

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 # 7 - "Strong Free Cash Flow Generation"

	2000	2001	2002	2003	2004	2005	2006	2007	2008
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	\$ 157	\$ 302	\$ 292	\$ 224	\$ 266	\$ 133	\$ 294	\$ 175	\$ 193
Total free cash flow since 2000	\$ 2,036								
A/R asset securitization program balance	\$ 120	\$ 44	\$ 10	\$ 10	\$ 10	\$ -	\$ -	\$ 110	\$ 130

Slide #10 - "2009 Outlook"

(In millions)	Twelve months ending December 31, 2009	
	Low estimate	High estimate
Cash flow provided by operating activities from continuing operations - GAAP basis ⁽¹⁾	\$ 350	\$ 370
Capital expenditures - continuing operations	(120)	(120)
Free cash flow ^(a)	\$ 230	\$ 250

(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.