

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 #14 - "Results from Continuing Operations"

Operating income and operating margin		
	<u>Q3 2009</u>	<u>Q3 2008</u>
Operating income - US GAAP basis	\$ 137	\$ 102
Restructuring & other charge	-	(2)
Operating income excluding restructuring & other charge	<u>\$ 137</u>	<u>\$ 100</u>
Sales	\$ 839	\$ 925
Operating margin	16.3%	10.8%
EBITDA & EBITDA Margin		
	<u>Q3 2009</u>	<u>Q3 2008</u>
Net Income	\$ 87	\$ 53
Adjustments:		
Noncontrolling interest	1	1
Noncash discontinued operations	(14)	-
Noncash restructuring and other	-	2
Interest expense, net of interest capitalized	23	25
Income tax expense	41	24
Depreciation and amortization	46	46
EBITDA	<u>\$ 184</u>	<u>\$ 151</u>
Sales	\$ 839	\$ 925
EBITDA percent of sales	21.9%	16.3%
Free cash flow		
	<u>Q3 2009</u>	<u>Q3 2008</u>
Cash provided by operating activities		
Continuing operations	\$ (21)	\$ 141
Discontinued operations	-	-
Total cash provided by operations	<u>(21)</u>	<u>141</u>
Capital expenditures - continuing operations	(29)	(23)
(Increase)/decrease in asset securitization program	19	(30)
Free cash flow		
Continuing operations	\$ (31)	\$ 88
Discontinued operations	-	-
Total free cash flow	<u>\$ (31)</u>	<u>\$ 88</u>
A/R asset securitization program balance	\$ 110	\$ 130
Income and EPS from continuing ops		
	<u>Q3 2009</u>	<u>Q3 2008</u>
Income from continuing ops - US GAAP basis	\$ 72	\$ 53
Restructuring & other charges/(credits) (net of tax)	-	(1)
Income from continuing ops excluding restructuring & other charges/(credits)	<u>\$ 72</u>	<u>\$ 52</u>
Average common shares outstanding (diluted)	133.2	132.1
<u>Diluted earnings per share</u>		
Income from continuing ops - US GAAP basis	\$ 0.54	\$ 0.40
Restructuring & other charges/(credits) (net of tax)	-	(0.01)
Income from continuing ops excluding restructuring & other charges/(credits)	<u>\$ 0.54</u>	<u>\$ 0.39</u>

Schedule 2

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

Slide #15 - "Strong Free Cash Generation"

	2000	2001	2002	2003	2004	2005	2006	2007	2008	9 months 2009
Free cash flow										
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
Add back pretax pension contribution										400
Less cash tax benefits										(100)
Free cash flow										
Continuing operations			\$ 263	\$ 222	\$ 255	\$ 159	\$ 308	\$ 183	\$ 201	\$ 436
Discontinued operations			29	2	11	(26)	(14)	(8)	(8)	(3)
Annual free cash flow	\$ 157	\$ 302	\$ 292	\$ 224	\$ 266	\$ 133	\$ 294	\$ 175	\$ 193	\$ 433
Total free cash flow since 2000 ^(a)	\$ 2,469									
A/R asset securitization program balance	\$ 120	\$ 44	\$ 10	\$ 10	\$ 10	\$ -	\$ -	\$ 110	\$ 130	\$ 110

Slide #18 - "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⁾	\$ 310	\$ 320
Capital expenditures - continuing operations	(130)	(130)
(Increase)decrease in asset securitization program	20	20
Free cash flow ^(a)	\$ 200	\$ 210

(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. We have also shown free cash flow excluding pension contributions in order to have a comparable liquidity to prior years when no pension contributions were made.