

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 # 9 - "2009 Outlook"

(In millions)	<u>Twelve months ending December 31, 2009</u>	
	<u>Low estimate</u>	<u>High estimate</u>
Cash flow provided by operating activities from continuing operations - GAAP basis ⁽¹⁾	\$ 290	\$ 310
Capital expenditures - continuing operations	<u>(120)</u>	<u>(120)</u>
Free cash flow ^(a)	<u>\$ 170</u>	<u>\$ 190</u>

(1) Includes pension contributions of \$280 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.