

# 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 #12 - "Strong Free Cash Generation"**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	9 months 2009
<b>Free cash flow</b>										
Cash provided by operating activities										
Continuing operations			\$ 320	\$ 311	\$ 333	\$ 270	\$ 386	\$ 444	\$ 357	\$ 194
Discontinued operations			64	25	33	(4)	(14)	(8)	(8)	(3)
Total cash provided by operations	\$ 290	\$ 371	\$ 384	336	366	266	372	436	349	191
Expenditures for property, plant, and equipment										
Continuing operations			\$ (91)	\$ (89)	(78)	(121)	(78)	(151)	(136)	(78)
Discontinued operations			(35)	(23)	(22)	(22)	-	-	-	-
Total expenditures for property, plant, & equipment	\$ (135)	\$ (145)	\$ (126)	(112)	(100)	(143)	(78)	(151)	(136)	(78)
Decrease(increase) in asset securitization program	2	76	34	-	-	10	-	(110)	(20)	20
<b>Free cash flow</b>										
Continuing operations			\$ 263	\$ 222	\$ 255	\$ 159	\$ 308	\$ 183	\$ 201	\$ 136
Discontinued operations			29	2	11	(26)	(14)	(8)	(8)	(3)
Annual free cash flow	\$ 157	\$ 302	\$ 292	\$ 224	\$ 266	\$ 133	\$ 294	\$ 175	\$ 193	\$ 133
<b>Total free cash flow since 2000</b>	<b>\$ 2,169</b>									
<b>A/R asset securitization program balance</b>	<b>\$ 120</b>	<b>\$ 44</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110</b>	<b>\$ 130</b>	<b>\$ 110</b>

**Slide #15 - "2009 Outlook"**

(In millions)

**Cash flow provided by operating activities from continuing operations - GAAP basis <sup>(1)</sup>**  
Capital expenditures - continuing operations  
(Increase)decrease in asset securitization program  
**Free cash flow <sup>(a)</sup>**

**Twelve months ending December 31, 2009**

	Low estimate	High estimate
	\$ 160	\$ 170
	(130)	(130)
	20	20
	<b>\$ 50</b>	<b>\$ 60</b>

(1) Includes pension contributions of \$430 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.