

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)

Slides #7 & #8 - "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>Q1 2009</u>	<u>Q1 2008</u>
Income from continuing ops - US GAAP basis	\$ 138	\$ 143	\$ 277	\$ 244	\$ 221	\$ 91	\$ 35
Restructuring & other charges/(credits) (net of tax)	50	4	(1)	-	10	-	9
Realization foreign exchange gain (net of tax)	-	-	(20)	-	-	-	-
Tax liability adjustment	-	-	(29)	-	-	-	-
Income from continuing ops excluding restructuring & other charges/(credits)	<u>\$ 188</u>	<u>\$ 147</u>	<u>\$ 227</u>	<u>\$ 244</u>	<u>\$ 231</u>	<u>\$ 91</u>	<u>\$ 44</u>
Average common shares outstanding (diluted)	153.8	148.8	139.7	132.9	132.4	132.5	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	\$ 0.69	\$ 0.26
Restructuring & other charges/(credits) (net of tax)	0.32	0.03	-	-	0.08	-	0.07
Realization foreign exchange gain (net of tax)	-	-	(0.14)	-	-	-	-
Tax liability adjustment	-	-	(0.21)	-	-	-	-
Income from continuing ops excluding restructuring & other charges/(credits)	<u>\$ 1.22</u>	<u>\$ 0.99</u>	<u>\$ 1.63</u>	<u>\$ 1.84</u>	<u>\$ 1.75</u>	<u>\$ 0.69</u>	<u>\$ 0.33</u>

Slides #8 - "Results from Continuing Operations"

Net Debt	<u>As of 3/31/09</u>	<u>As of 3/31/08</u>
Short-term debt, including current maturities of long-term debt	\$ -	\$ 1
Long-term debt	1,345	1,554
Total debt	1,345	1,555
Cash and temporary cash investments	(152)	(52)
Net debt	<u>\$ 1,193</u>	<u>\$ 1,503</u>

Free cash flow	<u>Q1 2009</u>	<u>Q1 2008</u>
Cash provided by operating activities		
Continuing operations	\$ 116	\$ 29
Discontinued operations	-	(5)
Total cash provided by operations	116	24
Capital expenditures - continuing operations	(23)	(47)
(Increase)/decrease in asset securitization program	12	20
Free cash flow		
Continuing operations	\$ 105	\$ 2
Discontinued operations	-	(5)
Total free cash flow	<u>\$ 105</u>	<u>\$ (3)</u>
A/R asset securitization program balance	\$ 118	\$ 90

Schedule 2

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(In millions of dollars except earnings per share)

Slide #10 - "2009 Outlook"

	<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⁾	\$ 350	\$ 370
Capital expenditures - continuing operations	<u>(120)</u>	<u>(120)</u>
Free cash flow ^(a)	<u>\$ 230</u>	<u>\$ 250</u>

(1) Includes pension contributions of \$130 million, net of tax.

(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 represent residual cash flow available for discretionary expenditures. Some of our expenditures are mandatory. The amount of mandatory versus discretionary expenditures can vary significantly between periods.