

APPENDIX

Regulation G Reconciliations

Schedule 1

Pactiv Corporation
Regulation G Reconciliation of Presentation Amounts to Reported Amounts per US GAAP
(In millions of dollars except earnings per share)

Slide # 13 - "Strong Free Cash Flow Generation"

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Free cash flow									
Cash provided by operating activities									
Continuing operations			\$ 320	\$ 311	\$ 333	\$ 270	\$ 386	\$ 444	\$ 357
Discontinued operations			64	25	33	(4)	(14)	(8)	(8)
Total cash provided by operations	\$ 290	\$ 371	\$ 384	336	366	266	372	436	349
Expenditures for property, plant, and equipment									
Continuing operations			\$ (91)	\$ (89)	(78)	(121)	(78)	(151)	(136)
Discontinued operations			(35)	(23)	(22)	(22)	-	-	-
Total expenditures for property, plant, & equipment	\$ (135)	\$ (145)	\$ (126)	(112)	(100)	(143)	(78)	(151)	(136)
Decrease(increase) in asset securitization program	2	76	34	-	-	10	-	(110)	(20)
Free cash flow									
Continuing operations			\$ 263	\$ 222	\$ 255	\$ 159	\$ 308	\$ 183	\$ 201
Discontinued operations			29	2	11	(26)	(14)	(8)	(8)
Annual free cash flow	<u>\$ 157</u>	<u>\$ 302</u>	<u>\$ 292</u>	<u>\$ 224</u>	<u>\$ 266</u>	<u>\$ 133</u>	<u>\$ 294</u>	<u>\$ 175</u>	<u>\$ 193</u>
Total free cash flow since 2000	<u>\$ 2,036</u>								
A/R asset securitization program balance	\$ 120	\$ 44	\$ 10	\$ 10	\$ 10	\$ -	\$ -	\$ 110	\$ 130

Schedule 2

Pactiv Corporation
Regulation G Reconciliation of Presentation Amounts to Reported Amounts per US GAAP
(In millions of dollars except earnings per share)

Slides # 17 & 18 - "Results from Continuing Operations"

Operating income and operating margin				
	<u>Q4 2008</u>	<u>Q4 2007</u>	<u>FY 2008</u>	<u>FY 2007</u>
Operating income - US GAAP basis	\$ 136	\$ 119	\$ 446	\$ 472
Restructuring & other (credits)	2	-	16	-
Operating income excluding restructuring & other charges	<u>\$ 138</u>	<u>\$ 119</u>	<u>\$ 462</u>	<u>\$ 472</u>
Sales	\$ 883	\$ 876	\$ 3,567	\$ 3,253
Operating margin	15.6%	13.6%	12.9%	14.5%
EBITDA & EBITDA Margin				
	<u>Q4 2008</u>	<u>Q4 2007</u>	<u>FY 2008</u>	<u>FY 2007</u>
Operating income	\$ 136	\$ 119	\$ 446	\$ 472
Restructuring & other (credits)	2	-	16	-
Interest income	-	1	2	5
Share of income of joint ventures	-	-	-	-
Depreciation and amortization	44	46	182	166
EBITDA	<u>\$ 182</u>	<u>\$ 166</u>	<u>\$ 646</u>	<u>\$ 643</u>
Sales	\$ 883	\$ 876	\$ 3,567	\$ 3,253
EBITDA percent of sales	20.6%	18.9%	18.1%	19.8%
Net Debt				
	<u>As of 12/31/08</u>	<u>As of 12/31/07</u>		
Short-term debt, including current maturities of long-term debt	\$ -	\$ -		
Long-term debt	1,345	1,574		
Total debt	1,345	1,574		
Cash and temporary cash investments	(80)	(95)		
Net debt	<u>\$ 1,265</u>	<u>\$ 1,479</u>		
Free cash flow				
	<u>Q4 2008</u>	<u>Q4 2007</u>	<u>FY 2008</u>	<u>FY 2007</u>
Cash provided by operating activities				
Continuing operations	\$ 147	\$ 162	\$ 357	\$ 444
Discontinued operations	(1)	(2)	(8)	(8)
Total cash provided by operations	146	160	349	436
Expenditures for property, plant, and equipment				
Continuing operations	(27)	(48)	(136)	(151)
Discontinued operations	-	-	-	-
Total expenditures for property, plant, & equipment	(27)	(48)	(136)	(151)
(Increase)/Decrease in asset securitization program	-	3	(20)	(110)
Free cash flow				
Continuing operations	\$ 120	\$ 117	\$ 201	\$ 183
Discontinued operations	(1)	(2)	(8)	(8)
Total free cash flow	<u>\$ 119</u>	<u>\$ 115</u>	<u>\$ 193</u>	<u>\$ 175</u>
A/R asset securitization program balance	\$ 130	\$ 110	\$ 130	\$ 110

Schedule 3

Pactiv Corporation
Regulation G Reconciliation of Presentation Amounts to Reported Amounts per US GAAP
(In millions of dollars except earnings per share)

Slides # 17, 18 & 21 - "Earnings Per Share"

Income and EPS from continuing ops	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Q4 2008</u>	<u>Q4 2007</u>
Income from continuing ops - US GAAP basis	\$ 138	\$ 143	\$ 277	\$ 244	\$ 221	\$ 69	\$ 59
Restructuring & other charges/(credits) (net of tax)	50	4	(1)	-	10	1	-
Realization foreign exchange gain (net of tax)	-	-	(20)	-	-	-	-
Tax liability adjustment	-	-	(29)	-	-	-	-
Income from continuing ops excluding restructuring & other charges	<u>\$ 188</u>	<u>\$ 147</u>	<u>\$ 227</u>	<u>\$ 244</u>	<u>\$ 231</u>	<u>\$ 70</u>	<u>\$ 59</u>
Average common shares outstanding (diluted)	153.8	148.8	139.7	132.9	132.4	132.6	132.1
<u>Diluted earnings per share</u>							
Income from continuing ops - US GAAP basis	\$ 0.90	\$ 0.96	\$ 1.98	\$ 1.84	\$ 1.67	\$ 0.52	\$ 0.45
Tenneco Packaging litigation settlement (net of tax)	-	-	-	-	-	-	-
Restructuring & other charges/(credits) (net of tax)	0.32	0.03	-	-	0.08	0.01	-
Realization foreign exchange gain (net of tax)	-	-	(0.14)	-	-	-	-
Tax liability adjustment	-	-	(0.21)	-	-	-	-
Income from continuing ops excluding restructuring & other charges	<u>\$ 1.22</u>	<u>\$ 0.99</u>	<u>\$ 1.63</u>	<u>\$ 1.84</u>	<u>\$ 1.75</u>	<u>\$ 0.53</u>	<u>\$ 0.45</u>

Slide # 20 - "Gross Margin % "

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Sales	\$ 2,544	\$ 2,756	\$ 2,917	\$ 3,253	\$ 3,567
Less: Increased sales price due to resin cost increases	-	(215)	(364)	(388)	(493)
Adjusted sales due to resin cost increases	\$ 2,544	\$ 2,541	\$ 2,553	\$ 2,865	\$ 3,074
Gross Margin	\$ 749	\$ 721	\$ 887	\$ 931	\$ 931
Gross Margin %	29.4%	26.2%	30.5%	28.6%	26.1%
Adjusted Gross Margin %	29.4%	28.4%	34.7%	32.5%	30.3%

" Adjusted Gross Margin % represents the gross margin calculated using the company's reported gross margin dollars divided by sales adjusted each quarter to reflect constant selling prices from the first quarter of 2004 in each of the periods shown. Without this adjustment, the full pass through of higher raw material costs in the form of higher pricing results in a reduced gross margin percentage even though the higher raw material costs have been recovered.

Slide # 24 - "2009 Outlook"

	<u>Twelve months ending December 31,2009</u>	
<u>Diluted earnings per share</u>	<u>Low estimate</u>	<u>High estimate</u>
Income from continuing ops - US GAAP basis	\$ 1.80	\$ 2.00
	<u>Twelve months ending December 31,2009</u>	
	<u>Low estimate</u>	<u>High estimate</u>
(In millions)		
Cash flow provided by operating activities from continuing operations - GAAP basis⁽¹⁾	\$ 230	\$ 250
Capital expenditures - continuing operations	(120)	(120)
Free cash flow^(a)	\$ 110	\$ 130

(1) Includes expected pension payments of \$130 million, net

(a) Free cash flow is defined as cash flow from operating activities excluding the change in our asset securitization-program balance, less capital expenditures, all of which are calculated in accordance with GAAP. We believe that free cash flow provides a useful measure of our liquidity. We use free cash flow as a measure of cash available to fund early or required debt retirement and incremental investments such as, but not limited to, acquisitions and share repurchases. However, free cash flow has limitations, in that it does not