselves accountable to exceed the expectations of our customers and to create value for our stakeholders. Consistent with this focus on value creation, more than 400 employees own equity in the company. As of March 31, 2012 and before giving effect to this offering, these employees own more than 20% of our fully diluted equity.

We believe the successful execution of our business strategy has enabled us to outperform the growth of our industry over the past decade with Adjusted EBITDA increasing from $80 million in 2000 to $770 million for the 12 months ended March 31, 2012, representing a CAGR of 23%. For the 12 months ended March 31, 2012,

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Berry had pro forma net sales of $4.9 billion, operating income of $92 million, Adjusted EBITDA of $770 million, net loss of $226 million and Adjusted Free Cash Flow of $197 million. For a reconciliation of Adjusted EBITDA and Adjusted Free Cash Flow, see Liquidity and Capital Resources.

**Fiscal 2011 Acquisitions**

*LINPAC Packaging Filmco, Inc.*

In August 2011, we acquired 100% of the common stock of Filmco for a purchase price of $19 million. Filmco is a manufacturer of PVC stretch film packaging for fresh meats, produce, freezer and specialty applications. The business is operated in our Engineered Materials segment. To finance the purchase, we used cash on hand and existing credit facilities. The Filmco acquisition has been accounted for under the purchase method of accounting, and accordingly, the purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

*Rexam Specialty and Beverage Closures*

In September 2011, we acquired 100% of the capital stock of Rexam SBC. The aggregate purchase price was $351 million ($340 million, net of cash acquired). Rexam SBC s primary products include plastic closures, fitments and dispensing closure systems, and jars. The business is operated in our Rigid Packaging business. To finance the purchase, we used cash on hand and existing credit facilities. The Rexam SBC acquisition has been accounted for under the purchase method of accounting, and accordingly, the purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

**Product Overview**

Effective January 1, 2012, we realigned our operating segments to enhance the company s current product portfolio and leverage our rigid and flexible technologies to serve our customers with innovative packaging solutions. Our new operating segments are aligned into the following four segments: Rigid Open Top, Rigid Closed Top (which together make up our Rigid Packaging business), Engineered Materials and Flexible Packaging.

*Rigid Packaging*

Our Rigid Packaging business primarily consists of containers, foodservice items, housewares, closures, overcaps, bottles, prescription vials, and tubes. The largest end uses for our packages are consumer-oriented end markets such as food and beverage, retail mass marketers, healthcare, personal care and household chemical. We believe that we offer the broadest rigid packaging product line among industry participants and that we maintained the #1 or #2 market positions in markets representing approximately 80% of rigid plastic sales for the 12 months ended March 31, 2012. Many of our products are manufactured from proprietary molds that we develop and own, which we believe would result in significant costs to our customers to switch to a different supplier. In addition to a complete product line, we have sophisticated decorating capabilities and in-house graphic arts and tooling departments, which allow us to integrate ourselves into, and, we believe, add significant value to, our customers packaging design processes. For the 12 months ended March 31, 2012, our Rigid Packaging business had pro forma net sales, operating income and Adjusted EBITDA of $2.8 billion, $243 million and $529 million, respectively. Our primary competitors include Airlite, Letica, Polytainers, Silgan, Aptar Group and Reynolds. These competitors individually only compete on certain of our products, whereas we offer the entire selection of rigid products described below.

*Containers.* We manufacture a collection of nationally branded container products and also seek to develop customized container products for niche applications by leveraging of our state-of-the-art design, decoration and graphic arts capabilities. We believe this mix allows us to both achieve significant economies of scale, while also maintaining an attractive portfolio of specialty products. Our container capacities range from four ounces to five gallons and are offered in various styles with

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accompanying lids, bails and handles, some of which we produce, as well as a wide array of decorating options. We have long-standing supply relationships with many of the nation s leading food and consumer products companies, including Dannon, Dean Foods, General Mills, Kraft, Kroger and Unilever.

*Foodservice.* We believe that we are one of the largest providers of large size thermoformed polypropylene ( PP ) and injection-molded plastic drink cups in the United States. We believe we are the leading producer of 32 ounce or larger thermoformed PP drink cups and offer a product line with sizes ranging from 12 to 52 ounces. Our thermoform process uses PP instead of more expensive polystyrene ( PS ) or polyethylene terephthalate ( PET ) in producing deep draw drink cups to generate a cup of superior quality with a competitive cost advantage versus thermoformed PS or PET drink cups. Additionally, we produce injection-molded plastic cups that range in size from 12 to 64 ounces. Primary markets for our plastic drink cups are quick service and family dining restaurants, convenience stores, stadiums and retail stores. Many of our cups are decorated, often as promotional items, and we believe we have a reputation in the industry for innovative, state-of-the-art graphics. Selected drink cup customers and end users include Hardee s, McDonald s, Quik Trip, Starbucks, Subway, Wendy s and Yum! Brands.

*Housewares.* Our participation in the housewares market is focused on producing semi-disposable plastic home and party and plastic garden products. Examples of our products include plates, bowls, pitchers, tumblers and outdoor flowerpots. We sell virtually all of our products in this market through major national retail marketers and national chain stores, such as Walmart. PackerWare is our recognized brand name in these markets and PackerWare branded products are often co-branded by our customers. Our strategy in this market has been to provide high value to consumers at a relatively modest price, consistent with the key price points of the retail marketers. We believe outstanding service and the ability to deliver products with timely combination of color and design further enhance our position in this market.

*Closures and Overcaps.* We believe we are a leading producer of closures and overcaps across several of our product lines, including continuous-thread and child-resistant closures, as well as aerosol overcaps. Our dispensing closure business has been growing rapidly, as more consumer products migrate towards functional closures. We currently sell our closures into numerous end markets, including pharmaceutical, vitamin/nutritional, healthcare, food/beverage and personal care. In addition to traditional closures, we are a provider of a wide selection of custom closure solutions including fitments and plugs for medical applications, cups and spouts for liquid laundry detergent, and dropper bulb assemblies for medical and personal care applications. Further, we believe that we are the leading domestic producer of injection-molded aerosol overcaps. Our aerosol overcaps are used in a wide variety of consumer goods including spray paints, household and personal care products, insecticides and numerous other commercial and consumer products. We believe our technical expertise and manufacturing capabilities provide us a low-cost position that has allowed us to become a leading provider of high-quality closures and overcaps to a diverse set of leading companies. We believe our manufacturing advantage is driven by our position on the forefront of various technologies, including the latest in single- and bi-injection processes, compression molding of thermoplastic and thermoset resins, precise reproduction of colors, automation and vision technology, and proprietary packing technology that minimizes freight cost and warehouse space. A majority of our overcaps and closures are manufactured from proprietary molds, which we design, develop, and own. In addition to these molds, we utilize state-of-the art lining, assembly, and decorating equipment to enhance the value and performance of our products in the market. Our closure and aerosol overcap customers include McCormick, Bayer, Coca-Cola, Diageo, Pepsico, Wyeth, Kraft, Sherwin-Williams and S.C. Johnson.

*Bottles and Prescription Containers.* Our bottle and prescription container businesses target markets similar to our closure business. We believe we are the leading supplier of spice containers in the United States and have a leadership position in various food and beverage, vitamin and nutritional markets, as well as selling bottles into prescription and pharmaceutical applications. Additionally, we believe we

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are a leading supplier in the prescription container market, supplying a complete line of amber containers with both one-piece and two-piece child-resistant closures. We offer an extensive line of stock polyethylene ( PE ) and PET bottles for the vitamin and nutritional markets. Our design capabilities, along with internal engineering strength give us the ability to compete on customized designs to provide desired differentiation from traditional packages. We also offer our customers decorated bottles with hot stamping, silk screening and labeling. We sell these products to personal care, pharmaceutical, food and consumer product customers, including McCormick, Pepsico, Carriage House, Perrigo, CVS, NBTY, Target Stores, John Paul Mitchell and Novartis.

*Tubes.* We believe that we are one of the largest suppliers of extruded plastic squeeze tubes in the United States. We offer a complete line of tubes from 1/2 to 2 1/4 in diameter. We have also introduced laminate tubes to complement our extruded tube business. Our focus and investments are made to ensure that we are able to meet the increasing trend towards large diameter tubes with high-end decoration. We have several proprietary designs in this market that combine tube and closure, have won prestigious package awards, and we believe are viewed as very innovative both in appearance and functionality, as well as from a sustainability standpoint. The majority of our tubes are sold in the personal care market, focusing on products like facial/cold creams, shampoos, conditioners, bath/shower gels, lotions, sun care, hair gels and anti-aging creams. We also sell our tubes into the pharmaceutical and household chemical markets. We believe that our ability to provide creative package designs, combined with a complementary line of closures, makes us a preferred supplier for many customers in our target markets including Kao Brands, L Oreal, Avon, and Procter & Gamble.

*Engineered Materials*

Our Engineered Materials division primarily consists of pipeline corrosion protection solutions, specialty tapes and adhesives, polyethylene based film products and can liners. We believe that we offer one of the broadest product lines among industry participants and that we maintained the #1 or #2 market position in markets representing approximately 65% of divisional sales for the 12 months ended March 31, 2012. For the 12 months ended March 31, 2012, our Engineered Materials division had revenue, operating loss and Adjusted EBITDA of $1.4 billion, $50 million and $166 million, respectively. Our primary competitors include AEP, Sigma and 3M. The Engineered Materials division primarily includes the following product groups:

*Corrosion Protection Products.* We believe we are a leading global producer of adhesive products to infrastructure, rehabilitation and new pipeline projects throughout the world. We believe our products deliver superior performance across all climates and terrains for the purpose of sealing, coupling, rehabilitation and corrosion protection of pipelines. Products include heat-shrinkable coatings, single- and multi-layer sleeves, pipeline coating tapes, anode systems for cathodic protection and epoxy coatings. These products are used in oil, gas and water supply and construction applications. Our customers primarily include contractors managing discrete construction projects around the world as well as distributors and applicators. Our corrosion protection products customers include Tyco Electronics, Northwest Pipe and Midwestern Pipeline Products.

*Tape Products.* We believe we are the leading North American manufacturer of cloth and foil tape products. Other tape products include high-quality, high-performance liners of splicing and laminating tapes, flame-retardant tapes, vinyl-coated and carton sealing tapes, electrical, double-faced cloth, masking, mounting, OEM medical and specialty tapes. These products are sold under the National , Nashua®, and Polyken® brands in the United States. Tape products are sold primarily through distributors and directly to end users and are used predominantly in industrial, HVAC, automotive, construction and retail market applications. In addition to serving our core tape end markets, we believe we are also a leading producer of tapes in the niche aerospace, construction and medical end markets. We believe that our success in serving these additional markets is principally due to a combination of technical and manufacturing expertise leveraged in favor of customized applications. Our tape products customers include Home Depot, Gorilla Glue and RH Elliott.

*Retail Bags.* We manufacture and sell a diversified portfolio of PE-based film products to end users in the retail markets. These products are sold under leading brands such as Ruffies® and Film-Gard®. Our products include drop cloths and retail trash bags. These products are sold primarily through wholesale outlets, hardware stores and home centers, paint stores and mass merchandisers. Our retail trash bag customers include Home Depot, Walmart, True Value and ACE.

*FIBC.* We manufacture customized PP-based, woven and sewn containers for the transportation and storage of raw materials such as seeds, titanium dioxide, clay and resin pellets. Our FIBC customers include Texene LLC, Pioneer Hi-Bred Intl. and Superior Ingenio.

*PVC Films.* We believe we are a world leader in PVC films offering a broad array of PVC meat film and cutterbox products. Our products are used primarily to wrap fresh meats, poultry and produce for supermarket applications. In addition, we offer a line of boxed products for food service and retail sales. We service many of the leading supermarket chains, club stores and wholesalers including Kroger, Publix, Walmart/Sams, Costco and SuperValu. We believe we are a leading innovator and specialize in lighter gauge sustainable solutions like our recent Revolution product line offering.

*Institutional Can Liners.* We sell trash-can liners and food bags for offices, restaurants, schools, hospitals, hotels, municipalities and manufacturing facilities. We also sell products under the Big City®, Hospi-Tuff®, Plas-Tuff®, Rhino-X® and Steel-Flex® brands. Our institutional customers include Unisource and Gorden Food Service.

*Stretch Films*. We produce both hand and machine-wrap stretch films, which are used by end users to wrap products and packages for storage and shipping. We sell stretch film products to distributors and retail and industrial end users under the MaxTech® and PalleTech® brands. Our stretch films customers include XPEDX and Unisource.

*Flexible Packaging*

Our Flexible Packaging division consists of high barrier, multilayer film products as well as finished flexible packages such as printed bags and pouches. The largest end uses for our flexible products are consumer-oriented end markets such as food and beverage, medical and personal care. We believe that we offer one of the broadest product lines among industry participants and that we maintained the #1 or #2 market position in markets representing approximately 90% of divisional sales for the 12 months ended March 31, 2012. For the 12 months ended March 31, 2012, our Flexible Packaging division had net sales, operating loss and Adjusted EBITDA of $756 million, $101 million and $75 million, respectively. Our primary competitors include Printpak, Tredegar and Bemis. The Flexible Packaging division includes the following product groups:

*Barrier/Sealant Films.* We manufacture and sell a wide range of highly specialized, made-to-order film products ranging from mono layer to coextruded films having up to nine layers, lamination films sold primarily to flexible packaging converters and used for peelable lid stock, stand-up pouches, pillow pouches and other flexible packaging formats. We also manufacture barrier films used for cereal, cookie, cracker and dry mix packages that are sold directly to food manufacturers like Kraft and Pepsico. We also manufacture films for specialized industrial applications ranging from lamination film for carpet padding to films used in solar panel construction.

*Personal Care Films.* We believe we are a major supplier of component and packaging films used for personal care hygiene applications predominantly sold in North America and Latin America. The end use applications include disposable baby diapers, feminine care, adult incontinence, hospital and tissue and towel products. Our personal care customers include Kimberly Clark, SCA, Johnson and Johnson, First Quality and other leading private label manufacturers. Our Lifetime of Solutions approach promotes an innovation pipeline that seeks to integrate both product and equipment design into leading edge customer and consumer solutions.

*Printed Products.* We are a converter of printed bags, pouches and rollstock. Our manufacturing base includes integrated extrusion that combines with printing, laminating, bagmaking, Innolok® and

laser-score converting processes. We believe we are a leading supplier of printed film products for the fresh bakery, tortilla and frozen vegetable markets with brands such as SteamQuick® Film, Freshview bags and Billboard SUPs. Our customers include Mission Foods and Hostess Brands.

*Coated and Laminated Packaging.* We manufacture specialty coated and laminated products for a wide variety of packaging applications. The key end markets and applications for our products include food, consumer, healthcare, industrial and military pouches, roll wrap, multi-wall bags and fiber drum packaging. Our products are sold under the MarvelGuard and MarvelSeal brands and are predominately sold to converters who transform them into finished goods. Our flexible packaging customers include Covidien and Morton Salt.

**Marketing and Sales**

We reach our large and diversified base of over 13,000 customers through our direct field sales force of dedicated professionals and the strategic use of distributors. Our field sales, production and support staff meet with customers to understand their needs and improve our product offerings and services. Our scale enables us to dedicate certain sales and marketing efforts to particular products, customers or geographic regions, when applicable, which enables us to develop expertise that we believe is valued by our customers. In addition, because we serve common customers across segments, we have the ability to efficiently utilize our sales and marketing resources to minimize costs. Highly skilled customer service representatives are strategically located throughout our facilities to support the national field sales force. In addition, telemarketing representatives, marketing managers and sales/marketing executives oversee the marketing and sales efforts. Manufacturing and engineering personnel work closely with field sales personnel and customer service representatives to satisfy customers needs through the production of high-quality, value-added products and on-time deliveries.

We believe that we have differentiated ourselves from competitors by building a reputation for high-quality products, customer service and innovation. Our sales team monitors customer service in an effort to ensure that we remain the primary supplier for our key accounts. This strategy requires us to develop and maintain strong relationships with our customers, including end users as well as distributors and converters. We have a technical sales team with significant knowledge of our products and processes, particularly in specialized products. This knowledge enables our sales and marketing team to work closely with our research and development organization and our customers to co-develop products and formulations to meet specific performance requirements. This partnership approach enables us to further expand our relationships with our existing customer base, develop relationships with new customers and increase sales of new products.

**Research, Product Development and Design**

We believe our technology base and research and development support are among the best in the plastics packaging industry. Using three-dimensional computer-aided design technologies, our full-time product designers develop innovative product designs and models for the packaging market. We can simulate the molding environment by running unit-cavity prototype molds in small injection-molding, thermoform, compression and blow molding machines for research and development of new products. Production molds are then designed and outsourced for production by various companies with which we have extensive experience and established relationships or built by our in-house tooling division located in Evansville, Indiana. Our engineers oversee the mold-building process from start to finish. Many of our customers work in partnership with our technical representatives to develop new, more competitive products. We have enhanced our relationships with these customers by providing the technical service needed to develop products combined with our internal graphic arts support. We also utilize our in-house graphic design department to develop color and styles for new rigid products. Our design professionals work directly with our customers to develop new styles and use computer-generated graphics to enable our customers to visualize the finished product.

Additionally, at our major technical centers, including the Berry Research and Design Center in Evansville, Indiana, as well as facilities in Lancaster, Pennsylvania; Homer, Louisiana; Chippewa Falls, Wisconsin; Evansville, Indiana; and Perrysburg, Ohio, we prototype new ideas, conduct research and development of new products and processes, and qualify production systems that go directly to our facilities and into production. We also have technical centers, complete product testing and quality laboratories at our Lancaster, Pennsylvania and Perrysburg, Ohio facilities. At our pilot plant in Homer, Louisiana, we are able to experiment with new compositions and processes with a focus on minimizing waste and improving productivity. With this combination of manufacturing simulation and quality systems support we are able to improve time to market and reduce cost. We spent $20 million, $21 million and $16 million on research and development in fiscal 2011, 2010 and 2009, respectively.

**Sources and Availability of Raw Materials**

The most important raw material purchased by us is plastic resin. Our plastic resin purchasing strategy is to work with only high-quality, dependable suppliers. We believe that we have maintained strong relationships with our key suppliers and expect that such relationships will continue into the foreseeable future. The resin market is a global market and, based on our experience, we believe that adequate quantities of plastic resins will be available at market prices, but we can give you no assurances as to such availability or the prices thereof.

We also purchase various other materials, including natural and butyl rubber, tackifying resins, chemicals and adhesives, paper and packaging materials, polyester staple, raw cotton, linerboard and kraft, woven and non-woven cloth and foil. These materials are generally available from a number of suppliers.

**Employees**

As of March 31, 2012, we employed over 16,000 employees. Approximately 11% of our employees are covered by collective bargaining agreements. Four of our 12 agreements, covering approximately 1,200 employees, are scheduled for renegotiation in fiscal 2012. The remaining agreements expire after fiscal 2012. Our relations with employees remain satisfactory and there have been no significant work stoppages or other labor disputes during the past three years.

**Patents, Trademarks and Other Intellectual Property**

We rely on a combination of patents, trade secrets, unpatented know-how, trademarks, copyrights and other intellectual property rights, nondisclosure agreements and other protective measures to protect our proprietary rights. While we consider our intellectual property to be important to our business in the aggregate, we do not believe that any individual item of our intellectual property portfolio is material to our current business. The remaining duration of our patents ranges from one to 17 years.

We employ various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants, to protect our trade secrets and know-how. We have licensed, and may license in the future, patents, trademarks, trade secrets, and similar proprietary rights to and from third parties.

**Environmental Matters and Government Regulation**

Our past and present operations and our past and present ownership and operations of real property are subject to extensive and changing federal, state, local and foreign environmental laws and regulations pertaining to the discharge of materials into the environment, handling and disposition of wastes, and cleanup of contaminated soil and ground water, or otherwise relating to the protection of the environment. We believe that we are in substantial compliance with applicable environmental laws and regulations. However, we cannot predict with any certainty that we will not in the future incur liability, which could be significant under environmental statutes and regulations with respect to noncompliance with environmental laws, contamination of sites formerly or currently owned or operated by us (including contamination caused by prior owners and operators of such sites) or the off-site disposal of regulated materials, which could be material.

We may from time to time be required to conduct remediation of releases of regulated materials at our owned or operated facilities. None of our pending remediation projects are expected to result in material costs. Like any manufacturer, we are also subject to the possibility that we may receive notices of potential liability in

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connection with materials that were sent to third-party recycling, treatment, and/or disposal facilities under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ( CERCLA ), and comparable state statutes, which impose liability for investigation and remediation of contamination without regard to fault or the legality of the conduct that contributed to the contamination, and for damages to natural resources. Liability under CERCLA is retroactive, and, under certain circumstances, liability for the entire cost of a cleanup can be imposed on any responsible party. No such notices are currently pending which are expected to result in material costs.

The Food and Drug Administration ( FDA ) regulates the material content of direct-contact food and drug packages, including certain packages we manufacture pursuant to the Federal Food, Drug and Cosmetics Act. Certain of our products are also regulated by the Consumer Product Safety Commission ( CPSC ) pursuant to various federal laws, including the Consumer Product Safety Act and the Poison Prevention Packaging Act. Both the FDA and the CPSC can require the manufacturer of defective products to repurchase or recall such products and may also impose fines or penalties on the manufacturer. Similar laws exist in some states, cities and other countries in which we sell our products. In addition, laws exist in certain states restricting the sale of packaging with certain levels of heavy metals, imposing fines and penalties for noncompliance. Although we use FDA approved resins and pigments in our products that directly contact food and drug products and believe they are in material compliance with all such applicable FDA regulations, and we believe our products are in material compliance with all applicable requirements, we remain subject to the risk that our products could be found not to be in compliance with such requirements.

The plastics industry, including us, is subject to existing and potential federal, state, local and foreign legislation designed to reduce solid wastes by requiring, among other things, plastics to be degradable in landfills, minimum levels of recycled content, various recycling requirements, disposal fees and limits on the use of plastic products. In particular, certain states have enacted legislation requiring products packaged in plastic containers to comply with standards intended to encourage recycling and increased use of recycled materials. In addition, various consumer and special interest groups have lobbied from time to time for the implementation of these and other similar measures. We believe that the legislation promulgated to date and such initiatives to date have not had a material adverse effect on us. There can be no assurance that any such future legislative or regulatory efforts or future initiatives would not have a material adverse effect on us.

**Properties**

We lease or own our principal offices and manufacturing facilities. We believe that our property and equipment is well-maintained, in good operating condition and adequate for our present needs. The locations of our principal manufacturing facilities, by country, are as follows: United States 69 locations (39 Rigid Packaging, 19 Engineered Materials, 11 Flexible Packaging); Canada 4 locations (1 Rigid Packaging, 2 Engineered Materials, 1 Flexible Packaging); Mexico 3 locations (Engineered Materials); India and Belgium (Engineered Materials); Germany and Australia (Engineered Materials); Brazil (Closed Top). The Evansville, Indiana facility serves as our world headquarters.

We lease our facilities in the following locations: Evansville, IN; Louisville, KY; Lawrence, KS; Peosta, IA; Phoenix, AZ; Quad Cities, IA; Phillipsburg, NJ; Bloomington, IN; Chicago, IL; Bowling Green, KY; Syracuse, NY; Jackson, TN; Anaheim, CA; Aurora, IL; Cranbury, NJ; Charlotte, NC; Easthampton, MA; Lathrop, CA; Hanover, MD; Tacoma, WA; Baltimore, MD; Chippewa Falls, WI; Atlanta, GA; Mexico City, Mexico; and Dunkirk, NY.

**Legal Proceedings**

We are party to various legal proceedings involving routine claims that are incidental to our business. Although our legal and financial liability with respect to such proceedings cannot be estimated with certainty, we believe that any ultimate liability would not be material to the business, financial condition, results of operations or cash flows.

## MANAGEMENT

### Directors and Executive Officers

The following table provides information regarding the executive officers and members of the Board of Directors of Berry Plastics Group, Inc.

| Name | Age | Title |
|---|---|---|
| Jonathan D. Rich(3) | 56 | Chairman, Chief Executive Officer and Director |
| Randall J. Becker | 56 | Chief Operating Officer and President |
| James M. Kratochvil | 55 | Chief Financial Officer |
| B. Evan Bayh | 56 | Director |
| Anthony M. Civale(1)(2) | 37 | Director |
| Donald C. Graham(1) | 79 | Director |
| Steven C. Graham(2) | 53 | Director |
| Joshua J. Harris | 47 | Director |
| Robert V. Seminara(1)(2)(3) | 40 | Director |

(1) Member of the Compensation Committee.
(2) Member of the Audit Committee.
(3) Member of the Executive Committee.

**Jonathan D. Rich** assumed the role of Chairman and Chief Executive Officer of Berry Plastics Group, Inc. in October 2010. Prior to becoming CEO, Dr. Rich served as President and Chief Executive Officer of Momentive Performance Materials, Inc. from June 2007 until October 2010. Prior to Momentive, Dr. Rich held executive positions at Goodyear Tire and Rubber from 2000 until 2007, including President of Goodyear North American Tire and President of Goodyear Chemical. Dr. Rich began his career at General Electric in 1982, where he was employed for nearly 20 years in a variety of R&D, operational and executive roles. Mr. Rich s position as Chief Executive Officer, his extensive management experience and his skills in business leadership and strategy qualify him to serve as a director of the company.

**Randall J. Becker** was named President and Chief Operating Officer of Berry Plastics Group, Inc. in December 2009. Mr. Becker formerly served as an Executive Vice President of Operations and has served in a variety of operational and executive roles over his 22 years of service with the company.

**James M. Kratochvil** has been Chief Financial Officer of Berry Plastics Group, Inc. since 1991. Mr. Kratochvil was formerly employed by our predecessor company from 1985 to 1991 as Controller.

**B. Evan Bayh** has been a member of our Board of Directors since 2011. Mr. Bayh is a former U.S. Senator and Indiana Governor. He was a member of the U.S. Senate from the state of Indiana from 1998 until his retirement in 2011. While in the Senate, he served on a variety of committees, including the Banking, Housing and Urban Affairs Committee, and the Committee on Small Business and Entrepreneurship. Prior to serving in the Senate, Mr. Bayh served as Indiana Governor from 1988 to 1997. Mr. Bayh s many years of service in elected office, including as the chief executive of a large Midwestern state, qualifies him to serve as a director of the company.

**Anthony M. Civale** has been a member of our Board of Directors since 2006. Mr. Civale joined Apollo in 1999. Prior to that time, Mr. Civale was employed by Deutsche Bank Securities, Inc. in the Financial Sponsors Group within its Corporate Finance Division. Mr. Civale also serves on the board of directors of HFA Holdings Limited, a multi-billion hedge fund of funds manager. In addition to these corporate boards, Mr. Civale also serves on the board of directors of Youth INC, a non-profit organization serving New York City children, and is a member of the Board of Trustees of Middlebury College. Mr. Civale has previously served on the boards of directors of Breuners Home Furnishings Corp., Caesars Entertainment Corporation, Goodman Global, Inc. and Prestige Cruises. Mr. Civale s extensive financial and business experience qualify him to serve as a director of the company.

**Donald C. Graham** founded The Graham Group, an alliance of independently owned and operated industrial and investment management businesses, and has been a member of our Board of Directors since 2006. Over nearly half a century, Mr. Graham built a substantial family industrial concern founding consumer packaging, capital equipment and building products businesses, and investing in companies serving a wide range of consumer and industrial sectors. Mr. Graham founded Graham Packaging Company, in which he sold a controlling interest in 1998 and retained a minority ownership position until the company was sold in 2011. The Graham Group s three legacy industrial businesses operate in more than 90 locations worldwide. Mr. Graham participates on several advisory boards of The Graham Group s independently owned and managed investment concerns and continues to provide guidance as an active board member of and investor in many underlying portfolio companies. Mr. Graham is Steven C. Graham s father. Mr. Graham s leadership of The Graham Group and his extensive financial and business experience, including in the packaging industry, qualify him to serve as a director of the company.

**Steven C. Graham** serves as Senior Managing Principal of Graham Partners and has been a member of our Board of Directors since 2006. Prior to founding Graham Partners in 1988, Mr. Graham worked in the Investment Banking Division of Goldman, Sachs & Co. in New York and as an Acquisition Officer for the RAF Group, a private equity firm headquartered in Philadelphia, Pennsylvania. Mr. Graham sits on the boards of over ten portfolio companies of Graham Partners and serves on the Advisory Board of certain unaffiliated private investment funds managed by other general partners. Mr. Graham also serves on the Executive Advisory Board of Dartmouth College s Tuck Center for Private Equity and Entrepreneurship, Williams College Endowment s Non-marketable Assets Advisory Committee, and other charitable and for-profit advisory boards. Mr. Graham earned his B.A. with a double major in Philosophy and English from Williams College in 1982 and his M.B.A. from Dartmouth College s Amos Tuck School of Business in 1986. Mr. Graham is Donald C. Graham s son. Mr. Graham s extensive financial and business experience qualify him to serve as a director of the company.

**Joshua J. Harris** has been a member of our Board of Directors since 2006. Mr. Harris is a Senior Managing Director of Apollo Global Management, LLC and Managing Partner of Apollo Management, L.P., which he co-founded in 1990. Prior to 1990, Mr. Harris was a member of the Mergers and Acquisitions Group of Drexel Burnham Lambert Incorporated. Mr. Harris also currently serves on the boards of directors of the general partner of AP Alternative Assets, Apollo Global Management, LLC, LyondellBasell Industries, CEVA Group plc and Momentive Performance Materials. Mr. Harris has previously served on the boards of directors of Verso Paper, Metals USA, Nalco, Allied Waste Industries, Pacer International, General Nutrition Centers, Furniture Brands International, Compass Minerals Group, Alliance Imaging, NRT Inc., Covalence Specialty Materials, United Agri Products, Quality Distribution, Whitmire Distribution, and Noranda Aluminum. Mr. Harris leadership of Apollo and his extensive financial and business experience qualify him to serve as a director of the company.

**Robert V. Seminara** has been a member of our Board of Directors since 2006. Mr. Seminara joined Apollo Management in 2003. Prior to that time, Mr. Seminara was a member of the Private Equity Group at Evercore Partners from 1996 to 2003. Prior to his tenure at Evercore, Mr. Seminara was employed by Lazard Frères & Co. in the firm s Media & Communications Group. Mr. Seminara also serves on the boards of directors of Momentive Specialty Chemicals Inc. and Skylink Aviation. Mr. Seminara graduated summa cum laude with a B.S. in Economics from the University of Pennsylvania s Wharton School of Business. Mr. Seminara s extensive financial and business experience qualify him to serve as a director of the company.

**Composition of Board of Directors**

The Company currently has seven directors and anticipates that the number of directors may be increased upon the closing of this offering. We intend to avail ourselves of the controlled company exception under applicable stock exchange rules, which eliminates the requirements that we have a majority of independent directors on our board of directors and that we have compensation and nominating/corporate governance committees composed entirely of independent directors. We will be required, however, to have an audit committee with one independent director during the 90-day period beginning on the date of effectiveness of the

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registration statement filed with the SEC in connection with this offering and of which this prospectus is part. After such 90-day period and until one year from the date of effectiveness of the registration statement, we will be required to have a majority of independent directors on our audit committee. Thereafter, we will be required to have an audit committee comprised entirely of independent directors.

If at any time we cease to be a controlled company under stock exchange rules, the board of directors will take all action necessary to comply with the applicable stock exchange rules, including appointing a majority of independent directors to the board of directors and establishing certain committees composed entirely of independent directors, subject to a permitted phase-in period.

Upon consummation of this offering, we intend to divide our board of directors into three classes. The members of each class will serve staggered, three-year terms (other than with respect to the initial terms of the Class I and Class II directors, which will be one and two years, respectively). Upon the expiration of the term of a class of directors, directors in that class will be elected for three-year terms at the annual meeting of stockholders in the year in which their term expires. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. This classification of our board of directors may have the effect of delaying or preventing changes in control.

At each annual meeting following completion of this offering, our stockholders will elect the successors to our directors. Our executive officers and key employees serve at the discretion of our board of directors. Directors may be removed for cause by the affirmative vote of the holders of a majority of our common stock.

**Director Independence**

As a privately held company, none of the current directors are considered independent under the rules of the NYSE. Mr. Rich is not considered independent under any general listing standards due to his current and past employment relationship with us, and Messrs. Civale, Donald C. Graham, Steven C. Graham, Harris, Bayh and Seminara are not considered independent under any general listing standards due to their relationships with Apollo and Graham, our largest stockholders. As funds affiliated with Apollo will continue to control a majority of our voting stock following the offering, under NYSE listing standards, we expect to qualify as a controlled company and, accordingly, be exempt from requirements to have a majority of independent directors and a nominating/corporate governance committee and a compensation committee each composed entirely of independent directors.

**Board Committees**

Our Board of Directors comprises a Compensation Committee, an Audit Committee and an Executive Committee. Following the completion of this offering, we will also have a Nominating and Governance Committee that will be constituted prior to the completion of the offering.

*Audit Committee*

Our Audit Committee consists of Messrs. Civale, Steven C. Graham and Seminara. Prior to the completion of the offering, the Board of Directors will appoint new members of the Audit Committee to replace the current members so that at least one member will be an audit committee financial experts as defined by the SEC and each member of the Audit Committee will meet the criteria for independence of audit committee members set forth in Rule 10A-3(b)(1) under the Exchange Act. Following the offering, the Audit Committee will be reconstituted to meet the requirements forth in Rule 10A-3(b)(1) under the Exchange Act.

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The principal duties and responsibilities of our Audit Committee are to oversee and monitor the following: