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	Andrew J. Nussbaum	John A. Tripodoro
Executive Vice President and Chief Legal Officer	Wachtell, Lipton, Rosen & Katz	William J. Miller
Berry Plastics Corporation	51 West 52nd Street	Cahill Gordon & Reindel LLP
101 Oakley Street	New York, NY 10019	80 Pine Street
Evansville, IN 47710	(212) 403-1000	New York, NY 10005
(812) 424-2904		(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 Housewares Containers	Overcaps Closures Bottles Prescription Vials Tubes	Tapes CPG FIBC Food Wrap Shrink Films Trash Bags Stretch Films	Personal Care Films Barrier/ Sealant Films Medical Films Printed Films 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.

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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.

	Unaudited Last Twelve Months[(a)]	Unaudited Two Quarterly Periods Ended		Audited Year Ended		
($ in millions, shares in thousands)	March 31, 2012	March 31, 2012	April 2, 2011	October 1, 2011	October 2, 2010	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] 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
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;

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- 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;

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- 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.

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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.

($ in millions)	(Unaudited) As of March 31, 2012 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.

(in millions)	**Two Quarterly Periods Ended 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 8⁷/8% 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.

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.

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.

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.

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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.

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.

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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, 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 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.

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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

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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

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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 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.

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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.

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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:

- the annual appointment of auditors, including the independence, qualifications and performance of our auditors and the scope of audit and non-audit assignments and related fees;
- the accounting principles we use in financial reporting;
- our financial reporting process and internal auditing and control procedures;
- our risk management policies;
- the integrity of our financial statements; and
- our compliance with legal, ethical and regulatory matters.

Compensation Committee

Our Compensation Committee consists of Messrs. Civale, Donald C. Graham and Seminara. The principal duties and responsibilities of our Compensation Committee are the following:

- approval and recommendation to our Board of Directors of all compensation plans for the CEO of the company, all employees of the company and its subsidiaries who report directly to the CEO, and other members of the Senior Management Group, as well as all compensation for our Board of Directors;
- approval of short-term compensation of the Senior Management Group and recommendation of short-term compensation for members of our Board of Directors;
- approval and authorization of grants under the company s or its subsidiaries incentive plans, including all equity plans and long-term incentive plans; and
- the preparation of any report on executive compensation required by SEC rules and regulations, if any.

Nominating and Governance Committee

Prior to the completion of the offering, our Board of Directors will appoint members to the Nominating and Governance Committee. The principal duties and responsibilities of our Nominating and Governance Committee will be the following:

- implementation and review of criteria for membership on our Board of Directors and its committees;

- recommendation of proposed nominees for election to our Board of Directors and membership on its committees; and
- recommendations to our Board of Directors regarding governance and related matters.

Executive Committee

Our Executive Committee consists of Messrs. Rich and Seminara. The principal duties and responsibilities of our Executive Committee are the following:

- the exercise of the powers and duties of the Board of Directors between board meetings and while the Board is not in session, subject to applicable law and our organizational documents; and
- the implementation of the policy decisions of our Board of Directors.

Code of Ethics

We have a Code of Business Ethics that applies to all employees, including our Chief Executive Officer and senior financial officers. These standards are designed to deter wrongdoing and to promote the highest ethical, moral and legal conduct of all employees. Our Code of Business Ethics can be obtained, free of charge, at our Corporate Headquarters in our Human Resources Department and is posted on our website.

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COMPENSATION DISCUSSION AND ANALYSIS

The company has a Compensation Committee comprised of Messrs. Seminara, Donald Graham and Civale. The Compensation Committee makes all final compensation decisions for our executive officers, including each of our named executive officers identified in our Summary Compensation Table and established the annual salaries and bonuses paid to vice presidents and above (which we collectively refer to as the Senior Management Group) for fiscal 2011. Below is a discussion of the principles outlining our executive compensation program.

Compensation Philosophy and Analysis

Our goal as an employer is to ensure that our pay practices are equitable as compared to market practice, facilitate appropriate retention, and reward exceptional performance. In the past, we have conducted studies to better understand compensation programs of other manufacturing companies similar in size to the company. Our studies have reviewed base salary, bonus, and a time based option value for one year, and based on such studies, we believe that our compensation levels generally fall at the lower end of other comparable companies.

The company believes that executive compensation should be designed to align closely the interests of its executive officers and stockholders and to attract, motivate, reward and retain superior management talent. The company utilizes the following guidelines pertaining to executive compensation:

- pay compensation that is competitive with the practices of other manufacturing businesses that are similar in size to the company;
- wage enhancements aligned with the performance of the company;
- pay for performance by:
  - setting performance goals determined by our CEO and the Board of Directors for our officers and providing a short-term incentive award opportunity through a bonus plan that is based upon achievement of these goals; and
  - providing long-term incentive opportunities in the form of stock options, in order to retain those individuals with the leadership abilities necessary for increasing long-term shareholder value while aligning their interests with those of our investors and stockholders.

Role of Compensation Committee

The Compensation Committee s specific roles are to:

- approve and recommend to our Board of Directors all compensation plans for (1) the CEO of the company, (2) all employees of the company and its subsidiaries who report directly to the CEO, and (3) other members of the Senior Management Group, as well as all compensation for our Board of Directors;
- approve the short-term compensation of the Senior Management Group and to recommend short-term compensation for members of our Board of Directors;
- approve and authorize grants under the company s or its subsidiaries incentive plans, including all equity plans and long-term incentive plans; and

prepare any report on executive compensation required by Securities and Exchange Commission rules and regulations for inclusion in our annual proxy statement, if any.

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Role of Executive Officers

Our CEO, COO, CFO and Executive Vice President HR annually review the performance versus annual goals of each of our executive officers. This information, along with the performance of the company and market data, determines the wage adjustment recommendation presented to the Compensation Committee. All other compensation recommendations with respect to executive officers of the company are made by the CEO pursuant to policies established in consultation with the Compensation Committee and recommendations from the Human Resource Department.

The Compensation Committee evaluates the performance of the CEO and determines the CEO s compensation in light of the goals and objectives of the compensation program. The Compensation Committee expects to review, on at least an annual basis, the performance of the CEO as compared with the achievement of the company s goals and any individual goals. The CEO, together with the Human Resource Department, will assess the performance and compensation of the other named executives officers annually. The Human Resource Department, together with the CEO, will review annually the performance of each member of the Senior Management Group as compared with the achievement of the company or operating division goals, as the case may be, together with each executive s individual goals. The Compensation Committee can exercise its discretion in modifying any recommended adjustments or awards to the executives. Both performance and compensation are evaluated to ensure that the company is able to attract and retain high quality executives in vital positions and that their compensation, taken as a whole, is competitive and appropriate compared to that of similarly situated executives in other corporations within the company s industry.

Executive Compensation Program

The compensation of our executive officers is generally classified into the following three categories: (1) base salary, (2) annual bonus, and (3) long-term equity awards in the form of company stock options. The company has selected these elements because each is considered useful and/or necessary to meet one or more of the principal objectives of the company s business. Base salary and bonus targets are set with the goal of motivating our named executive officers and adequately compensating and rewarding them on a day-to-day basis for the time spent and the services they perform. Our equity programs are geared toward providing an incentive and reward for the achievement of long-term business objectives, retaining key talent and more closely aligning the interests of management with our stockholders.

The compensation program for our named executive officers is reviewed on an annual basis. In setting individual compensation levels for a particular executive, the total compensation package is considered along with the executive s past and expected future contributions to our business.

Base Salary

Our executive officers base salaries depend on their position within the company and its subsidiaries, the scope of their responsibilities, the period during which they have been performing those responsibilities and their overall performance. Base salaries are reviewed annually and are generally adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance and experience.

Annual Bonus

The company has a long history of sharing profits with employees. This philosophy is embedded in our corporate culture and is one of many practices that has enabled the company to continually focus on improvement and be successful.

Our named executive officers participate in our Executive Profit Sharing Bonus Program, which is subject to approval by our Board of Directors every year. Depending on our overall business performance, which for calendar year 2011 was specifically related to our attainment of Adjusted EBITDA (excluding the impact of

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current-year acquisitions) and our growth, each named executive officer is eligible to receive a bonus ranging from zero to 108% of his or her annual base salary. These target ranges are the same for all members of the Senior Management Group and are subject to change at the discretion of the Compensation Committee. Performance objectives are generally set on an annual basis. The applicable performance period is the calendar year in which the bonus award opportunity is granted.

In determining the amount each named executive officer earns under the Executive Profit Sharing Bonus Program, 75% of the target value of the award is earned based on attaining 100% of the applicable annual Adjusted EBITDA target, and 25% is based on attaining a pre-established level of growth in the equity value of the company. By meeting both targets, named executive officers qualify to earn 68.5% of their annual base salary. Bonus payments are thus directly tied to the performance of the company. Upon approval by our Board of Directors, bonuses are, to the extent earned, generally paid on an annual basis on a date determined by the Compensation Committee.

New Annual Bonus Plan. In connection with this offering, we intend to adopt, prior to the completion of the offering, a new written annual bonus plan.

Stock Options

In 2006, we adopted the 2006 Equity Incentive Plan. The 2006 Equity Incentive Plan permits us to grant stock options, stock appreciation rights, and rights to purchase shares to employees, directors or consultants of the company or any of its subsidiaries. The 2006 Equity Incentive Plan is administered by our Board of Directors or, if designated by our Board of Directors, by the Compensation Committee. Approximately one million shares of our common stock have been reserved for issuance under the 2006 Equity Incentive Plan.

As discussed below, we have awarded stock options to members of our management, including our named executive officers. However, the Compensation Committee has not established any formal program or practice regarding the amount or timing of equity award grants to our employees. We do not have any program, plan or practice for selecting grant dates for awards under the 2006 Equity Incentive Plan in coordination with the release of material nonpublic information. Under the 2006 Equity Incentive Plan, the exercise price for option awards is the fair market value of our common stock on the date of grant. Historically, the fair market value of a share of our common stock was determined by the Board of Directors by applying industry-appropriate multiples to our then-current EBITDA. This valuation took into account a level of net debt that excluded cash required for working capital purposes. After the consummation of this offering, we expect that the fair market value of a share of our common stock will be determined for this purpose by reference to the public trading price of a share of our common stock on the date of grant of the option (*e.g.*, using a weighted average or closing price). The Compensation Committee is not prohibited from granting awards at times when it is in possession of material nonpublic information. However, no inside information was taken into account in determining the number of options previously awarded or the exercise price for those awards, and we did not time the release of any material nonpublic information to affect the value of those awards.

From time to time, we grant management participants stock options or stock appreciation rights under the 2006 Equity Incentive Plan. In connection with the grants, we enter into stock option or stock appreciation right award agreements with management participants. The Compensation Committee believes that the granting of awards under the 2006 Equity Incentive Plan promotes, on a short- and long-term basis, an enhanced personal interest for our executives and an alignment of those interests with the goals and strategies of the company and the interests of our stockholders. The Compensation Committee also believes that the equity grants provide not only financial rewards to such executives for achieving company goals but also provide additional incentives for executives to remain with the company.

Generally, options granted under the 2006 Equity Incentive Plan become vested and exercisable over a five-year period. Unless set forth otherwise in the applicable award agreement, time-based options generally vest in

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20% increments on each of the first five anniversaries of the grant date, performance-based options generally vest upon achievement of certain EBITDA or IRR targets, and all options granted and outstanding under the plan vest on the ninth anniversary of the date of grant. In each case, the vesting of options is generally subject to the grantee s continued employment at the company or at one of its subsidiaries as of the applicable vesting date.

The 2006 Equity Incentive Plan (as supplemented by a side letter) provides for payment to holders of vested outstanding stock options and stock appreciation rights of special dividends and a *pro rata* share of transaction fees that may be paid to Apollo and Graham in connection with certain extraordinary transactions. Absent an agreement otherwise, dividends and transaction fees in respect of unvested options and stock appreciation rights are credited to an account (and funded through the use of a rabbi trust) and paid to the option or stock appreciation right holder upon the earlier of the second anniversary of the date of payment of dividends or transaction fees generally (as the case may be), the holder s death, disability, retirement, termination without cause or resignation for good reason or a change of control of us (as such terms are defined in the 2006 Equity Incentive Plan). The above terms and conditions regarding payments and credits in the event of special dividends will expire upon the consummation of the offering.

The maximum term of options granted under the 2006 Equity Incentive Plan is ten years. Subject to certain exceptions set forth in the applicable stock option award agreement, unvested options will automatically be forfeited upon termination (in the case of a termination for cause, vested options are also forfeited), and all vested options held by the participant upon a termination of employment (other than for cause) will expire 90 days after termination (or one year after termination in the case of termination due to death or disability). In the case of a termination of employment due to death or disability, an additional 20% of an individual s options will vest. Twenty percent of each grantee s option grants becomes vested upon a change in control of us, and 40% of each grantee s option grants becomes vested if such change in control results in the achievement of a targeted internal rate of return. In the case of Dr. Jonathan Rich, our Chief Executive Officer, different vesting terms and conditions apply to his unvested stock options in the event his employment is terminated under certain circumstances or there is a change of control of us. After the consummation of the offering, we expect that the terms and conditions of the 2006 Equity Incentive Plan, and the terms and conditions of the new equity plan we anticipate adopting prior to the offering, will provide for different treatment of outstanding options and other equity-based awards upon a change in control of us.

Shares of company common stock acquired under the 2006 Equity Incentive Plan are subject to restrictions on transfer, repurchase rights, and other limitations as set forth in award agreements adopted under the 2006 Equity Plan and the company s stockholder s agreement. As set forth in the award agreements adopted under the 2006 Equity Plan and the company s stockholder s agreement, upon the consummation of the offering, these transfer restrictions will no longer apply (subject to certain exceptions) because our shares of common stock will be publicly traded.

New Equity Compensation Plan. In connection with this offering, we intend to adopt, prior to the completion of the offering, an omnibus equity compensation plan more suitable for a public company. We also expect that our post-offering compensation committee will consider modifications to the equity compensation program to take into account the liquidity of our stock and market practice with respect to equity compensation at publicly traded companies.

Compensation Programs and Risk Management

We have determined that any risks arising from our compensation programs and policies are not reasonably likely to have a material adverse effect on the company. Our compensation programs and policies mitigate risk by combining performance-based, long-term compensation elements with payouts that are highly correlated to the value delivered to the company and its stockholders. The combination of performance measures applicable to annual bonuses and equity compensation awards granted to our executive officers and the multi-year vesting schedules applicable to equity awards granted to our executives encourages our executives to maintain both a short- and long-term view with respect to company performance.

Post-Employment Compensation

We provide post-employment compensation to our employees, including our named executive officers, as a continuance of the post-retirement programs sponsored by prior owners of the company. The Compensation Committee believes that offering such compensation allows us to attract and retain qualified employees and executives in a highly competitive marketplace and rewards our employees and executives for their contribution to the company during their employment.

A principal component of our post-employment executive officer compensation program is a qualified defined contribution 401(k) plan and a retirement health plan, which plans apply to all of our employees generally. Additionally, as described in more detail below, each of our named executive officers is party to employment agreements with us that provide for termination rights and benefits. Under the 401(k) plan, the company awards a $200 lump sum contribution annually for participating in the plan and matches dollar-for-dollar the first $300 contributed by participants, with an additional match equal to 10% of the applicable participant s elective deferrals made during the plan year (subject to the limits set forth under the Internal Revenue Code). Participants who contribute at least $1,000 will also receive an additional $150 lump-sum deposit at the end of the year. Company matching contributions are immediately vested upon contribution.

Perquisites and Other Personal Benefits

The Compensation Committee periodically reviews the perquisites provided to our executive officers to ensure that they are reasonable, competitive and consistent with the overall compensation program. Such perquisites include for certain of our executive officers (as set forth in more detail in the Summary Compensation Table and accompanying footnotes) use of a company-provided car and financial planning and tax assistance.

Section 162(m) of the Internal Revenue Code

From and after the time that our compensation programs become subject to Section 162(m) of the Internal Revenue Code, we intend to consider the structure of base salary, bonus and equity award compensation in order to maintain the deductibility of compensation under Section 162(m), to the extent we believe it is in the best interests of our stockholders to do so. However, the Board of Directors will take into consideration other factors, together with Section 162(m) considerations, in making executive compensation decisions and could, in certain circumstances, approve and authorize compensation that is not fully tax deductible. Transition provisions under Section 162(m) may apply for a period of approximately three to four years following the consummation of this offering to certain compensation arrangements that were entered into by us because we were not publicly held.

Compensation Program Following the Offering

The design of our compensation program following this offering is an ongoing process. We believe that, following the offering, we will have more flexibility in designing compensation programs to attract, motivate and retain our executives, including permitting us to regularly compensate executives with non-cash compensation reflective of our stock performance in relation to a comparative group in the form of publicly traded equity. Accordingly, as described above, we will adopt an omnibus equity compensation plan and a bonus plan more suitable for a public company in connection with the offering.

We currently anticipate that our named executive officers (other than Messrs. Kratochvil and Becker, whose agreements expired in December 2011) will continue to be subject to employment agreements that are substantially similar to their existing employment agreements that are described herein. It is also currently anticipated that our current named executive officers will hold substantially similar positions following the offering.

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While we are still in the process of determining specific details of the compensation program that will take effect following the offering, it is currently anticipated that our compensation program following the offering will be based on the same principles and designed to achieve the same objectives as our current compensation program.

Compensation Committee Interlocks and Insider Participation

During fiscal 2011, no officer or employee served as a member of the Compensation Committee. Messrs. Seminara, Donald Graham and Civale, members of our Compensation Committee, have relationships with our equity sponsors, Apollo and Graham. We may pay fees to our equity sponsors for providing management, consulting, or other advisory services. As such, Messrs. Seminara, Donald Graham and Civale may be indirect beneficiaries of the relationship between our equity sponsors and us. For more information about these relationships, see Certain Relationships and Related Party Transactions.

Summary Compensation Table

(in dollars)

Name and Principal Position	Fiscal Year	Salary	Bonus	Stock Awards	All Other Compensation	Total
Jonathan D. Rich	2011	$ 834,329	$ 30,740	$ 733,239[(1)]	$ 25,993[(2)]	$ 1,624,301
Chairman and Chief Executive Officer	2010					
	2009					
Ira G. Boots	2011	$ 428,558[(3)]	$ 137,435	$	$ 621,778[(4)]	$ 1,187,771
Former Chairman and Chief Executive Officer	2010	879,661	592,854		22,864	1,495,379
	2009	870,068	172,464		20,424	1,062,956
Randall J. Becker	2011	$ 522,729	$ 75,000	$	$ 2,325	$ 600,054
Chief Operating Officer	2010	422,617	143,331		2,736	568,684
	2009	206,805	41,772		1,852	250,429
James M. Kratochvil	2011	$ 512,552	$ 72,759	$	$ 14,171[(5)]	$ 599,482
Chief Financial Officer	2010	448,688	313,864			762,552
	2009	460,847	91,352			552,199
Thomas E. Salmon	2011	$ 408,910	$ 60,633	$	$ 2,263	$ 471,806
President Engineered Materials Division	2010	376,595	261,553		12,449	650,597
	2009	385,265	76,143		1,873	463,281
G. Adam Unfried	2011	$ 357,032	$ 51,176	$	$ 2,333	$ 410,541
President Rigid Packaging Open Top	2010	312,609	204,705		2,185	519,499
	2009	298,840	55,865		2,098	356,803

(1) Equals the aggregate grant date fair value, as computed in accordance with FASB ASC Topic 718, of the grants of nonqualified stock options to Mr. Rich under the 2006 Equity Incentive Plan as set forth below under the Grants of Plan-Based Awards table. For a description of the assumptions used to value these options, please refer to Note 1 to the Notes to Consolidated Financial Statements.

(2) Equals the sum of (1) $25,133 in relocation expenses reimbursed to Dr. Rich and (2) $860 in costs of group life insurance coverage provided to the executive.

(3) Reflects base salary paid to the executive from October 2, 2010 through the effective date of his retirement on December 31, 2010.

(4) Equals the sum of (1) payment of $151,529 in unused vacation time accrued as of the effective date of the executive s retirement from the company on December 31, 2010, (2) $450,000 in consulting fees paid to the executive after his retirement from the company for the period beginning January 1, 2011 and ending October 1, 2011, (3) $15,244 in costs incurred by the company for the executive s use of a company-provided vehicle, (4) $3,725 in costs of group life insurance coverage provided to the executive, and (5) $1,280 in matching contributions made by the company to the executive s account under the company 401(k) plan.

(5) Equals the sum of (1) $12,250 in costs incurred by the company for the executive s use of a company-provided vehicle, and (2) $1,001 in costs of group life insurance coverage provided to the executive, and (3) $920 in matching contributions made by the company to the executive s account under the company 401(k) plan.

Employment and Consulting Agreements

Messrs. Becker and Kratochvil were party to employment agreements with the company that expired in December 2011, and Messrs. Unfried and Salmon are party to agreements that remain in effect unless terminated according to their terms. The employment agreements provide for base salary as disclosed in the Summary Compensation Table above. Salaries are subject in each case to annual adjustment at the discretion of the company. The employment agreements generally entitle each executive to participate in all incentive compensation and welfare plans established for executive officers.

The company may terminate the employment agreements for cause or due to a disability (as such terms are defined in the agreements). Specifically, if Mr. Salmon or Mr. Unfried is terminated by the company without cause (as such term is defined in their respective agreements), each is entitled to: (1) a *pro rata* portion of the annual bonus awarded to the executive for the year in which termination occurs, and (2) (A) if terminated prior to January 1, 2015, continuation of base salary for one year after termination, and (B) if terminated on or after January 1, 2015, severance benefits pursuant to the provisions of the Berry Plastics Corporation Severance Pay Plan in effect on the date of termination. If Mr. Kratochvil or Mr. Becker is terminated without cause (in the case of Mr. Kratochvil, a termination without cause includes a termination by reason of death or disability) or if either resigns for good reason (as such terms are defined in their respective agreements), each is entitled to: (1) the greater of (A) continuation of base salary for one year after termination and (B) 1/12 of one year s base salary for each year of employment (subject to a maximum of 30 years) with the company and its predecessors, and (2) a *pro rata* portion of the annual bonus awarded to him for the year in which termination occurs. Each employment agreement also includes customary noncompetition, nondisclosure and nonsolicitation provisions.

In October 2010, the company and Jonathan Rich entered into an employment agreement. The employment agreement provides for base salary as disclosed in the Summary Compensation Table above. Salary is subject to annual adjustment at the discretion of the Compensation Committee of the Board of Directors. The agreement generally entitles Dr. Rich to an annual performance-based target bonus equal to 68.5% of his then-current annual base salary and to participate in all welfare plans established for executive officers. If Dr. Rich s employment is terminated by the company without cause, if Dr. Rich resigns for good reason, or if his employment is terminated by reason of death or disability, in each case (other than death) subject to his execution of a release of claims and compliance with the restrictive covenants set forth in his agreement, he is entitled to (1) cash severance equal to 18 months base salary, payable in monthly installments, (2) a prorated bonus based on actual performance for the year in which termination occurs and (3) for the severance continuation period, a monthly amount equal to the amount by which the monthly COBRA continuation coverage premium exceeds the active employee monthly premium under the company s group medical plans. The employment agreement also includes customary noncompetition, nondisclosure and nonsolicitation provisions.

In October 2010, the company and Mr. Boots entered into a letter agreement regarding Mr. Boots retirement as an employee of the company in December 2010, his subsequent engagement as a consultant and other related matters. Following his retirement, Mr. Boots may continue to use a company-leased vehicle until August 2013. Additionally, Mr. Boots is entitled to post-retirement medical insurance coverage under the company s Health and Welfare Plan for Early Retirees, and is providing consulting services to the company over a five-year period that began in January 2011, for which he is being paid 20 quarterly payments of $112,500 each. Pursuant to the agreement, Mr. Boots vested options to purchase our common stock generally are terminating in 20% increments on March 31 of each of 2011, 2012, 2013, 2014 and 2015, and Mr. Boots forfeited all of his unvested options to purchase our common stock.

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Grants of Plan-Based Awards for the 2011 Fiscal Year

The table below sets forth the grants to our named executive officers in fiscal 2011 under the 2006 Equity Incentive Plan.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Stock and Option Awards
Jonathan Rich(1)	10/04/10	33,333	$ 75.00	$ 733,239
Jonathan Rich(2)	10/04/10	66,666	$ 75.00	

(1) Represents options that (i) have an exercise price fixed at $75.00 per share, which was the fair market value of a share of our common stock on the date of grant, and (ii) vest and become exercisable over a five-year period, beginning in fiscal 2011 based on continued service with the company.

(2) Represents options that (i) have an exercise price fixed at $75.00 per share, which was the fair market value of a share of our common stock on the date of grant, and (ii) vest and become exercisable based on the achievement of certain financial targets.

Outstanding Equity Awards at Fiscal Year-End Table

The following table shows the number of outstanding equity awards held by each of our named executive officers as of October 1, 2011.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($/sh)	Option Expiration Date
Jonathan Rich		100,000(1)	75.00	10/04/20
James M. Kratochvil	20,235	627(2)	100.00	9/20/16
Randall J. Becker	10,119	312(3)	100.00	6/04/17
Randall J. Becker	912	4,302(4)	75.67	1/01/20
G. Adam Unfried	13,269	411(5)	100.00	9/20/16
Thomas E. Salmon	1,710	1,026(6)	100.00	6/04/17
Thomas E. Salmon	3,574	3,950(7)	112.83	1/01/18

(1) The executive s unvested options vest as follows: (i) with respect to 33,334 options, 20% vested on October 4, 2011, and 20% vest on October 4 of each of 2012, 2013, 2014 and 2015, and (ii) 66,666 options vest upon the attainment of certain performance criteria.

(2) The executive s unvested options vested on December 31, 2011.

(3) The executive s unvested options vested on December 31, 2011.

(4) The executive s unvested options vest as follows: (i) with respect to 1,695 options, approximately 130 vest at the end of each calendar quarter beginning with the calendar quarter ending December 31, 2011, and (ii) with respect to 2,607 options, approximately 521 vest at the end of each calendar year beginning with the 2011 calendar year based on the attainment of performance criteria.

(5) The executive s unvested options vested on December 31, 2011.

(6) The executive s unvested options vest as follows: (i) 68 options vested on December 31, 2011, (ii) 68 options vest on March 31, 2012, and (iii) with respect to 890 options, approximately 274 options vest at the end of each calendar year beginning with the 2011 calendar year based on the attainment of performance criteria.

(7) The executive s unvested options vest as follows: (i) with respect to 942 options, approximately 188 options vest at the end of each calendar quarter beginning with the calendar quarter ending December 31, 2011, and (ii) with respect to 3,008 options, 752 options vest at the end of each calendar year beginning with the 2011 calendar year based on the attainment of performance criteria.

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Option Exercises for the 2011 Fiscal Year

No options were exercised by our named executive officers in fiscal 2011.

Potential Payments Upon Termination or Change-in-Control

As discussed above, Messrs. Unfried, Salmon and Dr. Rich are party to employment agreements with the company. Messrs. Becker and Kratochvil were party to employment agreements with the company that expired in December 2011. If Mr. Becker or Mr. Kratochvil is terminated without cause (in the case of Mr. Kratochvil, a termination without cause includes a termination by reason of death or disability) or if either resigns for good reason (as such terms are defined in their respective agreements), each is entitled to: (1) the greater of (A) continuation of base salary for one year after termination and (B) 1/12 of one year s base salary for each year of employment (subject to a maximum of 30 years) with the company and its predecessors, and (2) a *pro rata* portion of the annual bonus awarded to him for the year in which termination occurs. If Mr. Salmon or Mr. Unfried is terminated by the company without cause (as such term is defined in their respective agreements), the executive is entitled to: (1) a *pro rata* portion of the annual bonus awarded to the executive for the year in which termination occurs, and (2) (A) if terminated prior to January 1, 2015, continuation of base salary for one year after termination, and (B) if terminated on or after January 1, 2015, severance benefits pursuant to the provisions of the Berry Plastics Corporation Severance Pay Plan in effect on the date of termination. If Dr. Rich is terminated by the company without cause, he resigns for good reason or if his employment is terminated by reason of death or disability, in each case (other than death) subject to his execution of a release of claims and compliance with the restrictive covenants set forth in his agreement, he is entitled to (1) cash severance equal to 18 months base salary, payable in monthly installments, (2) a prorated bonus based on actual performance for the year in which termination occurs, and (3) for the severance continuation period, a monthly amount equal to the amount by which the monthly COBRA continuation coverage premium exceeds the active employee monthly premium under the company s group medical plans.

Under the company s form of option award agreements, as described above, unvested options will automatically be forfeited upon a termination without cause (in the case of a termination for cause, vested options are also forfeited). In the case of a termination of employment due to death or disability, an additional 20% of an executive s options will vest. Twenty percent of each executive s option grants becomes vested upon a change in control of us, and 40% becomes vested if such change in control results in the achievement of a targeted internal rate of return. In the case of Dr. Rich, different vesting terms and conditions apply to his unvested stock options in the event his employment is terminated under certain circumstances or there is a change of control of us. Assuming that the employment of each of our named executive officers had been terminated on October 1, 2011, the exercise price of any options held by such executive would have either exceeded or been materially close in value to the options on the date of such executive s termination of employment.

If each of our named executive officers had been terminated without cause on October 1, 2011, Messrs. Kratochvil, Becker, Salmon, Unfried and Dr. Rich would have received cash severance amounts of approximately $1,462,000, $1,316,000, $689,000, $602,000 and $1,823,000, respectively.

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Compensation for Directors

Non-employee directors receive $12,500 per quarter plus $2,000 for each meeting they attend and are reimbursed for out-of-pocket expenses incurred in connection with their duties as directors. For fiscal 2011, we paid non-employee directors fees on a combined basis as shown in the following table.

Name	Fees Earned or Paid	Option Awards	Total
Anthony M. Civale	$ 60,000	$	$ 60,000
Patrick J. Dalton[1]	54,000		54,000
Donald C. Graham	58,000		58,000
Steven C. Graham	52,000		52,000
Joshua J. Harris	56,000		56,000
Robert V. Seminara	66,000		66,000

(1) Mr. Dalton resigned from the Board of Directors effective February 8, 2012.

Equity Compensation Plan Information

The following table provides information as of the end of our 2011 fiscal year regarding shares of common stock of Berry Plastics Group, Inc. that may be issued under our existing equity compensation plan, the 2006 Equity Incentive Plan, which is the only plan under which equity awards have been granted.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities referenced in column (a)) (c)
Equity compensation plans not approved by security holders[1]	883,774[2]	94.37	123,478
Total	883,774	94.37	123,478

(1) Includes the 2006 Equity Incentive Plan, which our Board of Directors adopted in September 2006.

(2) Does not include shares of Berry Plastics Group, Inc. Common Stock already purchased as such shares are already reflected in the company s outstanding shares.

2006 Equity Incentive Plan

In 2006, we adopted the 2006 Equity Incentive Plan. The purpose of the 2006 Equity Incentive Plan is to further our growth and success, to enable our directors, executive officers and employees to acquire shares of our common stock, thereby increasing their personal interest in our growth and success, and to provide a means of rewarding outstanding performance by such persons. Options granted under the 2006 Equity Incentive Plan may not be assigned or transferred, except to us or by will or the laws of descent or distribution. The 2006 Equity Incentive Plan terminates ten years after adoption and no options may be granted under the plan thereafter. The 2006 Equity Incentive Plan allows for the issuance of non-qualified options, options intended to qualify as incentive stock options within the meaning of the Internal Revenue Code, stock appreciation rights and other rights to purchase shares of our common stock.

The employees participating in the 2006 Equity Incentive Plan receive options and stock appreciation rights under the 2006 Equity Incentive Plan pursuant to individual option and stock appreciation rights agreements, the terms and conditions of which (subject to certain exceptions) are substantially identical. Each option agreement provides for the issuance of options to purchase common stock of the company.

At the end of the 2011 fiscal year, there were outstanding options to purchase 880,242 shares of our common stock and stock appreciation rights with respect to 3,532 shares of our common stock.

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PRINCIPAL STOCKHOLDERS

The following table sets forth certain information, as of , regarding the beneficial ownership of the common stock of Berry Plastics Group, Inc. with respect to:

- each person that is a beneficial owner of more than 5% of its outstanding common stock;
- each director and each executive officer named in the Summary Compensation Table; and
- all directors and executive officers as a group.

Upon the completion of this offering, investment funds affiliated with Apollo will own, in the aggregate, approximately % of our common stock, assuming the underwriters do not exercise their option to purchase additional shares of our common stock. As a result, we will qualify as a controlled company within the meaning of the corporate governance rules of the NYSE.

	Upon Completion of the Offering	
Name and Address of Owner[1]	**Number of Shares of Common Stock[1]**	**Percent of Class**
Apollo Funds[2]	5,462,488	%
Graham Berry Holdings, L.P.[3]	500,000	%
James M. Kratochvil[4]	88,649	%
Jonathan Rich[4]	40,000	%
Randall J. Becker[4]	37,304	%
G. Adam Unfried[4]	25,798	%
Thomas E. Salmon[4]	9,943	%
B. Evan Bayh[5][6]	2,000	%
Anthony M. Civale[5][6]	3,531	%
Donald C. Graham[5][7]	2,000	%
Steven C. Graham[5][7]	2,000	%
Joshua J. Harris[5][6]	3,531	%
Robert V. Seminara[5][6]	3,531	%
All directors and executive officers as a group (11 persons)	218,287	%

* Less than 1% of common stock outstanding.

(1) The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person s ownership percentage, but not for purposes of computing any other person s percentage. Under these rules, more than one person may be deemed beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Except as otherwise indicated in these footnotes, each of the beneficial owners has, to our knowledge, sole voting and investment power with respect to the indicated shares of common stock.

(2) The amount reported includes shares held of record by Apollo V Covalence Holdings, L.P. (Covalence V), Apollo Investment Fund V, L.P. (AIF V), Covalence Co-Investment Holdings LLC (Covalence Co-Invest), Apollo Investment Fund VI, L.P. (AIF VI), AP Berry Holdings, L.P. (AP Holdings) and BPC Co-Investment Holdings LLC (BPC Co-Investment LLC, and together with Covalence V, AIF V, Covalence Co-Invest, AIF VI and AP Holdings, the Funds). Apollo V Covalence Holdings, LLC (Covalence LLC) is the general partner of Covalence V, Apollo Advisors V, L.P. (Advisors V) is the general partner of AIF V, AP Berry Holdings, LLC (AP Holdings LLC) is the

general partner of AP Holdings and the fiduciary of Apollo Overseas Partners (Germany) VI, L.P. (Overseas Germany) with respect to Overseas Germany s investment in our common stock. Apollo Advisors VI, L.P. (Advisors VI) is the general partner of AIF VI and the managing general partner of

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Overseas Germany. Apollo Capital Management V, Inc. (ACM V) is the general partner of Advisors V, and Apollo Capital Management VI, LLC (ACM VI) is the general partner of Advisors VI. Apollo Principal Holdings I, L.P. (Principal I) is the sole stockholder of ACM V and the sole member of ACM VI. Apollo Principal Holdings I GP, LLC (Principal I GP) is the general partner of Apollo Principal. Apollo Management V, L.P. (Management V) is the manager of Covalence LLC and Covalence Co-Invest, and the investment manager of AIF V, and as such has voting and investment power over the shares of our common stock held by AIF V, Covalence V and Covalence Co-Invest. Apollo Management VI, L.P. (Management VI) is the manager of AP Holdings LLC, BPC Co-Investment LLC and Overseas Germany, and the investment manager of AIF VI, and as such has voting and investment power over the shares of our common stock held by AP Holdings, BPC Co-Investment LLC and AIF VI. AIF V Management, LLC (AIF V LLC) is the general partner of Management V and AIF VI Management, LLC (AIF VI LLC) is the general partner of Management VI. Apollo Management, L.P. (Apollo Management) is the sole member and manager of AIF V LLC and AIF VI LLC, and Apollo Management GP, LLC (Apollo Management GP) is the general partner of Apollo Management. Apollo Management Holdings, L.P. (Management Holdings) is the sole member and manager of Apollo Management GP, and Apollo Management Holdings GP, LLC (Management Holdings GP) is the general partner of Management Holdings. Leon Black, Joshua Harris and Marc Rowan are the managers of Principal I GP, and the managers, as well as executive officers, of Management Holdings GP.

Covalence V, AIF V, Covalence Co-Invest, AIF VI, AP Holdings and BPC Co-Investment LLC each disclaims beneficial ownership of all of the shares of our common stock held by any of the other Funds. Each of Covalence LLC, AP Holdings, LLC, Overseas Germany, Advisors V, Advisors VI, ACM V, ACM VI, Principal I, Principal I GP, Management V, Management VI, AIF V LLC, AIF VI LLC, Apollo Management, Apollo Management GP, Management Holdings and Management Holdings GP, and Messrs. Black, Harris and Rowan, disclaims beneficial ownership of all shares of our common stock held or beneficially owned by any of the Funds, except to the extent of any pecuniary interest therein. The address of Covalence V, AP Holdings, AIF V, AIF VI, Covalence LLC, AP Holdings LLC, Advisors V, Advisors VI, ACM V, ACM VI, Principal I and Principal I GP is One Manhattanville Road, Suite 201, Purchase, New York 10577. The address of Overseas Germany is c/o Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands. The address of each of Covalence Co-Invest and BPC Co-Investment LLC is c/o Apollo Management VI, L.P., 9 West 57th Street, New York, New York 10019. The address of Management V, Management VI, AIF V LLC, AIF VI LLC, Apollo Management, Apollo Management GP, Management Holdings and Management Holdings GP, and Messrs. Black, Harris and Rowan, is 9 West 57th Street, 43rd Floor, New York, New York 10019.

(3) Graham Partners II, L.P., as the sole member of the general partner of Graham Berry Holdings, L.P., has the voting and investment power over the shares held by Graham Berry Holdings, L.P. Each of Messrs. Steven Graham and Donald Graham, who have relationships with Graham Partners II, L.P. and/or Graham Berry Holdings, L.P., disclaim beneficial ownership of any shares of Berry Plastics Group, Inc. that may be deemed beneficially owned by Graham Partners II, L.P. or Graham Berry Holdings, L.P. except to the extent of any pecuniary interest therein. Each of Graham Partners II, L.P. and its affiliates disclaims beneficial ownership of any such shares in which it does not have a pecuniary interest. The address of Graham Partners II, L.P. and Graham Berry Holdings, L.P. is 3811 West Chester Pike, Building 2, Suite 200, Newtown Square, Pennsylvania 19073.

(4) The address of Messrs. Kratochvil, Becker, Unfried, Salmon and Dr. Rich is c/o Berry, 101 Oakley Street, Evansville, Indiana 47710. Total includes underlying options that are vested or scheduled to vest within 60 days of .

(5) Total represents underlying options that are vested or scheduled to vest within 60 days of for each of Messrs. Bayh, Civale, Donald Graham, Steven Graham, Harris and Seminara. Options for 2,000 shares beneficially owned by Steven Graham are held of record by Graham Partners Inc.

(6) The address of Messrs. Bayh, Civale, Harris and Seminara is c/o Apollo Management, L.P., 9 West 57th Street, New York, New York 10019.

(7) The address of Messrs. Steven Graham and Donald Graham is c/o Graham Partners, Inc. is 3811 West Chester Pike, Building 2, Suite 200, Newtown Square, Pennsylvania 19073.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Stockholders Agreement with Management

Apollo, Graham and certain of our employees who invested in Berry Plastics Group, Inc. entered into a stockholders agreement in 2007. Under the stockholders agreement, following this offering, among other things, the company will have the right to repurchase shares of its common stock held by certain employees if their employment is terminated, stockholders who are parties to the agreement will have piggyback and other registration rights with respect to stock held by them at the company s expense, the company will be obligated to take such actions as are necessary to allow stockholders who are parties to the agreement to sell common stock of the company under the exemption to registration provided by Rule 144 under the Securities Act, and the company will be required to indemnify certain stockholders who are parties to the agreement in connection with violations of the securities or other applicable laws, and vice versa. The stockholders agreement terminates as to each stockholder that is a party thereto upon the sale by such stockholder of all shares of our common stock held by such stockholder or upon a merger or sale of all or substantially all of the assets of the company, with certain exceptions.

Management and Transaction Fees

Prior to this offering, the company has been charged a management fee by Apollo Management VI, L.P., an affiliate of its principal stockholder and Graham, for the provision of management consulting and advisory services provided each year. The management fee is the greater of $3 million or 1.25% of Adjusted EBITDA per year. The company paid $9 million of total management fees to Apollo and Graham in fiscal 2011.

In connection with this offering, the management services agreement with Apollo and Graham will be terminated.

In connection with the Rexam SBC acquisition, our management and the sponsors received a transaction fee of $5 million, including $3.5 million paid to Apollo and $329,000 paid to Graham.

In connection with the reorganization of Pliant, our management and the sponsors received a structuring fee of $7 million, including $5.0 million paid to Apollo, $475,000 paid to Graham and $148,000 paid to Ira Boots. Our sponsors also received approximately 17.5 cents per dollar of principal amount with respect to the interests they held in Pliant s existing second lien notes, or approximately $20.3 million in cash in the aggregate for Apollo and $1.7 million in cash in the aggregate for Graham, such 17.5 cents upon Pliant s exit from bankruptcy being equal to the amount received by all other holders of Pliant s existing second lien notes upon Pliant s exit from bankruptcy.

Income Tax Receivable Agreement

Following our initial public offering, we expect to be able to utilize net operating losses that arose prior to the initial public offering and are therefore attributable to our existing stockholders and option holders (*i.e.*, Apollo, management and other investors). These net operating loss carryforwards will reduce the amount of tax that we would otherwise be required to pay in the future.

We will enter into an income tax receivable agreement with our existing stockholders 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, 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 discussed below) 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.

For purposes of the income tax receivable agreement, cash savings in income tax will be computed by comparing our actual income tax liability to the amount of such taxes that we would have been required to pay had we not been able to utilize the tax benefits subject to the income tax receivable agreement. The term of the income tax receivable agreement will commence upon consummation of this offering and will continue until all relevant tax benefits have been utilized or have expired.

Our counterparties under the income tax receivable agreement will not reimburse us for any payments previously made if such tax 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 such circumstances we could make payments under the income tax receivable agreement that are greater than our actual cash tax savings.

While the actual amount and timing of any payments under the income tax receivable agreement will vary depending upon a number of factors, including the amount and timing of the taxable income we generate in the future, and our use of net operating loss carryforwards, we expect that during the term of the income tax receivable agreement, the payments that we may make could be material. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize the full tax benefits subject to the income tax receivable agreement, we would expect that future payments under the income tax receivable agreement will aggregate to approximately $ to $ 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. We expect to pay between $ million and $ million in cash related to this agreement over the next five fiscal years, based on our current taxable income estimates. We plan to use cash flow from operations and availability under our line of credit to fund this obligation.

If we undergo a change 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.

The income tax receivable agreement provides that in the event that we breach any of our material obligations under it, whether as a result of our failure to make any payment when due (subject to a specified cure period), failure to honor any other material obligation under it or by operation of law as a result of the rejection of it in a case commenced under the United States Bankruptcy Code or otherwise, then all our payment and other obligations under the income tax receivable agreement will be accelerated and will become due and payable applying the same assumptions described above. Such payments could be substantial and could exceed our actual cash tax savings under the income tax receivable agreement. Additionally, we generally have the right to terminate the income tax receivable agreement. If we terminate the income tax receivable agreement, our payment and other obligations under the income tax receivable agreement will be accelerated and will become due and payable, also applying the assumptions described above. Such payments could be substantial and could exceed our actual cash tax savings under the income tax receivable agreement.

Because we are a holding company with no operations of our own, our ability to make payments under the income tax receivable agreement is dependent on the ability of our subsidiaries to make distributions to us. Our credit agreement and Berry Plastics Corporation s outstanding notes restrict the ability of our subsidiaries to make distributions to us, which could affect our ability to make payments under the income tax receivable agreement. To the extent that we are unable to make payments under the income tax receivable agreement for any reason, such payments will be deferred and will accrue interest at a rate of % per annum until paid.

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Other Related Party Transactions

Certain of our management, stockholders and related parties and their affiliates have independently acquired and held financial debt instruments of the company as of March 31, 2012. During fiscal 2011, interest expense included $1.3 million related to this debt.

Review and Approval of Related Party Transactions

Upon completion of this offering, we intend to adopt a formal written policy for the review, approval or ratification of transactions with related persons.

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DESCRIPTION OF CERTAIN INDEBTEDNESS

Senior Secured Credit Facilities

Berry Plastics Corporation is a party to senior secured credit facilities that include a term loan in the principal amount of $1,200 million and a revolving credit facility which provides borrowing availability equal to the lesser of (a) $650 million or (b) the borrowing base, which is a function, among other things, of Berry Plastics Corporation s and certain of its subsidiaries accounts receivable and inventory. The term loan matures on April 3, 2015 and the revolving credit facility matures on the earlier of June 28, 2016 and the date that is 45 days prior to the earliest scheduled maturity of Berry Plastics Corporation s first lien notes, second lien notes (other than the second priority floating rate notes in certain circumstances) or term loan, except to the extent such debt is refinanced according to certain requirements.

The borrowing base is, at any time of determination, an amount (net of reserves) equal to the sum of:

- 85% of the net amount of eligible accounts receivable; and
- 85% of the net orderly liquidation value of eligible inventory.

The revolving credit facility includes borrowing capacity available for letters of credit and for borrowings on same-day notice, referred to as swingline loans.

At March 31, 2012, we had unused borrowing capacity of $417 million under the revolving credit facility after giving effect to outstanding letters of credit.

The borrowings under the senior secured credit facilities bear interest at a rate equal to an applicable margin plus, as determined at our option, either (a) a base rate (Base Rate) determined by reference to the higher of (1) the prime rate of Credit Suisse, Cayman Islands Branch, as administrative agent, in the case of the term loan facility or Bank of America, N.A., as administrative agent, in the case of the revolving credit facility and (2) the U.S. federal funds rate plus $^{1}/2$ of 1% or (b) a eurodollar rate (LIBOR) determined by reference to the costs of funds for eurodollar deposits in dollars in the London interbank market for the interest period relevant to such borrowing adjusted for certain additional costs. The initial applicable margin for LIBOR rate borrowings under the revolving credit facility as amended on June 28, 2011 was 1.75% to 2.25% and under the term loan is 2.00%. The initial applicable margin for base rate borrowings under the revolving credit facility as amended was 0.00% and under the term loan was 1.00%. The applicable margin for such borrowings under the revolving credit facility is adjusted depending on quarterly average daily unused borrowing capacity under the revolving credit facility.

The term loan facility requires minimum quarterly principal payments of $3 million for the first eight years, commencing in June 2007, with the remaining amount payable on April 3, 2015. In addition, Berry Plastics Corporation must prepay the outstanding term loan, subject to certain exceptions, with:

- 50% (which percentage is subject to a minimum of 0% upon the achievement of certain leverage ratios) of excess cash flow (as defined in the term loan credit agreement); and
- 100% of the net cash proceeds of all non-ordinary course asset sales and casualty and condemnation events, if Berry Plastics Corporation does not reinvest or commit to reinvest those proceeds in assets to be used in its business or to make certain other permitted investments within 15 months, subject to certain limitations.

In addition to paying interest on outstanding principal under the senior secured credit facilities, Berry Plastics Corporation is required to pay a commitment fee to the lenders under the revolving credit facilities in respect of the unutilized commitments thereunder at a rate equal to 0.375% to 0.50% per annum depending on the average daily available unused borrowing capacity. Berry Plastics Corporation also pays a customary letter of credit fee, including a fronting fee of 0.125% per annum of the stated amount of each outstanding letter of credit, and customary agency fees.

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Berry Plastics Corporation may voluntarily repay outstanding loans under the senior secured credit facilities at any time without premium or penalty, other than customary breakage costs with respect to eurodollar loans.

The senior secured credit facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, Berry Plastics Corporation s ability and the ability of its subsidiaries to:

- sell assets;
- incur additional indebtedness;
- repay other indebtedness;
- pay dividends and distributions or repurchase our capital stock;
- create liens on assets;
- make investments, loans, guarantees or advances;
- make certain acquisitions;
- engage in mergers or consolidations;
- enter into sale leaseback transactions;
- engage in certain transactions with affiliates;
- amend certain material agreements governing our indebtedness;
- amend organizational documents;
- change the business conducted by Berry Plastics Corporation and its subsidiaries;
- change Berry Plastics Corporation s fiscal year end; and
- enter into agreements that restrict dividends from subsidiaries.

In addition, the revolving credit facility requires Berry Plastics Corporation to maintain a minimum fixed charge coverage ratio at any time when the aggregate unused revolver capacity falls below either 10% of the lesser of the revolving credit facility commitments and the borrowing base (and for ten consecutive days following the date upon which availability exceeds such threshold) or during the continuation of an event of default. In that event, Berry Plastics Corporation must satisfy a minimum fixed charge coverage ratio requirement of 1.0:1.0. The term loan facility also requires Berry Plastics Corporation to use commercially reasonable efforts to maintain corporate ratings from each of Moody s and S&P for the term loan facility. The senior secured credit facilities also contain certain other customary affirmative covenants and events of default.

All obligations under the senior secured credit facilities are unconditionally guaranteed by Berry Plastics Group, Inc. and, subject to certain exceptions, each of Berry Plastics Corporation s existing and future direct and indirect domestic subsidiaries. The guarantees of those obligations are secured by substantially all of Berry Plastics Corporation s assets and those of each domestic subsidiary guarantor as well as the equity interests in Berry Plastics Corporation held by Berry Plastics Group, Inc.

First Priority Senior Secured Notes

In April 2008, Berry Plastics Corporation issued $681 million in aggregate principal amount of first priority floating rate senior secured notes due 2015 (the existing first priority floating rate notes). In November 2009, certain subsidiaries of Berry Plastics Corporation issued $370 million in aggregate principal amount of 8 1/4% first priority senior secured notes due 2015 (the existing first priority fixed rate notes, and together with the existing first priority floating rate notes, the existing first priority senior secured notes), and in December 2009, Berry Plastics Corporation assumed the obligations in respect of the existing first priority fixed rate notes.

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The existing first priority senior secured notes are secured senior obligations of Berry Plastics Corporation and are guaranteed on a first priority senior secured basis by each of Berry Plastics Corporation s subsidiaries that guarantees our senior secured credit facilities. The existing first priority floating rate notes mature on February 15, 2015. Interest on the existing first priority floating rate notes accrues at a rate per annum, reset quarterly, equal to LIBOR plus 4.75%. The existing first priority fixed rate notes mature on November 15, 2015. Interest on the existing first priority fixed rate notes accrues at 8 $^{1}/4$% per annum.

On or after April 15, 2010, Berry Plastics Corporation may redeem some or all of the existing first priority floating rate notes at the redemption prices set forth in the indenture relating to the existing first priority floating rate notes.

Berry Plastics Corporation s existing first priority fixed rate notes may be redeemed, at its option, prior to November 15, 2012, at a price equal to 100% of the principal amount of the existing first priority fixed rate notes redeemed plus an applicable premium as of, and accrued and unpaid interest and additional interest, if any, to the applicable redemption date. On or after November 15, 2012, Berry Plastics Corporation may redeem some or all of the existing first priority fixed rate notes at the redemption prices set forth in the indenture relating to the existing first priority fixed rate notes. In addition, on or prior to November 15, 2012, Berry Plastics Corporation may redeem in the aggregate up to 35% of the original aggregate principal amount of the existing first priority senior secured notes issued as of the time of such redemptions, with the net cash proceeds of one or more equity offerings at specified redemption prices.

Upon the occurrence of a change of control, Berry Plastics Corporation is required to offer to repurchase all of the existing first priority senior secured notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase.

The indentures relating to the existing first priority senior secured notes contain a number of covenants that, among other things and subject to certain exceptions, restrict the ability of Berry Plastics Corporation and its restricted subsidiaries to incur indebtedness or issue disqualified stock or preferred stock, pay dividends or redeem or repurchase stock, make certain types of investments, sell assets, incur certain liens, enter into agreements restricting dividends or other payments from subsidiaries and enter into certain transactions with affiliates.

The indentures relating to the existing first priority senior secured notes provide that Berry Plastics Corporation may not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not Berry Plastics Corporation is the surviving person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any person unless certain requirements in the applicable Indenture are met.

Each indenture relating to the existing first priority senior secured notes also provides for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding existing first priority senior secured notes outstanding under such indenture to be due and payable immediately.

Second Priority Senior Secured Notes

In September 2006, Berry Plastics Corporation issued $225 million in aggregate principal amount of floating rate notes (the second priority floating rate notes) and $525 million in fixed rate notes (the 2006 second priority fixed rate notes). In November 2009, certain subsidiaries of Berry Plastics Corporation issued $250 million in aggregate principal amount of 8 $^{7}/8$% second priority senior secured notes due 2014 (the 2009 second priority fixed rate notes), and in December 2009, Berry Plastics Corporation assumed the obligations in respect of such notes. In connection with the issuance of $800 million of second priority notes (the November 2010 second priority notes) in November 2010, Berry Plastics Corporation conducted tender offers to purchase for cash any and all of the outstanding 2006 second priority fixed rate notes and 2009 second priority fixed rate notes. Berry Plastics Corporation also redeemed all such notes not validly tendered in the tender offers, and satisfied and discharged the indenture relating to the 2009 second priority fixed rate notes. Berry Plastics Corporation used the proceeds from the issuance of the November 2010 second priority notes along with cash on hand to fund the repurchase of the 2006 second priority fixed rate notes and the 2009 second priority fixed rate notes pursuant to the tender offers and subsequent redemption of such notes.

In April 2010, Berry Plastics Corporation issued $500 million in aggregate principal amount of 9 1/2% second priority senior secured notes due 2018 (the April 2010 second priority fixed rate notes, and together with the November 2010 second priority notes and the second priority floating rate notes, the existing second priority senior secured notes). The second priority floating rate notes will mature on September 15, 2014; the April 2010 second priority fixed rate notes will mature on May 15, 2018; and the November 2010 second priority notes will mature on January 15, 2021. All of Berry Plastics Corporation s existing second priority senior secured notes are secured, senior obligations and are guaranteed on a second priority secured, senior basis by each of Berry Plastics Corporation s subsidiaries that guarantees its senior secured credit facilities. No principal payments are required with respect to the existing second priority senior secured notes prior to maturity.

The April 2010 second priority fixed rate notes may be redeemed, at Berry Plastics Corporation s option, prior to May 15, 2014, at a price equal to 100% of the principal amount of the April 2010 second priority fixed rate notes redeemed, plus accrued and unpaid interest and additional interest, if any, to the redemption date, plus an applicable premium. On or after May 15, 2014, Berry Plastics Corporation may redeem some or all of the April 2010 second priority fixed rate notes at redemption prices set forth in the indenture relating to the April 2010 second priority fixed rate notes. The November 2010 second priority notes may be redeemed, at Berry Plastics Corporation s option, prior to January 15, 2016, at a price equal to 100% of the principal amount of the 2010 second priority fixed rate notes redeemed, plus accrued and unpaid interest and additional interest, if any, to the redemption date, plus an applicable premium. On or after January 15, 2016, Berry Plastics Corporation may redeem some or all of the November 2010 second priority notes at redemption prices set forth in the indenture relating to the November 2010 second priority notes. The second priority floating rate notes may be redeemed, at Berry Plastics Corporation s option, at redemption prices set forth in the indenture relating to such notes. If a change of control occurs, Berry Plastics Corporation must give holders of the existing second priority senior secured notes an opportunity to sell their notes at a purchase price of 101% of the principal amount plus accrued and unpaid interest.

The indentures relating to the existing second priority senior secured notes contain a number of covenants that, among other things and subject to certain exceptions, restrict the ability of Berry Plastics Corporation and its restricted subsidiaries to incur indebtedness or issue disqualified stock or preferred stock, pay dividends or redeem or repurchase stock, make certain types of investments, sell assets, incur certain liens, enter into agreements restricting dividends or other payments from subsidiaries, enter into certain transactions with affiliates and consolidate, merge or sell all or substantially all of its assets.

The indentures relating to the existing second priority senior secured notes provide that Berry Plastics Corporation may not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not Berry Plastics Corporation is the surviving person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any person unless certain requirements in the applicable indenture are met.

Each indenture relating to the existing second priority senior secured notes also provides for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then-outstanding existing second priority senior secured notes under such indenture to be due and payable immediately.

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Senior Subordinated Notes

Berry Plastics Corporation issued, in a private placement exempt from the Securities Act, $425 million of 11% Senior Subordinated Notes due September 15, 2016 (the 11% senior subordinated notes). The 11% senior subordinated notes are senior subordinated obligations of Berry Plastics Corporation and rank junior to all other senior indebtedness of Berry Plastics Corporation that does not contain similar subordination provisions. No principal payments are required with respect to the 11% senior subordinated notes prior to maturity.

Berry Plastics Corporation also issued $265 million of 10 1/4% Senior Subordinated Notes due March 1, 2016 (the 10 1/4% senior subordinated notes, and together with the 11% senior subordinated notes, the senior subordinated notes). The currently outstanding 10 1/4% senior subordinated notes are senior subordinated obligations of Berry Plastics Corporation and rank junior to all other senior indebtedness of Berry Plastics Corporation that does not contain similar subordination provisions. No principal payments are required with respect to the 10 1/4% senior subordinated notes prior to maturity.

The senior subordinated notes may be redeemed at Berry Plastics Corporation s option under circumstances and at redemption prices set forth in the applicable indenture. Upon the occurrence of a change of control, Berry Plastics Corporation is required to offer to repurchase all of the senior subordinated notes at a purchase price of 101% of the principal amount plus accrued and unpaid interest.

The indentures relating to the senior subordinated notes each contain a number of covenants that, among other things and subject to certain exceptions, restrict the ability of Berry Plastics Corporation and its restricted subsidiaries to incur indebtedness or issue disqualified stock or preferred stock, pay dividends or redeem or repurchase stock, make certain types of investments, sell assets, incur certain liens, enter into agreements restricting dividends or other payments from subsidiaries, enter into certain transactions with affiliates and consolidate, merge or sell all or substantially all of its assets.

The indentures relating to the senior subordinated notes provide that Berry Plastics Corporation may not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not Berry Plastics Corporation is the surviving person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any person unless certain requirements in the Indenture are met.

Each indenture relating to the senior subordinated notes also provides for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the senior subordinated notes then outstanding under such indenture to be due and payable immediately, subject to certain exceptions and qualifications.

Covenant Compliance

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 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 s fixed charge coverage ratio, as defined in the indentures relating to the existing first priority senior secured notes, existing second priority senior secured notes and senior subordinated notes, is calculated based on a numerator consisting of Adjusted EBITDA, and a denominator consisting of interest expense and certain distributions. Berry Plastics Corporation is required, under its debt incurrence covenant, to use a rolling four quarter Adjusted EBITDA in its calculations.

Berry Plastics Corporation is required to maintain a minimum fixed charge coverage ratio of 1.0:1.0 under the revolving credit facility at any time when the aggregate unused capacity under the revolving credit facility is less than either 10% of the lesser of the revolving credit facility commitments and the borrowing base (and for

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10 consecutive days following the date upon which availability exceeds such threshold) or during the continuation of an event of default. At March 31, 2012, Berry Plastics Corporation had unused borrowing capacity of $417 million under the revolving credit facility subject to a borrowing base.

Failure to maintain a first lien secured indebtedness ratio of 4.0 to 1.0 under the term loan facility, a fixed charge coverage ratio of 2.0:1.0 under the indentures relating to the senior subordinated notes, the existing first priority senior secured notes and the existing second priority senior secured notes, and unused borrowing capacity under the revolving credit facility of at least 15% of the lesser of the borrowing base and the aggregate revolving commitments (the minimum amount), or, if between $45 million and such minimum amount, a fixed charge coverage ratio of 1.0:1.0 under the revolving credit facility, can result in limiting our long-term growth prospects by hindering Berry Plastics Corporation s ability to incur additional indebtedness, effect acquisitions, enter into certain significant business combinations, make distributions or redeem indebtedness.

Berry Plastics Group, Inc. Term Loan Credit Agreement

Berry Plastics Group, Inc. entered into a term loan credit facility on June 5, 2007, providing for term loans of $500 million in original principal amount. The term loans mature on June 5, 2014, are unsecured senior obligations of Berry Plastics Group, Inc. and are not guaranteed by any of its subsidiaries.

The borrowings under the Berry Plastics Group, Inc. term loan facility bear interest at a rate equal to an applicable margin plus, as determined at Berry Plastics Group, Inc. s option, either (a) a base rate (Base Rate) determined by reference to the higher of (1) the prime rate of Credit Suisse, Cayman Islands Branch, as administrative agent, and (2) the U.S. federal funds rate plus 1/2 of 1% or (b) a eurodollar rate (LIBOR) determined by reference to the costs of funds for eurodollar deposits in dollars in the London interbank market for a three-month interest period, adjusted for certain additional costs. The initial applicable margin for LIBOR borrowings under the Berry Plastics Group, Inc. term loan facility was 6.25% per annum, and the initial applicable margin for base rate borrowings was 5.25% per annum.

For any interest period ending on or prior to June 5, 2012, Berry Plastics Group, Inc. may, at its option, elect to pay interest on the term loans (a) in cash, (b) by increasing the outstanding principal amount of the term loans by the amount of interest accrued during such interest period (a PIK Election) or (c) by paying 50% of the interest accrued during such period in cash and 50% by PIK Election. Any portion of interest subject to a PIK Election shall be payable at LIBOR plus the applicable margin plus an additional 0.75% per annum. With respect to any interest period ending after June 5, 2012, interest will be payable in cash.

If the term loans would otherwise constitute applicable high yield discount obligations within the meaning of Section 163(i)(1) of the Internal Revenue Code of 1986, as amended (the Code) from time to time and the regulations promulgated and the rulings issued thereunder, then at the end of each interest period ending after June 5, 2012, Berry Plastics Group, Inc. must repay in cash a portion of each term loan then outstanding equal to the portion of a term loan required to be repaid to prevent such term loan from being treated as an applicable high yield discount obligation. In other words, Berry Plastics Group, Inc. expects that it will have to repay in cash $12 million, which is recorded in current portion of long-term debt on the Consolidated Balance Sheet at the end of the first interest period ending after June 5, 2012 (and at the end of each subsequent interest period) a principal amount of Berry Plastics Group, Inc. term loans sufficient to cause the accrued and unpaid interest (including interest paid by PIK election) not to exceed the amount of interest that accrued on the term loans during the one-year period beginning on June 5, 2007.

Berry Plastics Group, Inc. may repay some or all of the term loans, at its option, at 100% of the principal amount of the term loans repaid, plus accrued and unpaid interest.

Upon the occurrence of a change of control of Berry Plastics Group, Inc., lenders of Berry Plastics Group, Inc. term loans have the right to have their loans repaid at 101% of the principal amount thereof plus accrued and unpaid interest.

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The credit agreement relating to the Berry Plastics Group, Inc. term loans contains a number of covenants that, among other things and subject to certain exceptions, restrict the ability of Berry Plastics Group, Inc. and its restricted subsidiaries to incur indebtedness or issue disqualified stock or preferred stock, pay dividends or redeem or repurchase stock, make certain types of investments, sell assets, incur certain liens, enter into agreements restricting dividends or other payments from subsidiaries, enter into certain transactions with affiliates and consolidate, merge or sell all or substantially all of their assets. The outstanding balance of the Senior Unsecured Term Loan was $53 million as of March 31, 2012.

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DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms of our amended and restated certificate of incorporation and amended and restated bylaws as each will be in effect as of the consummation of this offering, except as otherwise indicated by reference to our current certificate of incorporation and current bylaws, and of specific provisions of Delaware law.

General

Pursuant to our current certificate of incorporation, our capital stock consists of 15 million authorized shares, of which all 15 million shares, par value $0.01 per share, are designated as common stock. We will amend and restate our certificate of incorporation, to be effective upon consummation of the offering, at which time we will change the number of authorized shares and designate preferred stock in addition to common stock. Immediately following the completion of this offering, we will have shares of common stock outstanding. There will be no shares of preferred stock outstanding immediately following this offering.

Common Stock

Voting Rights. Holders of common stock will be entitled to one vote per share on all matters to be voted upon by the stockholders. The holders of common stock will not have cumulative voting rights in the election of directors.

Dividend Rights. Holders of common stock will be entitled to receive ratably dividends if, as and when dividends are declared from time to time by our Board of Directors out of funds legally available for that purpose, after payment of dividends required to be paid on outstanding preferred stock, as described below, if any. Under Delaware law, we can only pay dividends either out of surplus or out of the current or the immediately preceding year s net profits. Surplus is defined as the excess, if any, at any given time, of the total assets of a corporation over its total liabilities and statutory capital. The value of a corporation s assets can be measured in a number of ways and may not necessarily equal their book value.

Liquidation Rights. Upon liquidation, dissolution or winding up, the holders of common stock will be entitled to receive ratably the assets available for distribution to the stockholders after payment of liabilities and accrued but unpaid dividends and liquidation preferences on any outstanding preferred stock.

Other Matters. The common stock will have no preemptive or conversion rights. There will be no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of our common stock will be fully paid and non-assessable, and the shares of our common stock offered in this offering, upon payment and delivery in accordance with the underwriting agreement, will be fully paid and non-assessable.

Preferred Stock

Pursuant to our amended and restated certificate of incorporation, shares of preferred stock will be issuable from time to time, in one or more series, with the designations of the series, the voting rights of the shares of the series (if any), the powers, preferences and relative, participation, optional or other special rights (if any), and any qualifications, limitations or restrictions thereof as our Board of Directors from time to time may adopt by resolution (and without further stockholder approval), subject to certain limitations. Each series will consist of that number of shares as will be stated and expressed in the certificate of designations providing for the issuance of the stock of the series. All shares of any one series of preferred stock will be identical.

Composition of Board of Directors; Election and Removal of Directors

In accordance with our amended and restated certificate of incorporation and our amended and restated bylaws, the number of directors comprising our Board of Directors will be determined from time to time by our Board of Directors, and only a majority of the Board of Directors may fix the number of directors. We intend to avail ourselves of the controlled company exception under applicable national securities exchange corporate governance rules, which exempts us from certain requirements, including the requirements that we have a majority of independent directors on our Board of Directors and that we have compensation and nominating and corporate governance committees composed entirely of independent directors. We will, however, remain subject to the requirement that we have an audit committee composed entirely of independent members.

We currently have seven directors and anticipate that we may increase the number of directors upon the closing of this offering. Our amended and restated bylaws will provide that our Board of Directors is divided into three classes of directors, with the classes to be as nearly equal in number as possible. As a result, approximately one-third of our Board of Directors will be elected at the annual meeting of stockholders, with such elections decided by plurality vote, each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our Board. Each director will hold office until his successor is duly elected and qualified or until his earlier death, resignation or removal. Any vacancies on our Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors, although less than a quorum. Our amended and restated certificate of incorporation will provide that stockholders do not have the right to cumulative votes in the election of directors. At any meeting of our Board of Directors, except as otherwise required by law, a majority of the total number of directors then in office will constitute a quorum for all purposes.

Special Meetings of Stockholders

Our amended and restated bylaws will provide that special meetings of the stockholders may be called only by the Board of Directors, chairman, president or secretary, and only proposals included in the company s notice may be considered at such special meetings.

Certain Corporate Anti-Takeover Provisions

Certain provisions in our amended and restated certificate of incorporation and amended and restated bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders.

Preferred Stock

Our amended and restated certificate of incorporation will contain provisions that permit our Board of Directors to issue, without any further vote or action by the stockholders, shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting rights (if any) of the shares of the series, and the powers, preferences and relative, participation, optional and other special rights, if any, and any qualifications, limitations or restrictions, of the shares of such series. See Preferred Stock.

Classified Board; Number of Directors

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that our Board of Directors is divided into three classes of directors, with the classes to be as nearly equal in number as possible, and the number of directors on our Board of Directors may be fixed only by the majority of our Board of Directors, as described above in Composition of Board of Directors; Election and Removal of Directors.

Removal of Directors, Vacancies

Our amended and restated bylaws will provide that stockholders will be able to remove directors only by the affirmative vote of the holders of a majority of the voting power entitled to vote for the election of directors and only for cause. Vacancies on our Board of Directors may be filled only by a majority of our Board of Directors, although less than a quorum.

No Cumulative Voting

Our amended and restated certificate of incorporation will provide that stockholders do not have the right to cumulative votes in the election of directors. Cumulative voting rights would be available to the holders of our common stock if our amended and restated articles of incorporation did not negate cumulative voting.

No Stockholder Action by Written Consent; Calling of Special Meetings of Stockholders

Our amended and restated bylaws will not permit stockholder action without a meeting by consent if less than 50.1% of our outstanding common stock is owned by affiliates of Apollo. Our amended and restated bylaws also will provide that special meetings of the stockholders may be called only by the Board of Directors, chairman, president or secretary, and only proposals included in the company s notice may be considered at such special meetings.

Advance Notice Requirements for Stockholders Proposals and Director Nominations

Our amended and restated bylaws will provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder s notice generally will have to be delivered to and received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year s annual meeting; provided, that in the event that the date of such meeting is advanced more than 30 days prior to, or delayed by more than 30 days after, the anniversary of the preceding year s annual meeting of our stockholders, a stockholder s notice to be timely will have to be so delivered not earlier than the close of business on the 120th day prior to such meeting and not later than the close of business on the later of the 90th day prior to such meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Our amended and restated bylaws will also specify certain requirements as to the form and content of a stockholder s notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

All the foregoing proposed provisions of our amended and restated certificate of incorporation and amended and restated bylaws could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the Board of Directors and in the policies formulated by the Board of Directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These same provisions may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interest. In addition, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

Corporate Opportunity

Our amended and restated certificate of incorporation will provide that no officer or director of us who is also an officer, director, employee, managing director or other affiliate of Apollo will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to Apollo instead of us, or does not communicate information regarding a corporate opportunity to us that the officer, director, employee, managing director or other affiliate has directed to Apollo.

Amendment of Our Certificate of Incorporation

Under Delaware law, our amended and restated certificate of incorporation will provide that it may be amended only with the affirmative vote of a majority of the outstanding stock entitled to vote thereon; provided that Apollo s prior written consent is required for any amendment, modification or repeal of the provisions discussed above regarding the ability of Apollo-related directors to direct or communicate corporate opportunities to Apollo.

Amendment of Our Bylaws

Our amended and restated bylaws will provide that they can be amended by the vote of the holders of shares constituting a majority of the voting power or by the vote of a majority of the Board of Directors.

Limitation of Liability and Indemnification

Our amended and restated certificate of incorporation will limit the liability of our directors to the maximum extent permitted by Delaware law. Delaware law provides that directors will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except with respect to liability:

- for any breach of the director s duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under Section 174 of the DGCL (governing distributions to stockholders); or
- for any transaction from which the director derived any improper personal benefit.

However, if the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. The modification or repeal of this provision of our amended and restated certificate of incorporation will not adversely affect any right or protection of a director existing at the time of such modification or repeal.

Our amended and restated certificate of incorporation will provide that we will, to the fullest extent from time to time permitted by law, indemnify our directors and officers against all liabilities and expenses in any suit or proceeding, arising out of their status as an officer or director or their activities in these capacities. We will also indemnify any person who, at our request, is or was serving as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise. We may, by action of our Board of Directors, provide indemnification to our employees and agents within the same scope and effect as the foregoing indemnification of directors and officers.

The right to be indemnified will include the right of an officer or a director to be paid expenses in advance of the final disposition of any proceeding, provided that, if required by law, we receive an undertaking to repay such amount if it will be determined that he or she is not entitled to be indemnified.

Our Board of Directors may take such action as it deems necessary to carry out these indemnification provisions, including adopting procedures for determining and enforcing indemnification rights and purchasing insurance policies. Our Board of Directors may also adopt bylaws, resolutions or contracts implementing indemnification arrangements as may be permitted by law. Neither the amendment nor the repeal of these indemnification provisions, nor the adoption of any provision of our amended and restated certificate of incorporation inconsistent with these indemnification provisions, will eliminate or reduce any rights to indemnification relating to their status or any activities prior to such amendment, repeal or adoption.

We believe these provisions will assist in attracting and retaining qualified individuals to serve as directors.

Listing

We intend to apply to list our shares of common stock on the NYSE under the symbol BERY.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is .

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SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and no predictions can be made about the effect, if any, that market sales of shares of our common stock or the availability of such shares for sale will have on the market price prevailing from time to time. Nevertheless, the actual sale of, or the perceived potential for the sale of, our common stock in the public market may have an adverse effect on the market price for the common stock and could impair our ability to raise capital through future sales of our securities. See Risk Factors Risks Related to an Investment in our Common Stock and this Offering 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.

Sale of Restricted Shares

Upon completion of this offering, we will have an aggregate of shares of our common stock outstanding. Of these shares, the shares of our common stock to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares which may be acquired by any of our affiliates as that term is defined in Rule 144 under the Securities Act, which will be subject to the resale limitations of Rule 144. The remaining shares of our common stock outstanding will be restricted securities, as that term is defined in Rule 144, and may in the future be sold without restriction under the Securities Act to the extent permitted by Rule 144 or any applicable exemption under the Securities Act.

Equity Incentive Plan

After the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering shares of our common stock reserved for issuance under our 2006 Equity Incentive Plan. As of the date of this prospectus, we have granted options to purchase shares of our common stock, of which shares are vested and exercisable. Accordingly, shares of our common stock registered under such registration statement will be available for sale in the open market upon exercise by the holders, subject to vesting restrictions, Rule 144 limitations applicable to our affiliates and the contractual lock-provisions described below.

Lock-up Agreements

The company and its executive officers, directors and significant stockholders, including Apollo, have agreed not to directly or indirectly, sell or dispose of any shares of our common stock for a period of days from the date of this prospectus, subject to certain exceptions, without the prior written consent of . See Underwriting for a description of these lock-up provisions.

Rule 144

In general, under Rule 144 under the Securities Act, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders), will be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year will be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then-outstanding shares of our common stock or the average weekly trading volume of our common stock during the four calendar weeks preceding such sale. Such sales are also subject to certain manner of sales provisions, notice requirements and the availability of current public information about us.

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Rule 701

In general, under Rule 701 under the Securities Act, an employee, consultant or advisor who purchases shares of our common stock from us in connection with a compensatory stock or option plan or other written agreement is eligible to resell those shares 90 days after the effective date of the registration statement of which this prospectus forms a part in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period restriction, contained in Rule 144.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

FOR NON-U.S. HOLDERS

The following is a general discussion of material U.S. federal income tax considerations with respect to the ownership and disposition of our common stock applicable to non-U.S. holders who acquire such shares in this offering. This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the Code), U.S. Treasury regulations promulgated thereunder, and administrative rulings and court decisions in effect as of the date hereof, all of which are subject to change at any time, possibly with retroactive effect.

For purposes of this discussion, the term non-U.S. holder means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes, a partnership or any of the following:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds shares of our common stock, the tax treatment of a person treated as a partner generally will depend on the status of the partner and the activities of the partnership. Persons that for U.S. federal income tax purposes are treated as a partner in a partnership holding shares of our common stock should consult their tax advisors.

This discussion assumes that a non-U.S. holder holds shares of our common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be important to a non-U.S. holder in light of that holder s particular circumstances or that may be applicable to holders subject to special treatment under U.S. federal income tax law (including, for example, financial institutions, dealers in securities, traders in securities that elect mark-to-market treatment, insurance companies, tax-exempt entities, holders who acquired our common stock pursuant to the exercise of employee stock options or otherwise as compensation, entities or arrangements treated as partnerships for U.S. federal income tax purposes, holders liable for the alternative minimum tax, certain former citizens or former long-term residents of the United States, and holders who hold our common stock as part of a hedge, straddle, constructive sale or conversion transaction). In addition, this discussion does not address U.S. federal tax laws other than those pertaining to the U.S. federal income tax, nor does it address any aspects of the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, or U.S. state, local or non-U.S. taxes. Accordingly, prospective investors should consult with their own tax advisors regarding the U.S. federal, state, local, non-U.S. income and other tax considerations of acquiring, holding and disposing of shares of our common stock.

THIS SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK. WE RECOMMEND THAT PROSPECTIVE HOLDERS OF OUR COMMON STOCK CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL, NON-U.S. INCOME AND OTHER TAX LAWS) OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

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Dividends

In general, any distributions we make to a non-U.S. holder with respect to its shares of our common stock that constitute dividends for U.S. federal income tax purposes will be subject to U.S. withholding tax at a rate of 30% of the gross amount (or a reduced rate prescribed by an applicable income tax treaty) unless the dividends are effectively connected with a trade or business carried on by the non-U.S. holder within the United States (and, if an income tax treaty applies, are attributable to a permanent establishment of the non-U.S. holder within the United States). A distribution will constitute a dividend for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Any distribution not constituting a dividend will be treated as first reducing the adjusted basis in the non-U.S. holder s shares of our common stock and, to the extent it exceeds the adjusted basis in the non-U.S. holder s shares of our common stock, as gain from the sale or exchange of such shares.

Dividends effectively connected with a U.S. trade or business (and, if an income tax treaty applies, attributable to a U.S. permanent establishment) of a non-U.S. holder generally will not be subject to U.S. withholding tax if the non-U.S. holder complies with applicable certification and disclosure requirements. Instead, such dividends generally will be subject to U.S. federal income tax on a net income basis, in the same manner as if the non-U.S. holder were a resident of the United States. A non-U.S. holder that is a corporation may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on its effectively connected earnings and profits, subject to certain adjustments.

Gain on Sale or Other Disposition of our Common Stock

In general, a non-U.S. holder will not be subject to U.S. federal income or, subject to the discussion below under the heading Information Reporting and Backup Withholding, withholding tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with a trade or business carried on by the non-U.S. holder within the United States and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder;

- the non-U.S. holder is an individual and is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are satisfied; or

- we are or have been a U.S. real property holding corporation (a USRPHC) for U.S. federal income tax purposes at any time within the shorter of the five-year period ending on the date of the disposition and the non-U.S. holder s holding period and certain other conditions are satisfied. We believe that we currently are not, and we do not anticipate becoming, a USRPHC.

Gain that is effectively connected with the conduct of a trade or business in the United States generally will be subject to U.S. federal income tax, net of certain deductions, at regular U.S. federal income tax rates. If the non-U.S. holder is a foreign corporation, the branch profits tax described above also may apply to such effectively connected gain. An individual non-U.S. holder who is subject to U.S. federal income tax because the non-U.S. holder was present in the United States for 183 days or more during the year of sale or other disposition of our common stock will be subject to a flat 30% tax on the gain derived from such sale or other disposition, which may be offset by U.S. source capital losses.

Information Reporting and Backup Withholding

We must report annually to the Internal Revenue Service and to each non-U.S. holder the amount of dividends paid to, and the tax withheld with respect to, each non-U.S. holder. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable tax treaty. Copies of this information also may be made available under the provisions of a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established.

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U.S. backup withholding tax (currently, at a rate of 28%) is imposed on certain payments to persons that fail to furnish the information required under the U.S. information reporting rules. Dividends paid to a non-U.S. holder generally will be exempt from backup withholding if the non-U.S. holder provides a properly executed IRS Form W-8BEN or otherwise establishes an exemption.

Under U.S. Treasury regulations, the payment of proceeds from the disposition of our common stock by a non-U.S. holder effected at a U.S. office of a broker generally will be subject to information reporting and backup withholding, unless the beneficial owner, under penalties of perjury, certifies, among other things, its status as a non-U.S. holder or otherwise establishes an exemption. The payment of proceeds from the disposition of our common stock by a non-U.S. holder effected at a non-U.S. office of a broker generally will not be subject to backup withholding and information reporting, except as noted below. In the case of proceeds from a disposition of our common stock by a non-U.S. holder effected at a non-U.S. office of a broker that is:

- a U.S. person;
- a controlled foreign corporation for U.S. federal income tax purposes;
- a foreign person 50% or more of whose gross income from certain periods is effectively connected with a U.S. trade or business; or
- a foreign partnership if at any time during its tax year (a) one or more of its partners are U.S. persons who, in the aggregate, hold more than 50% of the income or capital interests of the partnership or (b) the foreign partnership is engaged in a U.S. trade or business;

information reporting will apply unless the broker has documentary evidence in its files that the owner is a non-U.S. holder and certain other conditions are satisfied, or the beneficial owner otherwise establishes an exemption (and the broker has no knowledge or reason to know to the contrary). Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder s U.S. federal income tax liability, if any, provided that the required information is furnished to the Internal Revenue Service in a timely manner.

New Legislation

Under recently enacted legislation and administrative guidance, a 30% withholding tax would be imposed on dividends paid after December 31, 2013 and the gross proceeds from the sale of stock paid after December 31, 2014 to certain foreign financial institutions, investment funds and other non-U.S. persons that fail to comply with information reporting and certain other requirements in respect of their direct and indirect U.S. stockholders and/or U.S. accountholders. Such payments would include dividends and the gross proceeds from the sale or other disposition of our common stock.

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UNDERWRITING (CONFLICTS OF INTEREST)

are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Apollo Global Securities, LLC	
Barclays Capital Inc.	
Citigroup Global Markets Inc.	
Credit Suisse Securities (USA) LLC	
Deutsche Bank Securities Inc.	
Goldman, Sachs & Co.	
J.P. Morgan Securities LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Robert W. Baird & Co. Incorporated	
Wells Fargo Securities, LLC	
Total	

The underwriting agreement provides that the underwriters obligation to purchase shares of common stock depends on the satisfaction of the conditions contained in the underwriting agreement including:

- the obligation to purchase all of the shares of common stock offered hereby (other than those shares of common stock covered by their option to purchase additional shares as described below), if any of the shares are purchased;
- the representations and warranties made by us to the underwriters are true;
- there is no material change in our business or the financial markets; and
- we deliver customary closing documents to the underwriters.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

There is no established trading market for shares of our common stock and a liquid trading market may not develop. It is also possible that the shares will not trade at or above the initial offering price following the offering.

The underwriters do not expect to sell more than % of the shares in the aggregate to accounts over which they exercise discretionary authority.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the underwriting discounts and expenses we will pay to the underwriters. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Without Option		With Option	
	Per Share	Total	Per Share	Total
Public offering price	$	$	$	$
Underwriting discounts and commissions	$	$	$	$
Proceeds, before expenses, to us	$	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $ and are payable by us.

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Option to Purchase Additional Shares

We have granted an option to the underwriters to purchase up to additional shares at the public offering price, less the underwriting discount. The underwriters may exercise this option for days from the date of this prospectus solely to cover any options to purchase additional shares. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the purchase agreement, to purchase a number of additional shares proportionate to that underwriter s initial amount reflected in the above table.

Lock-Up Agreements

We, all of our directors and executive officers and certain of our other existing stockholders, including affiliates of Apollo, have agreed that, subject to certain exceptions, for days after the date of this prospectus, without the prior written consent of , we and they will not directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of our common stock (including, without limitation, shares of our common stock that may be deemed to be beneficially owned by us or them in accordance with the rules and regulations of the SEC and shares of common stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for our common stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock or (3) make any demand for or exercise any right or file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of our common stock or securities convertible, exercisable or exchangeable into our common stock or any of our other securities.

The -day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the restricted period referred to above we issue an earnings release or material news or a material event relating to us occurs; or

- prior to the expiration of the restricted period referred to above, we announce that we will release earnings results during the 16-day period beginning on the last day of the restricted period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the restricted period beginning on the issuance of the earnings release or the announcement of the material news or occurrence of a material event, unless such extension is waived in writing by the representatives.

, in its sole discretion, may release our common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release our common stock and other securities from the lock-up agreements, will consider, among other factors, the holder s reasons for requesting the release, the number of shares of our common stock and other securities for which the release is being requested and market conditions at the time.

Listing

We intend to apply to list our shares of common stock on the NYSE under the symbol BERY. In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by that exchange.

Determination of Offering Price

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us and the representatives of the underwriters. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representative believes to be comparable to us;

our financial information;

the history of, and the prospects for, our company and the industry in which we compete;

an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues;

the present state of our development; and

the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representative may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. Naked short sales are sales in excess of the option to purchase additional shares. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representative will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

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Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses. Certain underwriters or their respective affiliates act as lenders or agents under, and as consideration therefor received customary fees and expenses in connection with, our credit facilities and certain underwriters or their respective affiliates are holders of certain of our outstanding notes.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments including serving as counterparties to certain derivative and hedging arrangements and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

An affiliate of Goldman, Sachs & Co. owns 100% of the issued and outstanding 11.0% senior subordinated notes that will be repaid with the proceeds of this offering.

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 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.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), no offer of shares may be made to the public in that Relevant Member State other than:

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

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representative[s]; or

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C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall require the Company or the representative[s] to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State (other than a Relevant Member State where there is a Permitted Public Offer) who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (A) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, and (B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors as defined in the Prospectus Directive, or in circumstances in which the prior consent of the representative[s] has been given to the offer or resale. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of has been obtained to each such proposed offer or resale.

The company, the representative[s] and their affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression an offer to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the *Order*) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as *relevant persons*). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This document relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The shares which are the subject of the offering contemplated by this prospectus may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

Notice to Prospective Investors in Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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Notice to Prospective Investors in Japan

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law. The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

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LEGAL MATTERS

Wachtell, Lipton, Rosen & Katz, New York, New York, will pass upon for us the validity of the shares of our common stock offered hereby. The underwriters have been represented by Cahill Gordon & Reindel LLP, New York, New York.

EXPERTS

The consolidated financial statements of Berry Plastics Group, Inc. as of October 1, 2011 and October 2, 2010 and for each of the three years in the period ended October 1, 2011, appearing in the Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Pliant Corporation at December 31, 2008 and for the year ended December 31, 2008, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about the Company s ability to continue as a going concern as described in Notes 1 and 18 to the consolidated financial statements) appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

We have filed with the United States Securities and Exchange Commission, a registration statement on Form S-1 under the Securities Act relating to the common stock that includes important business and financial information about us that is not included in or delivered with this prospectus. If we have made references in this prospectus to any contracts, agreements or other documents and also filed any of those contracts, agreements or other documents as exhibits to the registration statement, you should read the relevant exhibit for a more complete understanding of the document or the matter involved.

Our subsidiary Berry Plastics Corporation files annual, quarterly and current reports and other information with the SEC. You may read and copy any document we file with the SEC at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC s website at *http://www.sec.gov*.

You may obtain copies of the information and documents incorporated by reference in this prospectus at no charge by writing or telephoning us at the following address or telephone number:

Berry Plastics Group, Inc.

101 Oakley Street

Evansville, IN 47710

Attention: Chief Legal Officer

(812) 424-2904

We also maintain an Internet site at *http://www.berryplastics.com*. We will, as soon as reasonably practicable after the electronic filing of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports (if applicable), make available such reports free of charge on our website. **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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Index to Consolidated Financial Statements

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Berry Plastics Group, Inc.

Consolidated Balance Sheets

(In Millions of Dollars, except share data)

	March 31, 2012 (Unaudited)	October 1, 2011
Assets		
Current assets:		
Cash and cash equivalents	**$ 32**	$ 42
Accounts receivable (less allowance for doubtful accounts of $2 at March 31, 2012 and $4 at October 1, 2011)	**490**	543
Inventories:		
Finished goods	**345**	338
Raw materials and supplies	**231**	240
	576	578
Deferred income taxes	**61**	62
Prepaid expenses and other current assets	**46**	30
Total current assets	**1,205**	1,255
Property, plant and equipment		
Land, buildings and improvements	**251**	268
Equipment and construction in progress	**1,926**	1,836
	2,177	2,104
Less accumulated depreciation	**964**	854
	1,213	1,250
Goodwill, intangible assets and deferred costs, net	**2,621**	2,704
Other assets	**14**	8
Total assets	**$ 5,053**	$ 5,217
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	**$ 316**	$ 352
Accrued expenses and other current liabilities	**268**	286
Current portion of long-term debt	**46**	46
Total current liabilities	**630**	684
Long-term debt, less current portion	**4,518**	4,581
Deferred income taxes	**214**	233
Other long-term liabilities	**166**	170
Total liabilities	**5,528**	5,668
Commitments and contingencies		
Redeemable shares	**12**	16
Stockholders deficit:		

Common stock; $.01 par value: 200,000,000 shares authorized; 6,913,977 shares issued as of March 31, 2012 and October 1, 2011 and 6,789,870 and 6,845,963 shares outstanding as of March 31, 2012 and October 1, 2011		
Paid-in capital	**143**	143
Notes receivable common stock	**(2)**	(2)
Non controlling interest	**3**	3
Accumulated deficit	**(592)**	(563)
Accumulated other comprehensive loss	**(39)**	(48)
Total stockholders deficit	**(487)**	(467)
Total liabilities and stockholders equity	**$ 5,053**	$ 5,217

See notes to consolidated financial statements.

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Berry Plastics Group, Inc.

Consolidated Statements of Operations and

Comprehensive Income (Loss)

(Unaudited)

(In Millions of Dollars, except per share data)

	Quarterly Period Ended		Two Quarterly Periods Ended	
	March 31, 2012	April 2, 2011	**March 31, 2012**	April 2, 2011
Net sales	**$ 1,183**	$ 1,104	**$ 2,320**	$ 2,145
Costs and expenses:				
Cost of goods sold	**972**	939	**1,944**	1,841
Selling, general and administrative	**81**	70	**151**	133
Amortization of intangibles	**26**	26	**54**	53
Restructuring and impairment charges	**3**	10	**26**	31
Other operating expenses	**10**	7	**25**	17
Operating income	**91**	52	**120**	70
Other expense (income), net	**2**		**(2)**	66
Interest expense	**83**	81	**166**	161
Net income (loss) before income taxes	**6**	(29)	**(44)**	(157)
Income tax expense (benefit)	**4**	(10)	**(15)**	(55)
Net income (loss)	**$ 2**	$ (19)	**$ (29)**	$ (102)
Comprehensive income (loss)	**$ 10**	$ (10)	**$ (21)**	$ (88)
Net income (loss) per share:				
Basic	**0.29**	(2.76)	**(4.25)**	(14.82)
Diluted	**0.29**	(2.76)	**(4.25)**	(14.82)
Weighted-average number of shares outstanding: (thousands)				
Basic	**6,817**	6,880	**6,831**	6,884
Diluted	**6,904**	6,880	**6,831**	6,884

See notes to consolidated financial statements.

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Berry Plastics Group, Inc.

Consolidated Statement of Changes in Stockholders Equity

For the Quarterly Period Ended March 31, 2012 and April 2, 2011

(Unaudited)

(In Millions of Dollars)

	Common Stock	Paid-in Capital	Notes Receivable-Common Stock	Non Controlling Interest	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance at October 2, 2010	$	$ 148	$ (2)	$	$ (23)	$ (264)	$ (141)
Redeemable stock		(5)					(5)
Purchase of common stock		1					1
Stock compensation expense		1					1
Derivative amortization					1		1
Net income						(102)	(102)
Interest rate hedges, net of tax					5		5
Currency translation					9		9
Balance at April 2, 2011		145	(2)		(8)	(366)	(231)
Balance at October 1, 2011	**$**	**$ 143**	**$ (2)**	**$ 3**	**$ (48)**	**$ (563)**	**$ (467)**
Redeemable shares		**(2)**					**(2)**
Stock compensation expense		**2**					**2**
Derivative amortization					**1**		**1**
Net loss						**(29)**	**(29)**
Currency translation					**8**		**8**
Balance at March 31, 2012	**$**	**$ 143**	**$ (2)**	**$ 3**	**$ (39)**	**$ (592)**	**$ (487)**

See notes to consolidated financial statements.

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Berry Plastics Group, Inc.

Consolidated Statements of Cash Flows

(Unaudited)

(In Millions of Dollars)

	Two Quarterly Periods Ended	
	March 31, 2012	April 2, 2011
Operating activities		
Net income (loss)	**$ (29)**	$ (102)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	**122**	116
Amortization of intangibles	**54**	53
Non-cash interest expense	**12**	10
Deferred income tax expense (benefit)	**(17)**	(57)
Loss on disposal and impairment of assets	**20**	
Loss on extinguishment of debt		68
Other non-cash expense	**4**	15
Changes in operating assets and liabilities:		
Accounts receivable, net	**54**	(2)
Inventories	**(4)**	39
Prepaid expenses and other assets	**(3)**	7
Accounts payable and other liabilities	**(58)**	(34)
Net cash from operating activities	**155**	113
Investing activities		
Additions to property, plant and equipment	**(106)**	(94)
Proceeds from disposal of assets	**8**	2
Acquisition of businesses, net of cash acquired	**7**	(2)
Net cash from investing activities	**(91)**	(94)
Financing activities		
Proceeds from long-term borrowings		800
Repayments on long-term borrowings	**(68)**	(824)
Debt financing costs		(16)
Purchases of common stock	**(6)**	(1)
Net cash from financing activities	**(74)**	(41)
Effect of exchange rate changes on cash		
Net change in cash	**(10)**	(22)
Cash and cash equivalents at beginning of period	**42**	148
Cash and cash equivalents at end of period	**$ 32**	$ 126

See notes to consolidated financial statements.

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Berry Plastics Group, Inc.

Notes to Consolidated Financial Statements

(Unaudited)

(In Millions of dollars, except as otherwise noted)

1. Background and Nature of Operations

Berry Plastics Group, Inc. (Berry or the Company) is one of the world s leading manufacturers and marketers of plastic packaging products, plastic film products, specialty adhesives and coated products. The Company is primarily owned by affiliates of Apollo Management, L.P. (Apollo) and Graham Partners. The Company s key principal products include containers, drink cups, bottles, closures and overcaps, tubes and prescription containers, trash bags, stretch films, engineered films, printed films and tapes which we sell into a diverse selection of attractive and stable end markets, including food and beverage, healthcare, personal care, quick service and family dining restaurants, custom and retail, agricultural, horticultural, institutional, industrial, construction, aerospace, and automotive.

2. Basis of Presentation

The accompanying unaudited Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full fiscal year. The accompanying financial statements include the results of the Company and its wholly and majority owned subsidiaries. For further information, refer to the consolidated financial statements and footnotes included elsewhere in this prospectus. All intercompany transactions have been eliminated. The Company issued financial statements by filing with the Securities and Exchange Commission and has evaluated subsequent events up to the time of the filing.

Related Party Transactions and Allocations

The Company has recorded management fees of $3 and $2 for the quarterly period ended and $5 and $4 for the two quarterly periods ended March 31, 2012 and April 2, 2011, charged by Apollo and other investors to the Company.

3. Acquisitions

Rexam Specialty and Beverage Closures

In September 2011, the Company acquired 100% of the capital stock of Rexam Closures Kentucky Inc., Rexam Delta Inc., Rexam Closures LLC, Rexam Closure Systems LLC, Rexam de Mexico S. de R.L. de C.V., Rexam Singapore PTE Ltd., Rexam Participacoes Ltda. and Rexam Plasticos do Brasil Ltda. (collectively, Rexam SBC) pursuant to an Equity Purchase Agreement by and among Rexam Inc., Rexam Closures and Containers Inc., Rexam Closure Systems Inc., Rexam Plastic Packaging Inc., Rexam Brazil Closure Inc., Rexam Beverage Can South America S.A. and the Company. The aggregate purchase price was $351 ($340, net of cash acquired and working capital settlement during 2012). Rexam SBC s primary products include plastic closures, fitments and dispensing closure systems, and jars. The newly added business is operated in the Company s Rigid Closed Top reporting segment. To finance the purchase, the Company 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.

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The Company has not finalized the purchase price allocation and it is subject to change. The Company is finalizing its allocation of the purchase price to deferred income taxes and working capital. The Company has recognized goodwill on this transaction as a result of expected synergies. A portion of the goodwill will not be deductible for tax purposes. The following table summarizes the preliminary allocation of the net purchase price and the estimated fair values of the assets acquired and liabilities assumed at the date of the acquisition:

Working capital	$ 69
Property and equipment	199
Intangible assets	43
Goodwill	42
Other long-term liabilities	(13)
Net assets acquired	$ 340

Pro forma net sales and pro forma net loss was $1,223 and $1 for the quarterly period ended and $2,370 and $68 for the two quarterly periods ended April 2, 2011, respectively. The pro forma net sales and net loss assume that the Rexam SBC acquisition had occurred as of the beginning of the respective period. The pro forma information presented above is for informational purposes only and is not necessarily indicative of the operating results that would have occurred had the Rexam SBC acquisition been consummated at the beginning of the respective period, nor is it necessarily indicative of future operating results. Further, the information reflects only pro forma adjustments for additional interest expense, amortization and closing expenses, net of the applicable income tax effects.

LINPAC Packaging Filmco, Inc.

In August 2011, the Company acquired 100% of the common stock of LINPAC Packaging Filmco, Inc. (Filmco) from LINPAC USA Holdings, Inc., a subsidiary of the UK-based LINPAC Group for a purchase price of $19. 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 preliminary purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date. The Company has not finalized the purchase price allocation and it is subject to change. The Company is finalizing its allocation of the purchase price to deferred income taxes. The Company has recognized goodwill on this transaction as a result of expected synergies. A portion of the goodwill will not be deductible for tax purposes.

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4. Restructuring and Impairment Charges

The Company incurred restructuring costs related to severance, asset impairment and facility exit costs of $3 and $10 for the quarterly period ended and $26 and $31 for the two quarterly periods ended as of March 31, 2012 and April 2, 2011, respectively. The tables below set forth the significant components of the restructuring charges recognized for the quarterly period ended March 31, 2012 and April 2, 2011, by segment:

	Quarterly Period Ended		Two Quarterly Periods Ended	
	March 31, 2012	April 2, 2011	**March 31, 2012**	April 2, 2011
Rigid Open Top				
Severance and termination benefits	**$**	$ 1	**$**	$ 1
Total	**$**	$ 1	**$**	$ 1
Rigid Closed Top				
Severance and termination benefits	**$**	$ 2	**$ 2**	$ 2
Facility exit costs and other	**1**		**1**	
Asset impairment	**1**		**4**	
Total	**$ 2**	$ 2	**$ 7**	$ 2
Engineered Materials				
Severance and termination benefits	**$ 1**	$ 1	**$ 2**	$ 2
Facility exit costs and other		2	**1**	5
Asset impairment			**16**	14
Total	**$ 1**	$ 3	**$ 19**	$ 21
Flexible Packaging				
Severance and termination benefits	**$**	$ 2	**$**	$ 4
Facility exit costs and other		1		1
Asset impairment		1		2
Total	**$**	$ 4	**$**	$ 7
Consolidated				
Severance and termination benefits	**$ 1**	$ 6	**$ 4**	$ 9
Facility exit costs and other	**1**	3	**2**	6
Asset impairment	**1**	1	**20**	16
Total	**$ 3**	$ 10	**$ 26**	$ 31

The table below sets forth the activity with respect to the restructuring accrual at October 1, 2011 and March 31, 2012:

	Severance and termination benefits	**Facilities exit costs and other**	**Non-cash**	**Total**
Balance at fiscal year end 2010	$ 3	$ 3	$	$ 6
Charges	11	10	35	56
Non-cash asset impairment			(35)	(35)
Cash payments	(10)	(10)		(20)

Balance at October 1, 2011	4	3		7
Charges	**4**	**2**	**20**	**26**
Non-cash asset impairment			**(20)**	**(20)**
Cash payments	**(4)**	**(2)**		**(6)**
Balance at March 31, 2012	**$ 4**	**$ 3**	**$**	**$ 7**

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The Company made the decision to exit operations in the Engineered Materials division. This decision resulted in non-cash impairment charges of $17 recorded in Restructuring and impairment charges on the Consolidated Statement of Operations. The exited operations were immaterial to the Company and Engineered Materials segment.

5. Accrued Expenses, Other Current Liabilities and Other Long-Term Liabilities

The following table sets forth the totals included in Accrued expenses and other current liabilities on the Consolidated Balance Sheets.

	March 31, 2012	October 1, 2011
Employee compensation, payroll and other taxes	$ 79	$ 101
Interest	63	63
Rebates	62	60
Other	64	62
	$ 268	$ 286

The following table sets forth the totals included in Other long-term liabilities on the Consolidated Balance Sheets.

	March 31, 2012	October 1, 2011
Lease retirement obligation	$ 20	$ 20
Sale-lease back deferred gain	34	35
Pension liability	75	79
Other	37	36
	$ 166	$ 170

6. Long-Term Debt

Long-term debt consists of the following:

	Maturity Date	March 31, 2012	October 1, 2011
Term loan	April 2015	$ 1,140	$ 1,146
Revolving line of credit	June 2016	150	195
First Priority Senior Secured Floating Rate Notes	February 2015	681	681
8 1/4% First Priority Senior Secured Notes	November 2015	370	370
Second Priority Senior Secured Floating Rate Notes	September 2014	210	210
9 1/2% Second Priority Senior Secured Notes	May 2018	500	500
9 3/4% Second Priority Senior Secured Notes	January 2021	800	800
Senior Unsecured Term Loan	June 2014	53	56
10 1/4% Senior Subordinated Notes	March 2016	127	127
11% Senior Subordinated Notes	September 2016	455	455
Debt discount, net		(11)	(13)
Capital leases and other	Various	89	100

	4,564	4,627
Less current portion of long-term debt	**(46)**	(46)
	$ 4,518	$ 4,581

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The current portion of long-term debt consists primarily of $12 of principal payments on the term loan, $12 applicable high yield discount obligation and $22 of principal payments related to capital lease obligations. The Company was in compliance with its covenants as of March 31, 2012.

BP Parallel LLC, a non-guarantor subsidiary of the Company, invested $4 to purchase assignments of $5 of Berry Group s senior unsecured term loan (Senior Unsecured Term Loan) during the first fiscal quarter 2012.

7. Financial Instruments and Fair Value Measurements

As part of the overall risk management, the Company uses derivative instruments to reduce exposure to changes in interest rates attributed to the Company s floating-rate borrowings. For those derivative instruments that are designated and qualify as hedging instruments, the Company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation. To the extent hedging relationships are found to be effective, as determined by FASB guidance, changes in fair value of the derivatives are offset by changes in the fair value of the related hedged item are recorded to Accumulated other comprehensive loss. Management believes hedge effectiveness is evaluated properly in preparation of the financial statements.

Cash Flow Hedging Strategy

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of Accumulated other comprehensive loss and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings.

In November 2010, the Company entered into two separate interest rate swap transactions to manage cash flow variability associated with $1 billion of the outstanding variable rate term loan debt (the 2010 Swaps). The first agreement had a notional amount of $500 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 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. In August 2011, the Company began utilizing 1-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.

		Liability Derivatives	
Derivatives not designated as hedging instruments under FASB guidance	**Balance Sheet Location**	**March 31, 2012**	October 1, 2011
Interest rate swaps 2010 Swaps	Other long-term liabilities	**$ 7**	$ 8

The effect of the derivative instruments on the Consolidated Statement of Operations for the quarterly period ended March 31, 2012 and April 2, 2011, are as follows:

		Quarterly Period Ended		Two Quarterly Periods Ended	
Derivatives not designated as hedging instruments under FASB guidance	**Statement of Operations Location**	**March 31, 2012**	April 2, 2011	**March 31, 2012**	April 2, 2011
Interest rate swaps 2010 Swaps	Other expense (income)	**$ 2**	$	**$ (1)**	$ (1)
	Interest expense	**$ 1**	$	**$ 2**	$ 1

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The Fair Value Measurements and Disclosures section of the Accounting Standards Codification (Codification or ASC) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value. This section also establishes a three-level hierarchy (Level 1, 2 or 3) for fair value measurements based upon the observability of inputs to the valuation of an asset or liability as of the measurement date. This section also requires the consideration of the counterparty s or the Company s nonperformance risk when assessing fair value.

The Company s interest rate swap fair values were determined using Level 2 inputs as other significant observable inputs were not available.

The Company s financial instruments consist primarily of cash and cash equivalents, investments, long-term debt, interest rate swap agreements and capital lease obligations. The fair value of the Company s investments and long-term debt were determined using Level 2 inputs, which include using quoted prices in inactive markets or significant other observable inputs for identical or comparable assets or liabilities. The fair value of our investments exceeded book value at March 31, 2012 and October 1, 2011, by $116 and $159, respectively. The following table summarizes our long-term indebtedness for which the book value was in excess of the fair value:

	March 31, 2012	October 1, 2011
First Priority Senior Secured Floating Rate Notes	**$ 2**	$ 61
9 1/2% Second Priority Notes		83
9 3/4% Second Priority Notes		140
Second Priority Senior Secured Floating Rate Notes	**7**	38
Senior Unsecured Term Loan	**8**	8
11% Senior Subordinated Notes		64
10 1/4% Senior Subordinated Notes		18

Non-recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis when impairment indicators are present. The assets are adjusted to fair value only when the carrying values exceed the fair values. The categorization of the framework used to price the assets is considered a Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value. These assets include primarily our definite lived and indefinite lived intangible assets, including Goodwill and our property plant and equipment. For the quarterly period ended March 31, 2012, there were no adjustments to the fair value of our goodwill or other indefinite lived intangible assets as there were no indicators that would have required interim testing.

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Included in the following table are the major categories of assets measured at fair value on a non-recurring basis as of March 31, 2012, along with the impairment loss recognized on the fair value measurement during the period:

	As of March 31, 2012					
	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total	Quarter Ended March 31, 2012 Impairment Loss	Two Quarterly Periods Ended March 31, 2012 Impairment Loss
Definite lived intangible assets	**$**	**$**	**$ 814**	**$ 814**	**$**	**$ 17**
Property, plant, and equipment			**1,213**	**1,213**	**1**	**3**
Total	**$**	**$**	**$ 2,027**	**$ 2,027**	**$ 1**	**$ 20**

	As of April 2, 2011					
	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total	Quarter Ended April 2, 2011 Impairment Loss	Two Quarterly Periods Ended April 2, 2011 Impairment Loss
Property, plant, and equipment			$ 1,112	$ 1,112	$ 1	$ 16
Total	$	$	$ 1,112	$ 1,112	$ 1	$ 16

Valuation of Property, Plant and Equipment and Definite Lived Intangible Assets

The Company periodically realigns their manufacturing operations which results in facilities being closed and shut down and equipment transferred to other facilities or equipment being scrapped. The Company utilizes appraised values to corroborate the fair value of the facilities and has utilized a scrap value based on prior facility shut downs to estimate the fair value of the equipment, which has approximated the actual value that was received. When impairment indicators exist, the Company will also perform an undiscounted cash flow analysis to determine the recoverability of the Company s long lived assets. The Company wrote-down their property, plant, and equipment with a carrying value of $1,216 to its fair value of $1,213, which resulted in an impairment charge of $3 for the two quarterly periods ended March 31, 2012. The Company wrote-down their definite lived intangible assets with a carrying value of $831 to their fair value of $814, which resulted in an impairment charge of $17 for the two quarterly periods ended March 31, 2012. These charges were due to their decision to exit certain operations that were immaterial to the Company s consolidated operations. The Company also wrote-down their property, plant, and equipment with a carrying value of $1,128 to its fair value of $1,112, which resulted in an impairment charge of $16 for the two quarterly periods ended April 2, 2011.

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8. Income Taxes

The effective tax rate from continuing operations was 34% and 35% for the two quarterly periods ended March 31, 2012 and April 2, 2011, respectively. A reconciliation of income tax benefit, computed at the federal statutory rate, to income tax expense (benefit), as provided for in the financial statements, is as follows:

	Quarterly Period Ended		Two Quarterly Periods Ended	
	March 31, 2012	April 2, 2011	**March 31, 2012**	April 2, 2011
Income tax expense (benefit) computed at statutory rate	**$ 3**	$ (11)	**$ (15)**	$ (56)
State income tax expense (benefit), net of federal taxes	**1**		**(1)**	(1)
Change in valuation allowance		2	**1**	3
Other		(1)		(1)
Income tax expense (benefit)	**$ 4**	$ (10)	**$ (15)**	$ (55)

9. Operating Segments

Effective January 1, 2012 the Company reorganized its flexible films businesses, which included the Tapes, Bags and Coatings and Specialty Films divisions, into two new operating divisions; Flexible Packaging and Engineered Materials. The Company s operations are organized into four reporting segments: Rigid Open Top, Rigid Closed Top, Engineered Materials, and Flexible Packaging. The prior year amounts have been restated for the new operating segments. The Company has manufacturing and distribution centers in the United States, Canada, Mexico, Belgium, Australia, Brazil, Malaysia, Germany and India. The United States operation represents 93% of the Company s net sales and 94% of the long-lived assets. The Canadian operations represent 2% of net sales and 2% of long-lived assets. Mexican operations represent 1% of net sales and 2% of long-lived assets. Belgium operations represent 2% of net sales. All other jurisdictions represent less than 1% of net sales or long-lived assets. Selected information by reportable segment is presented in the following table:

	Quarterly Period Ended		Two Quarterly Periods Ended	
	March 31, 2012	April 2, 2011	**March 31, 2012**	April 2, 2011
Net sales:				
Rigid Open Top	**$ 296**	$ 290	**$ 583**	$ 565
Rigid Closed Top	**364**	254	**711**	480
Engineered Materials	**337**	354	**665**	705
Flexible Packaging	**186**	206	**361**	395
Total net sales	**$ 1,183**	$ 1,104	**$ 2,320**	$ 2,145
Operating income (loss):				
Rigid Open Top	**$ 44**	$ 31	**$ 76**	$ 54
Rigid Closed Top	**24**	22	**27**	38
Engineered Materials	**19**	9	**20**	(1)
Flexible Packaging	**4**	(10)	**(3)**	(21)
Total operating income	**$ 91**	$ 52	**$ 120**	$ 70
Depreciation and amortization:				
Rigid Open Top	**$ 24**	$ 25	**$ 46**	$ 49
Rigid Closed Top	**32**	23	**67**	46
Engineered Materials	**17**	17	**34**	37
Flexible Packaging	**15**	21	**29**	37
Total depreciation and amortization	**$ 88**	$ 86	**$ 176**	$ 169

	March 31, 2012	October 1, 2011
Total assets:		
Rigid Open Top	**$ 1,793**	$ 1,818
Rigid Closed Top	**1,928**	1,963
Engineered Materials	**779**	841
Flexible Packaging	**553**	595
Total assets	**$ 5,053**	$ 5,217
Goodwill:		
Rigid Open Top	**$ 681**	$ 681
Rigid Closed Top	**813**	819
Engineered Materials	**53**	55
Flexible Packaging	**40**	40
Total goodwill	**$ 1,587**	$ 1,595

10. Contingencies and Commitments

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

11. Recent Financial Accounting Standards

In May 2011, the FASB issued Accounting Standards Update No. 2011-04: Fair Value Measurement (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS s (ASU 2011-04). ASU 2011-04 amends the fair value measurement and disclosure guidance in ASC 820, *Fair Value Measurement*, to converge US GAAP and IFRS requirements for measuring amounts at fair value as well as disclosures about these requirements. Many of the amendments clarify existing concepts and are generally not expected to result in significant changes to how many companies currently apply the fair value principles. In certain instances, however, the FASB changed a principle to achieve convergence, and while limited, these amendments have the potential to significantly change practice for some companies. The adoption of this standard on January 1, 2012 did not have a material impact on the Company s consolidated financial statements.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05: Comprehensive Income (ASU 2011-05). ASU 2011-05 amends current presentation guidance by eliminating the option for an entity to present the components of comprehensive income as part of the statement of changes in stockholder s equity and requires presentation of comprehensive income in a single continuous financial statement or in two separate but consecutive financial statements. The amendments in ASU 2011-05 do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The Company adopted this standard on January 1, 2012 and has included the comprehensive income in a single continuous financial statement within its consolidated financial statements.

In September 2011, the FASB issued Accounting Standards Update No. 2011-08: Testing for Goodwill Impairment (ASU 2011-08). ASU 2011-08 amends current goodwill impairment testing guidance by providing entities with an option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. ASU 2011-08 will be effective for interim and annual goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of ASU 2011-08 is not expected to have a material impact on the Company s consolidated financial statements.

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In December 2011, the FASB issued Accounting Standards Update No. 2011-12: Comprehensive Income (Topic 220), Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 (ASU 2011-12). This ASU 2011-12 defers the ASU 2011-05 requirement that companies present reclassification adjustments for each component of accumulated other comprehensive income (AOCI) in both net income and other comprehensive income (OCI) on the face of the financial statements. Companies are still required to present reclassifications out of AOCI on the face of the financial statements or disclose those amounts in the notes to the financial statements. The ASU also defers the requirement to report reclassification adjustments in interim periods. The Company adopted this standard on January 1, 2012 and has included the comprehensive income in a single continuous financial statement within its consolidated financial statements.

12. Basic and Diluted Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the corresponding weighted average number of common shares, including redeemable shares, outstanding for the period. Diluted net income (loss) per share reflects the potential dilution that could occur if securities or contracts to issue common stock were exercised or converted. The following tables and discussion provide a reconciliation of the numerator and denominator of the basic and diluted net income (loss) per share computations. The calculation below provides net income or loss on both a basic and diluted basis for quarter and two quarters ended March 31, 2012 and April 2, 2011 (in thousands).

	Quarterly Period Ended		Two Quarterly Periods Ended	
	March 31, 2012	April 2, 2011	**March 31, 2012**	April 2, 2011
Net income (loss)	**$ 2**	$ (19)	**$ (29)**	$ (102)
Weighted average shares of common stock outstanding basic	**6,817**	6,880	**6,831**	6,884
Weighted average shares of common stock outstanding	**6,817**	6,880	**6,831**	6,884
Other common stock equivalents	**87**			