

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 - "Creating Value Through 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>
Free cash flow								
Cash provided by operating activities								
Continuing operations			\$ 320	\$ 311	\$ 333	\$ 270	\$ 386	\$ 444
Discontinued operations			64	25	33	(4)	(14)	(8)
Total cash provided by operations	\$ 290	\$ 371	\$ 384	336	366	266	372	436
Expenditures for property, plant, and equipment								
Continuing operations			\$ (91)	\$ (89)	(78)	(121)	(78)	(151)
Discontinued operations			(35)	(23)	(22)	(22)	-	-
Total expenditures for property, plant, & equipment	\$ (135)	\$ (145)	\$ (126)	(112)	(100)	(143)	(78)	(151)
Decrease(increase) in asset securitization program	2	76	34	-	-	10	-	(110)
Free cash flow								
Continuing operations			\$ 263	\$ 222	\$ 255	\$ 159	\$ 308	\$ 183
Discontinued operations			29	2	11	(26)	(14)	(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>
Total free cash flow since 2000	<u>\$ 1,843</u>							
A/R asset securitization program balance	\$ 120	\$ 44	\$ 10	\$ 10	\$ 10	\$ -	\$ -	\$ 110

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 # 16 & 17 - "Results from Continuing Operations"

Operating income and operating margin

	<u>Q3 2008</u>	<u>Q3 2007</u>	<u>9 Months 2008</u>	<u>9 Months 2007</u>
Operating income - US GAAP basis	\$ 102	\$ 122	\$ 310	\$ 353
Restructuring & other (credits)	(2)	-	14	-
Operating income excluding restructuring & other charges	<u>\$ 100</u>	<u>\$ 122</u>	<u>\$ 324</u>	<u>\$ 353</u>
Sales	\$ 925	\$ 872	\$ 2,684	\$ 2,377
Operating margin	10.8%	14.0%	12.0%	14.9%

EBITDA & EBITDA Margin

	<u>Q3 2008</u>	<u>Q3 2007</u>	<u>9 Months 2008</u>	<u>9 Months 2007</u>
Operating income	\$ 102	\$ 122	\$ 310	\$ 353
Restructuring & other (credits)	(2)	-	14	-
Interest income	1	1	2	4
Share of income of joint ventures	-	-	-	-
Depreciation and amortization	46	45	138	120
EBITDA	<u>\$ 147</u>	<u>\$ 168</u>	<u>\$ 464</u>	<u>\$ 477</u>
Sales	\$ 925	\$ 872	\$ 2,684	\$ 2,377
EBITDA percent of sales	15.9%	19.3%	17.3%	20.1%

Net Debt

	<u>As of 9/30/08</u>	<u>As of 9/30/07</u>
Short-term debt, including current maturities of long-term debt	\$ -	\$ -
Long-term debt	1,425	1,666
Total debt	1,425	1,666
Cash and temporary cash investments	(37)	(69)
Net debt	<u>\$ 1,388</u>	<u>\$ 1,597</u>

Free cash flow

	<u>Q3 2008</u>	<u>Q3 2007</u>	<u>YTD 2008</u>	<u>YTD 2007</u>
Cash provided by operating activities				
Continuing operations	\$ 140	\$ 83	\$ 210	\$ 282
Discontinued operations	(1)	-	(7)	(6)
Total cash provided by operations	139	83	203	276
Expenditures for property, plant, and equipment				
Continuing operations	(23)	(51)	(109)	(103)
Discontinued operations	-	-	-	-
Total expenditures for property, plant, & equipment	(23)	(51)	(109)	(103)
(Increase)/Decrease in asset securitization program	(30)	(13)	(20)	(113)
Free cash flow				
Continuing operations	\$ 87	\$ 19	\$ 81	\$ 66
Discontinued operations	(1)	-	(7)	(6)
Total free cash flow	<u>\$ 86</u>	<u>\$ 19</u>	<u>\$ 74</u>	<u>\$ 60</u>
A/R asset securitization program balance	\$ 130	\$ 113	\$ 130	\$ 113

Schedule 3

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

Slide # 16, 17 & 21 - "Earnings Per Share"

Income and EPS from continuing ops	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Q3 2008</u>	<u>Q3 2007</u>	<u>9 Months</u> <u>2008</u>	<u>9 Months</u> <u>2007</u>
Income from continuing ops - US GAAP basis	\$ 164	\$ 138	\$ 143	\$ 277	\$ 244	\$ 53	\$ 59	\$ 152	\$ 185
Tenneco Packaging litigation settlement (net of tax)	35	-	-	-	-	-	-	-	-
Restructuring & other charges/(credits) (net of tax)	-	50	4	(1)	-	(1)	-	9	-
Realization foreign exchange gain (net of tax)	-	-	-	(20)	-	-	-	-	-
Tax liability adjustment	-	-	-	(29)	-	-	-	-	-
Income from continuing ops excluding restructuring & other charges	<u>\$ 199</u>	<u>\$ 188</u>	<u>\$ 147</u>	<u>\$ 227</u>	<u>\$ 244</u>	<u>\$ 52</u>	<u>\$ 59</u>	<u>\$ 161</u>	<u>\$ 185</u>
Average common shares outstanding (diluted)	160.1	153.8	148.8	139.7	132.9	132.1	132.2	132.1	132.8
Diluted earnings per share									
Income from continuing ops - US GAAP basis	\$ 1.10	\$ 0.90	\$ 0.96	\$ 1.98	\$ 1.84	\$ 0.40	\$ 0.45	\$ 1.15	\$ 1.39
Tenneco Packaging litigation settlement (net of tax)	0.22	-	-	-	-	-	-	-	-
Restructuring & other charges/(credits) (net of tax)	-	0.32	0.03	-	-	(0.01)	-	0.07	-
Realization foreign exchange gain (net of tax)	-	-	-	(0.14)	-	-	-	-	-
Tax liability adjustment	-	-	-	(0.21)	-	-	-	-	-
Income from continuing ops excluding restructuring & other charges	<u>\$ 1.32</u>	<u>\$ 1.22</u>	<u>\$ 0.99</u>	<u>\$ 1.63</u>	<u>\$ 1.84</u>	<u>\$ 0.39</u>	<u>\$ 0.45</u>	<u>\$ 1.22</u>	<u>\$ 1.39</u>

Slide # 20 - "Gross Margin %"

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>YTD</u> <u>Sept 08</u>
Operating income - US GAAP basis	\$ 421	\$ 297	\$ 300	\$ 424	\$ 472	\$ 310
Restructuring & other charges/(credits)	(1)	79	6	(1)	-	14
Operating income excluding restructuring & other charges	<u>\$ 420</u>	<u>\$ 376</u>	<u>\$ 306</u>	<u>\$ 423</u>	<u>\$ 472</u>	<u>\$ 324</u>
Sales	\$ 2,379	\$ 2,544	\$ 2,756	\$ 2,917	\$ 3,253	\$ 2,684
Less: Increased sales price due to resin cost increases	-	(40)	(259)	(402)	(423)	(385)
Adjusted Sales due to resin cost increases	2,379	2,504	2,497	2,515	2,830	2,299
Gross Margin	763	749	721	887	931	671
Gross Margin %	32.1%	29.4%	26.2%	30.5%	28.6%	25.0%
Adjusted Gross Margin %	32.1%	29.9%	28.9%	35.3%	32.9%	29.2%

"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 2003 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 # 22 - "2008 Outlook"

	<u>Twelve months ending December 31, 2008</u>	
	<u>Low estimate</u>	<u>High estimate</u>
Diluted earnings per share		
Income from continuing ops - US GAAP basis	\$ 1.60	\$ 1.66
Adjustments (net of tax) to exclude restructuring and other charges	0.08	0.08
Income from continuing ops excluding restructuring & other charges	<u>\$ 1.68</u>	<u>\$ 1.74</u>

	<u>Twelve months ending December 31, 2008</u>	
	<u>Low estimate</u>	<u>High estimate</u>
Free Cash Flow		
Cash flow provided by operating activities from continuing operations - US GAAP basis	\$ 345	\$ 355
Capital expenditures - continuing operations	(140)	(140)
(Increase) decrease in asset securitization	(20)	(20)
Free cash flow	<u>\$ 185</u>	<u>\$ 195</u>
A/R asset securitization program balance	<u>\$ 130</u>	<u>\$ 130</u>