SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
[X] Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended September 29, 2012

or

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ____ to _____

Commission File Number 001-35672
BERRY PLASTICS GROUP, INC.
(*Exact name of registrant as specified in its charter*)

Delaware	20-5234618
(State or other jurisdiction of incorporation or organization)	(IRS employer identification number)
101 Oakley Street Evansville, Indiana	47710
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (812) 424-2904

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes [ ] No [X]

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: [ ]

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, or non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [X] Small reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes[ ]No[X]

The aggregate market value of the voting stock held by non-affiliates of the registrant on October 4, 2012, based upon the closing price of $15.20 of the registrant's common stock as reported on the New York Stock Exchange, was approximately $600 million. The calculation excludes shares of the registrant's common stock held by current executive officers, directors, and affiliates whose ownership exceeds 5% outstanding at October 4, 2012. The registrant has elected to use October 4, 2012 as the calculation date, which was the initial trading date of the registrant's common stock on the New York Stock Exchange, since on March 30, 2012 (the last business day of the registrant's second fiscal quarter), the registrant was a privately-held company.

As of December 17, 2012, there were approximately 112,717,783 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Berry Plastics Group, Inc.'s Proxy Statement for its 2013 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Form 10-K for the fiscal period ending September 29, 2012, ("fiscal 2012") and comparable periods October 1, 2011, ("fiscal 2011") and October 2, 2010, ("fiscal 2010") contains "forward-looking statements" which involve risks and uncertainties. You can identify forward-looking statements because they contain words such as "believes," "expects," "may," "will," "should," "would," "could," "seeks," "approximately," "intends," "plans," "estimates," or "anticipates" or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on the date of this Form 10-K.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under "Risk Factors" and elsewhere in this Form 10-K, including, without limitation, in conjunction with the forward-looking statements included in this Form 10-K. All forward-looking information and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- risks associated with our substantial indebtedness and debt service;
- changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices on a timely basis;
- performance of our business and future operating results;
- risks related to our acquisition strategy and integration of acquired businesses;
- reliance on unpatented know-how and trade secrets;
- increases in the cost of compliance with laws and regulations, including environmental, safety, and production and product laws and regulations;
- risks related to disruptions in the overall economy and the financial markets may adversely impact our business;
- catastrophic loss of one of our key manufacturing facilities, natural disasters, and other unplanned business interruptions;
- risks of competition, including foreign competition, in our existing and future markets;
- general business and economic conditions, particularly an economic downturn;
- the ability of our insurance to cover fully our potential exposures; and
- the other factors discussed in the section of this Form 10-K titled "Risk Factors."

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Form 10-K may not in fact occur. Accordingly, investors should not place undue reliance on those statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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Item 1. BUSINESS

(In millions of dollars, except as otherwise noted)

General

Berry Plastics Group, Inc. ("Berry" or the "Company") is a leading provider of value-added plastic consumer packaging and engineered materials with a track record of delivering high-quality customized solutions to our customers. Our products utilize our proprietary research and development platform, which includes a continually evolving library of Berry-owned molds, patents, manufacturing techniques and technologies. We sell our solutions predominantly into consumer-oriented end-markets, such as food and beverage, healthcare, and personal care. We believe our customers look to us for solutions that have high consumer impact in terms of form, function, and branding. Representative examples of our products include thermoform drink cups, thin-wall containers, blow-molded bottles, specialty closures, prescription vials, specialty plastic films, tapes products, and corrosion protection materials.

We believe that we have created one of the largest product libraries in our industry, allowing us to be a comprehensive solution provider to our customers. We have more than 13,000 customers, which consist of a diverse mix of leading national, mid-sized regional and local specialty businesses. The size and scope of our customer network allows us to introduce new products we develop or acquire to a vast audience that is familiar with, and we believe partial to, our brand. In fiscal 2012, no single customer represented more than 3% of net sales and our top ten customers represented less than 17% of net sales. We believe our manufacturing processes and our ability to leverage our scale to reduce expenses on items, such as raw materials, position us as a low-cost manufacturer relative to our competitors. For example, we believe based on management estimates that we are one of the largest global purchasers of plastic resins, at more than 2.5 billion pounds per year, which gives us scaled purchasing savings.

We organize our business into four operating divisions: Rigid Open Top, Rigid Closed Top, (which together make up our Rigid Packaging business), Engineered Materials, and Flexible Packaging. Additional financial information about our business segments is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Notes to Consolidated Financial Statements," which are included elsewhere in this Form 10-K.

Acquisitions

Rexam Specialty and Beverage Closures

In September 2011, we acquired 100% of the capital stock of Rexam SBC. The aggregate purchase price was $351 ($340, net of cash acquired). Rexam SBC's primary products include plastic closures, fitments and dispensing closure systems, and jars. The business is operated in our Rigid Packaging business. To finance the purchase, we used cash on hand and existing credit facilities. The Rexam SBC acquisition has been accounted for under the purchase method of accounting, and accordingly, the purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

STOPAQ®

In June 2012, the Company acquired 100% of the shares of Frans Nooren Beheer B.V. and its operating companies ("Stopaq") for a purchase price of $65 ($62, net of cash acquired). Stopaq is the inventor and manufacturer of patented visco-elastic technologies for use in corrosion prevention, sealing and insulation applications ranging from pipelines to subsea piles to rail and cable joints. The newly added business is operated in our Engineered Materials segment. To finance the purchase, the Company used cash on hand and existing credit facilities. The Stopaq acquisition has been accounted for under the purchase method of accounting, and accordingly, the preliminary purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

Recent Developments

In October 2012, we completed our initial public offering selling 29,411,764 shares of common stock at $16.00 per share. We used proceeds of our initial public offering, net of underwriting fees, of $444 and cash on hand to repurchase all $455 of 11% Senior Subordinated Notes due September 15, 2016. In connection with the initial public offering, we entered into an income tax receivable agreement that provides for the payment by us to our pre-initial public offering stockholders, option holders and holders of our stock appreciation rights of 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that we actually realize (or are deemed to realize in the case of a change of control) as a result of the utilization of our and our subsidiaries' net operating losses attributable to periods prior to the initial public offering. We expect to pay between $300 and $350 in cash related to this agreement, based on our current taxable income estimates.

Product Overview

Rigid Packaging

Our Rigid Packaging business primarily consists of containers, foodservice items, housewares, closures, overcaps, bottles, prescription vials, and tubes. The largest end uses for our packages are consumer-oriented end markets such as food and beverage, retail mass marketers, healthcare, personal care and household chemical. Many of our products are manufactured from proprietary molds that we develop and own, which we believe would result in significant costs to our customers to switch to a different supplier. In addition to a complete product line, we have sophisticated decorating capabilities and in-house graphic arts and tooling departments, which allow us to integrate ourselves into, and, we believe, add significant value to, our customers' packaging design processes. Our primary competitors include Airlite, Letica, Polytainers, Silgan, Aptar Group, and Reynolds. These competitors individually only compete on certain of our products, whereas we offer the entire selection of rigid products described below.

Containers. We manufacture a collection of nationally branded container products and also seek to develop customized container products for niche applications by leveraging of our state-of-the-art design, decoration and graphic arts capabilities. We believe this mix allows us to both achieve significant economies of scale, while also maintaining an attractive portfolio of specialty products. Our container capacities range from four ounces to five gallons and are offered in various styles with accompanying lids, bails and handles, some of which we produce, as well as a wide array of decorating options. We have long-standing supply relationships with many of the nation's leading food and consumer products companies, including Dannon, Dean Foods, Conagra, Kraft, Kroger, and Unilever.

Foodservice. We believe that we are one of the largest providers of large size thermoformed polypropylene ("PP") and injection-molded plastic drink cups in the United States. We believe we are the leading producer of 30 ounce or larger thermoformed PP drink cups and offer a product line with sizes ranging from 12 to 52 ounces. Our thermoform process uses PP instead of more expensive polystyrene ("PS") or polyethylene terephthalate ("PET") in producing deep draw drink cups to generate a cup with a competitive cost advantage versus thermoformed PS or PET drink cups. Additionally, we produce injection-molded plastic cups that range in size from 12 to 64 ounces. Primary markets for our plastic drink cups are quick service and family dining restaurants, convenience stores, stadiums and retail stores. Many of our cups are decorated, often as promotional items, and we believe we have a reputation in the industry for innovative, state-of-the-art graphics. Selected drink cup customers and end users include Hardee's, McDonald's, Quik Trip, Starbucks, Subway, Wendy's, and Yum! Brands.

Housewares. Our participation in the housewares market is focused on producing semi-disposable plastic home and party and plastic garden products. Examples of our products include plates, bowls, pitchers, tumblers and outdoor flowerpots. We sell virtually all of our products in this market through major national retail marketers and national chain stores, such as Walmart. PackerWare is our recognized brand name in these markets and PackerWare branded products are often co-branded by our customers. Our strategy in this market has been to provide high value to consumers at a relatively modest price, consistent with the key price points of the retail marketers. We believe outstanding service and the ability to deliver products with timely combination of color and design further enhance our position in this market.

Closures and Overcaps. We believe we are a leading producer of closures and overcaps across several of our product lines, including continuous-thread and child-resistant closures, as well as aerosol overcaps. We currently sell our closures into numerous end markets, including vitamin/nutritional, chemical, healthcare, food/beverage, specialty and personal care. In addition to traditional closures, we are a provider of a wide selection of custom closure solutions including fitments and plugs for medical applications, cups and spouts for liquid laundry detergent, and dropper bulb assemblies for medical and personal care applications. Further, we believe that we are the leading domestic producer of injection-molded aerosol overcaps. Our aerosol overcaps are used in a wide variety of consumer goods including spray paints, household and personal care products, insecticides and numerous other commercial and consumer products. We believe our technical expertise and manufacturing capabilities provide us a low-cost position that has allowed us to become a leading provider of high-quality closures and overcaps to a diverse set of leading companies. We believe our manufacturing advantage is driven by our position on the forefront of various technologies, including the latest in single- and bi-injection processes, precise reproduction of colors, automation and vision technology, and proprietary packing technology that minimizes freight cost and warehouse space. A majority of our overcaps and closures are manufactured from proprietary molds, which we design, develop, and own. In addition to these molds, we utilize state-of-the art lining, assembly, and decorating equipment to enhance the value and performance of our products in the market. Our closure and aerosol overcap customers include McCormick, Bayer, Coca-Cola, Diageo, Shell Oil, Johnson and Johnson, Pepsico, Wyeth, Kraft, Sherwin-Williams, and S.C. Johnson.

Bottles and Prescription Containers. Our bottle and prescription container businesses target markets similar to our closure business. We believe, based on management estimates, that we are the leading supplier of spice containers in the United States and have a leadership position in various food and beverage, vitamin and nutritional markets, as well as selling bottles

into prescription and pharmaceutical applications. Additionally, we believe we are a leading supplier in the prescription container market, supplying a complete line of amber containers with both one-piece and two-piece child-resistant closures. We offer an extensive line of stock polyethylene ("PE") and PET bottles for the vitamin and nutritional markets. Our design capabilities, along with internal engineering strength give us the ability to compete on customized designs to provide desired differentiation from traditional packages. We also offer our customers decorated bottles with hot stamping, silk screening and labeling. We sell these products to personal care, pharmaceutical, food and consumer product customers, including McCormick, Pepsico, Carriage House, Perrigo, CVS, NBTY, Target Stores, John Paul Mitchell, and Novartis.

Tubes. We believe that we are one of the largest suppliers of extruded plastic squeeze tubes in the United States. We offer a complete line of tubes in a wide variety of sizes. We have also introduced laminate tubes to complement our extruded tube business. Our focus and investments are made to ensure that we are able to meet the increasing trend towards large diameter tubes with high-end decoration. We have several proprietary designs in this market that combine tube and closure that we believe are viewed as very innovative both in appearance and functionality, as well as from a sustainability standpoint. The majority of our tubes are sold in the personal care market, focusing on products like facial/cold creams, shampoos, conditioners, bath/shower gels, lotions, sun care, hair gels, and anti-aging creams. We also sell our tubes into the pharmaceutical and household chemical markets. We believe that our ability to provide creative package designs, combined with a complementary line of closures, makes us a preferred supplier for many customers in our target markets including Kao Brands, L'Oreal, Avon, and Procter & Gamble.

Engineered Materials

Our Engineered Materials business primarily consists of pipeline corrosion protection solutions, specialty tapes and adhesives, polyethylene based film products and can liners. Our primary competitors include AEP, Sigma and 3M. The Engineered Materials business primarily includes the following product groups:

Corrosion Protection Products. We believe we are a leading global producer of anti-corrosion products to infrastructure, rehabilitation and new pipeline projects throughout the world. We believe our products deliver superior performance across all climates and terrains for the purpose of sealing, coupling, and rehabilitation and corrosion protection of pipelines. Products include heat-shrinkable coatings, single- and multi-layer sleeves, pipeline coating tapes, anode systems for cathodic protection, visco-elastic, and epoxy coatings. These products are used in oil, gas, and water supply and construction applications. Our customers primarily include contractors managing discrete construction projects around the world as well as distributors and applicators. Our corrosion protection products customers include Tyco Electronics, Northwest Pipe, Stopaq, and Midwestern Pipeline Products.

Tape Products. We believe we are a leading North American manufacturer of cloth and foil tape products. Other tape products include high-quality, high-performance liners of splicing and laminating tapes, flame-retardant tapes, vinyl-coated and carton sealing tapes, electrical, double-faced cloth, masking, mounting, OEM, and medical and specialty tapes. These products are sold under the NationalTM, Nashua®, and Polyken® brands in the United States. Tape products are sold primarily through distributors and directly to end users and are used predominantly in industrial, HVAC, automotive, construction, and retail market applications. In addition to serving our core tape end markets, we believe we are also a leading producer of tapes in the niche aerospace, construction and medical end markets. We believe that our success in serving these additional markets is principally due to a combination of technical and manufacturing expertise leveraged in favor of customized applications. Our tape products customers include Home Depot and RH Elliott.

Retail Bags. We manufacture and sell a diversified portfolio of PE-based film products to end users in the retail markets. These products are sold under leading brands such as Ruffies® and Film-Gard®. Our products include drop cloths and retail trash bags. These products are sold primarily through wholesale outlets, hardware stores and home centers, paint stores, and mass merchandisers. Our retail trash bag customers include, Walmart, True Value, and ACE.

FIBC. We manufacture customized PP-based, woven and sewn containers for the transportation and storage of raw materials such as seeds, titanium dioxide, clay, and resin pellets. Our FIBC customers include Texene LLC and Pioneer Hi-Bred Intl.

PVC Films. We believe, based on management estimates, that we are a world leader in PVC films offering a broad array of PVC meat film. Our products are used primarily to wrap fresh meats, poultry, and produce for supermarket applications. In addition, we offer a line of boxed products for food service and retail sales. We service many of the leading supermarket chains, club stores, and wholesalers including Kroger, Publix, Walmart/Sams, Costco, and SuperValu. We believe we are a leading innovator and specialize in lighter gauge sustainable solutions like our recent Revolution™ product line offering.

Institutional Can Liners. We sell trash-can liners and food bags for offices, restaurants, schools, hospitals, hotels, municipalities, and manufacturing facilities. We also sell products under the Big City®, Hospi-Tuff®, Plas-Tuff®, Rhino-X®, and Steel-Flex® brands. Our institutional customers include Unisource and Gordon Food Service.

Stretch Films. We produce both hand and machine-wrap stretch films, which are used by end users to wrap products and packages for storage and shipping. We sell stretch film products to distributors, retail, and industrial end users under the MaxTech® and PalleTech® brands. Our stretch films customers include XPEDX and Unisource.

Flexible Packaging

Our Flexible Packaging division consists of high barrier, multilayer film products as well as finished flexible packages such as printed bags and pouches. The largest end uses for our flexible products are consumer-oriented end markets such as food and beverage, medical, and personal care. Our primary competitors include Printpak, Tredegar, and Bemis. The Flexible Packaging division includes the following product groups:

Barrier/Sealant Films. We manufacture and sell a wide range of highly specialized, made-to-order film products ranging from mono layer to coextruded films having up to nine layers, lamination films sold primarily to flexible packaging converters and used for peelable lid stock, stand-up pouches, pillow pouches, and other flexible packaging formats. We also manufacture barrier films used for cereal, cookie, cracker, and dry mix packages that are sold directly to food manufacturers like Kraft and Ralcorp. We also manufacture films for specialized industrial applications ranging from lamination film for carpet padding to films used in solar panel construction.

Personal Care Films. We believe we are a major supplier of component and packaging films used for personal care hygiene applications predominantly sold in North America and Latin America. The end use applications include disposable baby diapers, feminine care, adult incontinence, hospital and tissue, and towel products. Our personal care customers include Kimberly Clark, SCA, Johnson and Johnson, First Quality, and other leading private label manufacturers. Our “Lifetime of Solutions™” approach promotes an innovation pipeline that seeks to integrate both product and equipment design into leading edge customer and consumer solutions.

Printed Products. We are a converter of printed bags, pouches, and rollstock. Our manufacturing base includes integrated extrusion that combines with printing, laminating, bagmaking, Innolok®, and laser-score converting processes. We believe we are a leading supplier of printed film products for the fresh bakery, tortilla, and frozen vegetable markets with brands such as SteamQuick® Film, Freshview™ bags, and Billboard™ SUPs. Our customers include Mission Foods and Kellogg’s.

Coated and Laminated Packaging. We manufacture specialty coated and laminated products for a wide variety of packaging applications. The key end markets and applications for our products include food, consumer, healthcare, industrial and military pouches, roll wrap, multi-wall bags, and fiber drum packaging. Our products are sold under the MarvelGuard™ and MarvelSeal™ brands and are predominately sold to converters who transform them into finished goods. Our coated and laminated packaging customers include Covidien and Morton Salt.

Marketing and Sales

We reach our large and diversified base of over 13,000 customers through our direct field sales force of dedicated professionals and the strategic use of distributors. Our field sales, production and support staff meet with customers to understand their needs and improve our product offerings and services. Our scale enables us to dedicate certain sales and marketing efforts to particular products, customers or geographic regions, when applicable, which enables us to develop expertise that we believe is valued by our customers. In addition, because we serve common customers across segments, we have the ability to efficiently utilize our sales and marketing resources to minimize costs. Highly skilled customer service representatives are strategically located throughout our facilities to support the national field sales force. In addition, telemarketing representatives, marketing managers, and sales/marketing executives oversee the marketing and sales efforts. Manufacturing and engineering personnel work closely with field sales personnel and customer service representatives to satisfy customers’ needs through the production of high-quality, value-added products and on-time deliveries.

We believe that we have differentiated ourselves from competitors by building a reputation for high-quality products, customer service and innovation. Our sales team monitors customer service in an effort to ensure that we remain the primary supplier for our key accounts. This strategy requires us to develop and maintain strong relationships with our customers, including end users as well as distributors and converters. We have a technical sales team with significant knowledge of our products and processes, particularly in specialized products. This knowledge enables our sales and marketing team to work closely with our research and development organization and our customers to co-develop products and formulations to meet specific performance requirements. This partnership approach enables us to further expand our relationships with our existing customer base, develop relationships with new customers and increase sales of new products.

Research, Product Development and Design

We believe our technology base and research and development support are among the best in the plastics packaging industry. Using three-dimensional computer-aided design technologies, our full-time product designers develop innovative product designs and models for the packaging market. We can simulate the molding environment by running unit-cavity prototype molds in small injection-molding, thermoform, compression and blow molding machines for research and development of new products. Production molds are then designed and outsourced for production by various companies with which we have extensive experience and established relationships or built by our in-house tooling division located in Evansville, Indiana. Our engineers oversee the mold-building process from start to finish. Many of our customers work in partnership with our technical representatives to develop new, more competitive products. We have enhanced our relationships with these customers by providing the technical service needed to develop products combined with our internal graphic arts support. We also utilize our in-house graphic design department to develop color and styles for new rigid products. Our design professionals work directly with our customers to develop new styles and use computer-generated graphics to enable our customers to visualize the finished product.

Additionally, at our major technical centers, including the Berry Research and Design Center in Evansville, Indiana, as well as facilities in Lancaster, Pennsylvania; Homer, Louisiana; and Chippewa Falls, Wisconsin; we prototype new ideas, conduct research and development of new products and processes, and qualify production systems that go directly to our facilities and into production. We also have technical center, complete product testing and quality laboratories at our Lancaster, Pennsylvania facility. At our pilot plant in Homer, Louisiana, we are able to experiment with new compositions and processes with a focus on minimizing waste and improving productivity. With this combination of manufacturing simulation and quality systems support we are able to improve time to market and reduce cost. We spent $25, $20, and $21 on research and development in fiscal 2012, 2011 and 2010, respectively.

Sources and Availability of Raw Materials

The most important raw material purchased by us is plastic resin. Our plastic resin purchasing strategy is to conduct business with only high-quality, dependable suppliers. We believe that we have maintained strong relationships with our key suppliers and expect that such relationships will continue into the foreseeable future. The resin market is a global market and, based on our experience, we believe that adequate quantities of plastic resins will be available at market prices, but we can provide no assurances as to such availability or the prices thereof.

We also purchase various other materials, including natural and butyl rubber, tackifying resins, chemicals and adhesives, paper and packaging materials, polyester staple, raw cotton, linerboard and kraft, woven and non-woven cloth, and foil. These materials are generally available from a number of suppliers.

Employees

At the end of fiscal 2012, we employed over 15,000 employees. Approximately 11% of our employees are covered by collective bargaining agreements. Four of our 12 agreements, covering approximately 1,200 employees, were scheduled for renegotiation in fiscal 2012, and each of them was renegotiated. The remaining agreements expire after fiscal 2012. Our relations with employees remain satisfactory and there have been no significant work stoppages or other labor disputes during the past three years.

Patents, Trademarks and Other Intellectual Property

We rely on a combination of patents, trade secrets, unpatented know-how, trademarks, copyrights and other intellectual property rights, nondisclosure agreements and other protective measures to protect our proprietary rights. While we consider our intellectual property to be important to our business in the aggregate, we do not believe that any individual item of our intellectual property portfolio is material to our current business. The remaining duration of our patents ranges from one to 17 years.

We employ various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants, to protect our trade secrets and know-how. We have licensed, and may license in the future, patents, trademarks, trade secrets, and similar proprietary rights to and from third parties.

Environmental Matters and Government Regulation

Our past and present operations and our past and present ownership and operations of real property are subject to extensive and changing federal, state, local, and foreign environmental laws and regulations pertaining to the discharge of materials into the environment, handling and disposition of wastes, and cleanup of contaminated soil and ground water, or otherwise relating to the protection of the environment. We believe that we are in substantial compliance with applicable environmental

laws and regulations. However, we cannot predict with any certainty that we will not in the future incur liability, which could be significant under environmental statutes and regulations with respect to noncompliance with environmental laws, contamination of sites formerly or currently owned or operated by us (including contamination caused by prior owners and operators of such sites) or the off-site disposal of regulated materials, which could be material.

We may from time to time be required to conduct remediation of releases of regulated materials at our owned or operated facilities. None of our pending remediation projects are expected to result in material costs. Like any manufacturer, we are also subject to the possibility that we may receive notices of potential liability in connection with materials that were sent to third-party recycling, treatment, and/or disposal facilities under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and comparable state statutes, which impose liability for investigation and remediation of contamination without regard to fault or the legality of the conduct that contributed to the contamination, and for damages to natural resources. Liability under CERCLA is retroactive, and, under certain circumstances, liability for the entire cost of a cleanup can be imposed on any responsible party. No such notices are currently pending which are expected to result in material costs.

The Food and Drug Administration ("FDA") regulates the material content of direct-contact food and drug packages, including certain packages we manufacture pursuant to the Federal Food, Drug and Cosmetics Act. Certain of our products are also regulated by the Consumer Product Safety Commission ("CPSC") pursuant to various federal laws, including the Consumer Product Safety Act and the Poison Prevention Packaging Act. Both the FDA and the CPSC can require the manufacturer of defective products to repurchase or recall such products and may also impose fines or penalties on the manufacturer. Similar laws exist in some states, cities and other countries in which we sell our products. In addition, laws exist in certain states restricting the sale of packaging with certain levels of heavy metals, imposing fines and penalties for noncompliance. Although we use FDA approved resins and pigments in our products that directly contact food and drug products and believe they are in material compliance with all such applicable FDA regulations, and we believe our products are in material compliance with all applicable requirements, we remain subject to the risk that our products could be found not to be in compliance with such requirements.

The plastics industry, including us, is subject to existing and potential federal, state, local and foreign legislation designed to reduce solid wastes by requiring, among other things, plastics to be degradable in landfills, minimum levels of recycled content, various recycling requirements, disposal fees, and limits on the use of plastic products. In particular, certain states have enacted legislation requiring products packaged in plastic containers to comply with standards intended to encourage recycling and increased use of recycled materials. In addition, various consumer and special interest groups have lobbied from time to time for the implementation of these and other similar measures. We believe that the legislation promulgated to date and such initiatives to date have not had a material adverse effect on us. There can be no assurance that any such future legislative or regulatory efforts or future initiatives would not have a material adverse effect on us.

Available Information

We make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments, if any, to those reports through our internet website as soon as practicable after they have been electronically filed with or furnished to the SEC. Our internet address is www.berryplastics.com. The information contained on our website is not being incorporated herein.

Item 1A. RISK FACTORS

Our substantial indebtedness could affect our ability to meet our obligations and may otherwise restrict our activities.

We have a significant amount of indebtedness. As of the end of 2012 fiscal year, we had total indebtedness (including current portion) of $4,471 with cash and cash equivalents totaling $87. We would have been able to borrow a further $426 under the revolving portion of our senior secured credit facilities, subject to the solvency of our lenders to fund their obligations and our borrowing base calculations. We are permitted by the terms of our debt instruments to incur substantial additional indebtedness, subject to the restrictions therein. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms, would have a material adverse effect on our business, financial condition and results of operations.

Our substantial indebtedness could have important consequences. For example, it could:

- limit our ability to borrow money for our working capital, capital expenditures, debt service requirements or other corporate purposes;
- require us to dedicate a substantial portion of our cash flow to payments on our indebtedness, which would reduce the amount of cash flow available to fund working capital, capital expenditures, product development and other corporate requirements;

- increase our vulnerability to general adverse economic and industry conditions; and
- limit our ability to respond to business opportunities, including growing our business through acquisitions.

In addition, the credit agreements and indentures governing our current indebtedness contain, and any future debt instruments would likely contain, financial and other restrictive covenants, which will impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- incur or guarantee additional debt;
- pay dividends and make other restricted payments;
- create or incur certain liens;
- make certain investments;
- engage in sales of assets and subsidiary stock;
- enter into transactions with affiliates;
- transfer all or substantially all of our assets or enter into merger or consolidation transactions; and
- make capital expenditures.

As a result of these covenants, we will be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. Furthermore, a failure to comply with these covenants could result in an event of default, which, if not cured or waived, could have a material adverse effect on our business, financial condition, and results of operations.

Increases in resin prices or a shortage of available resin could harm our financial condition and results of operations.

To produce our products, we use large quantities of plastic resins. Plastic resins are subject to price fluctuations, including those arising from supply shortages and changes in the prices of natural gas, crude oil and other petrochemical intermediates from which resins are produced. Over the past several years, we have at times experienced rapidly increasing resin prices. If rapid increases in resin prices continue, our revenue and profitability may be materially and adversely affected, both in the short term as we attempt to pass through changes in the price of resin to customers under current agreements and in the long term as we negotiate new agreements or if our customers seek product substitution.

We source plastic resin primarily from major industry suppliers. We have long-standing relationships with certain of these suppliers but have not entered into a firm supply contract with any of them. We may not be able to arrange for other sources of resin in the event of an industry-wide general shortage of resins used by us, or a shortage or discontinuation of certain types of grades of resin purchased from one or more of our suppliers. In addition, the largest supplier of the Company's total resin material requirements represented approximately 20% of purchases during fiscal 2012. Any such shortage may materially negatively impact our competitive position versus companies that are able to better or more cheaply source resin.

We may not be able to compete successfully and our customers may not continue to purchase our products.

We face intense competition in the sale of our products and compete with multiple companies in each of our product lines. We compete on the basis of a number of considerations, including price, service, quality, product characteristics and the ability to supply products to customers in a timely manner. Our products also compete with metal, glass, paper and other packaging materials as well as plastic packaging materials made through different manufacturing processes. Some of these competitive products are not subject to the impact of changes in resin prices which may have a significant and negative impact on our competitive position versus substitute products. Our competitors may have financial and other resources that are substantially greater than ours and may be better able than us to withstand higher costs. In addition, our success may depend on our ability to adapt to technological changes, and if we fail to enhance existing products and develop and introduce new products and new production technologies in a timely fashion in response to changing market conditions and customer demands, our competitive position could be materially and adversely affected. Furthermore, some of our customers do and could in the future choose to manufacture the products they require for themselves. Each of our product lines faces a different competitive landscape. Competition could result in our products losing market share or our having to reduce our prices, either of which would have a material adverse effect on our business and results of operations and financial condition. In addition, since we do not have long-term arrangements with many of our customers, these competitive factors could cause our customers to shift suppliers and/or packaging material quickly.

We may pursue and execute acquisitions, which could adversely affect our business.

As part of our growth strategy, we plan to consider the acquisition of other companies, assets and product lines that either complement or expand our existing business and create economic value. We cannot assure you that we will be able to consummate any such transactions or that any future acquisitions will be consummated at acceptable prices and terms.

We continually evaluate potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope. Acquisitions involve a number of special risks, including:

- the diversion of management's attention and resources to the assimilation of the acquired companies and their employees and to the management of expanding operations;
- the incorporation of acquired products into our product line;
- problems associated with maintaining relationships with employees and customers of acquired businesses;
- the increasing demands on our operational systems;
- ability to integrate and implement effective disclosure controls and procedures and internal controls for financial reporting within the allowable time frame as permitted by Sarbanes-Oxley Act;
- possible adverse effects on our reported operating results, particularly during the first several reporting periods after such acquisitions are completed; and
- the loss of key employees and the difficulty of presenting a unified corporate image.

We may become responsible for unexpected liabilities that we failed or were unable to discover in the course of performing due diligence in connection with historical acquisitions and any future acquisitions. We have typically required selling stockholders to indemnify us against certain undisclosed liabilities. However, we cannot assure you that indemnification rights we have obtained, or will in the future obtain, will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business or property acquired. Any of these liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

In addition, we may not be able to successfully integrate future acquisitions without substantial costs, delays or other problems. The costs of such integration could have a material adverse effect on our operating results and financial condition. Although we conduct what we believe to be a prudent level of investigation regarding the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual condition of these businesses. Until we actually assume operating control of such businesses and their assets and operations, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations. Furthermore, we may not realize all of the cost savings and synergies we expect to achieve from our current strategic initiatives due to a variety of risks, including, but not limited to, difficulties in integrating shared services with our business, higher than expected employee severance or retention costs, higher than expected overhead expenses, delays in the anticipated timing of activities related to our cost-saving plans and other unexpected costs associated with operating our business. If we are unable to achieve the cost savings or synergies that we expect to achieve from our strategic initiatives, it could adversely affect our business, financial condition and results of operations.

We may not be successful in protecting our intellectual property rights, including our unpatented proprietary know-how and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others.

In addition to relying on patent and trademark rights, we rely on unpatented proprietary know-how and trade secrets, and employ various methods, including confidentiality agreements with employees and consultants, customers and suppliers to protect our know-how and trade secrets. However, these methods and our patents and trademarks may not afford complete protection and there can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods than us. Further, we may not be able to deter current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Additionally, we have licensed, and may license in the future, patents, trademarks, trade secrets, and similar proprietary rights to third parties. While we attempt to ensure that our intellectual property and similar proprietary rights are protected when entering into business relationships, third parties may take actions that could materially and adversely affect our rights or the value of our intellectual property, similar proprietary rights or reputation. In the future, we may also rely on litigation to enforce our intellectual property rights and contractual rights, and, if not successful, we may not be able to protect the value of our intellectual property. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of its outcome.

Our success depends in part on our ability to obtain, or license from third parties, patents, trademarks, trade secrets and similar proprietary rights without infringing on the proprietary rights of third parties. Although we believe our intellectual property rights are sufficient to allow us to conduct our business without incurring liability to third parties, our products may infringe on the intellectual property rights of such persons. Furthermore, no assurance can be given that we will not be subject to claims asserting the infringement of the intellectual property rights of third parties seeking damages, the payment of royalties or licensing fees and/or injunctions against the sale of our products. Any such litigation could be protracted and costly and could have a material adverse effect on our business, financial condition and results of operations.

Current and future environmental and other governmental requirements could adversely affect our financial condition and our ability to conduct our business.

Our operations are subject to federal, state, local, and foreign environmental laws and regulations that impose limitations on the discharge of pollutants into the air and water, establish standards for the treatment, storage and disposal of solid and hazardous wastes and require cleanup of contaminated sites. While we have not been required historically to make significant capital expenditures in order to comply with applicable environmental laws and regulations, we cannot predict with any certainty our future capital expenditure requirements because of continually changing compliance standards and environmental technology. Furthermore, violations or contaminated sites that we do not know about (including contamination caused by prior owners and operators of such sites or newly discovered information) could result in additional compliance or remediation costs or other liabilities, which could be material. We have limited insurance coverage for potential environmental liabilities associated with historic and current operations and we do not anticipate increasing such coverage in the future. We may also assume significant environmental liabilities in acquisitions. In addition, federal, state, local, and foreign governments could enact laws or regulations concerning environmental matters that increase the cost of producing, or otherwise adversely affect the demand for, plastic products. Legislation that would prohibit, tax or restrict the sale or use of certain types of plastic and other containers, and would require diversion of solid wastes such as packaging materials from disposal in landfills, has been or may be introduced in the U.S. Congress, state legislatures, and other legislative bodies. While container legislation has been adopted in a few jurisdictions, similar legislation has been defeated in public referenda in several states, local elections and many state and local legislative sessions. Although we believe that the laws promulgated to date have not had a material adverse effect on us, there can be no assurance that future legislation or regulation would not have a material adverse effect on us. Furthermore, a decline in consumer preference for plastic products due to environmental considerations could have a negative effect on our business.

The Food and Drug Administration, which we refer to as the FDA, regulates the material content of direct-contact food and drug packages we manufacture pursuant to the Federal Food, Drug and Cosmetic Act. Furthermore, some of our products are regulated by the Consumer Product Safety Commission, which we refer to as the CPSC, pursuant to various federal laws, including the Consumer Product Safety Act and the Poison Prevention Packaging Act. Both the FDA and the CPSC can require the manufacturer of defective products to repurchase or recall these products and may also impose fines or penalties on the manufacturer. Similar laws exist in some states, cities and other countries in which we sell products. In addition, laws exist in certain states restricting the sale of packaging with certain levels of heavy metals and imposing fines and penalties for noncompliance. Although we use FDA-approved resins and pigments in our products that directly contact food and drug products and we believe our products are in material compliance with all applicable requirements, we remain subject to the risk that our products could be found not to be in compliance with these and other requirements. A recall of any of our products or any fines and penalties imposed in connection with noncompliance could have a materially adverse effect on us. See “Business—Environmental Matters and Government Regulation.”

In the event of a catastrophic loss of one of our key manufacturing facilities, our business would be adversely affected.

While we manufacture our products in a large number of diversified facilities and maintain insurance covering our facilities, including business interruption insurance, a catastrophic loss of the use of all or a portion of one of our key manufacturing facilities due to accident, labor issues, weather conditions, natural disaster or otherwise, whether short or long-term, could have a material adverse effect on us.

Goodwill and other intangibles represent a significant amount of our net worth, and a future write-off could result in lower reported net income and a reduction of our net worth.

As of the of our 2012 fiscal year, the net value of our goodwill and other intangibles was $2,636. We are no longer required or permitted to amortize goodwill reflected on our balance sheet. We are, however, required to evaluate goodwill reflected on our balance sheet when circumstances indicate a potential impairment, or at least annually, under the impairment testing guidelines outlined in the standard. Future changes in the cost of capital, expected cash flows, or other factors may cause our goodwill to be impaired, resulting in a non-cash charge against results of operations to write off goodwill for the amount of impairment. If a future write-off is required, the charge could have a material adverse effect on our reported results of operations and net worth in the period of any such write-off.

Disruptions in the overall economy and the financial markets may adversely impact our business.

Our industry is affected by current economic factors, including the deterioration of national, regional, and local economic conditions, declines in employment levels, and shifts in consumer spending patterns. Disruptions in the overall economy and volatility in the financial markets could reduce consumer confidence in the economy, negatively affecting consumer spending, which could be harmful to our financial position and results of operations. As a result, decreased cash flow generated from our business may adversely affect our financial position and our ability to fund our operations. In addition, macroeconomic disruptions, as well as the restructuring of various commercial and investment banking organizations, could adversely affect our ability to access the credit markets. The disruption in the credit markets may also adversely affect the availability of financing for our operations. There can be no assurance that government responses to the disruptions in the financial markets will restore consumer confidence, stabilize the markets, or increase liquidity and the availability of credit.

We had net losses in recent years and we may not be profitable in the future.

We generated net income in only two of our last five fiscal years, and during the remaining three fiscal years, we incurred net losses of over $100 per year. We may not generate net income from operations in the future, and continuing net losses may limit our ability to execute our strategy. Factors contributing to our financial performance include non-cash impairment charges, depreciation/amortization on our long lived tangible and intangible assets, interest expense on our debt obligations as well as other factors more fully disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

We are a holding company and rely on dividends and other payments, advances and transfers of funds from our subsidiaries to meet our obligations and pay dividends.

Berry Plastics Group, Inc. has no direct operations and no significant assets other than ownership of 100% of the stock of Berry Plastics Corporation. Because Berry Plastics Group, Inc. conducts its operations through its subsidiaries, it depends on those entities for dividends and other payments to generate the funds necessary to meet its financial obligations, and to pay any dividends with respect to our common stock. Legal and contractual restrictions in the agreements governing current and future indebtedness of Berry Plastics Group, Inc.'s subsidiaries, as well as the financial condition and operating requirements of Berry Plastics Group, Inc.'s subsidiaries, may limit Berry Plastics Group, Inc.'s ability to obtain cash from its subsidiaries. The earnings from, or other available assets of, Berry Plastics Group, Inc.'s subsidiaries may not be sufficient to pay dividends or make distributions or loans to enable Berry Plastics Group, Inc. to pay dividends going forward.

Apollo controls us, and its interests may conflict with or differ from your interests.

Funds affiliated with our equity sponsor, Apollo Global Management, LLC ("Apollo") indirectly beneficially own approximately 54% of our common stock. As a result, Apollo has the power to elect all of our directors. Further, under the amended and restated stockholders agreement that we entered into in connection with our initial public offering, so long as Apollo and its affiliates continue to indirectly own a significant amount of our equity, even if such amount is less than 50%, they will continue to be able to strongly influence or control our business decisions, including through the designation of up to that number of director nominees that would constitute a majority of our Board of Directors under certain circumstances and the requirement that certain matters, including mergers and acquisitions, issuance of equity and incurrence of debt, be approved by a majority of the directors nominated by Apollo voting on the matter so long as Apollo beneficially owns at least 25% of our outstanding common stock. Therefore, Apollo effectively has the ability to prevent any transaction that requires the approval of our Board of Directors or our stockholders, including the approval of significant corporate transactions such as mergers and the sale of substantially all of our assets. Thus, Apollo will continue to be able to significantly influence or effectively control our decisions which could conflict with the interests of other users of this Form 10-K.

We have determined that we are a "controlled company" within the meaning of the NYSE rules and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements.

Funds affiliated with Apollo control a majority of our voting common stock. As a result, we qualify as a "controlled company" within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain NYSE corporate governance requirements, including:

- the requirement that a majority of the Board of Directors consists of independent directors;
- the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees.

We currently utilize these exemptions. As a result, we do not have a majority of independent directors nor do our nominating/corporate governance and compensation committees consist entirely of independent directors, and we are not be required to have an annual performance evaluation of the nominating/corporate governance and compensation committees. Accordingly, our stockholders may not have the same protections afforded to stockholders of companies that are subject to such corporate governance requirements.

The additional requirements of having a class of publicly traded equity securities may strain our resources and distract management.

Upon completion of our initial public offering in October 2012, we will be subject to additional reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act and the Sarbanes-Oxley Act of 2002, which we refer to as the "Sarbanes-Oxley Act." The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control for financial reporting. Under Section 404 of the Sarbanes-Oxley Act, our independent public accountants auditing our financial statements must attest to the effectiveness of our internal control over financial reporting. In order to continue to maintain the effectiveness of our disclosure controls and procedures and internal control over financial reporting following the consummation of this offering, significant resources and management oversight will be required. Furthermore, if we are unable to conclude that our disclosure controls and procedures and internal control over financial reporting are effective, or if our independent public accounting firm is unable to provide us with an unqualified report as to management's assessment of the effectiveness of our internal control over financial reporting in future years, investors may lose confidence in our financial reports and our stock price may decline.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which we refer to as "Dodd-Frank" and which amended the Sarbanes-Oxley Act and other federal laws, has created uncertainty for public companies, and we cannot predict with any certainty the requirements of the regulations that will ultimately be adopted under Dodd-Frank or how such regulations will affect the cost of compliance for a company with publicly traded common stock. There is likely to be continuing uncertainty regarding compliance matters because the application of these laws and regulations, which are subject to varying interpretations, may evolve over time as new guidance is provided by regulatory and governing bodies. We intend to invest resources to comply with these evolving laws and regulations, which may result in increased general and administrative expenses and divert management's time and attention from other business concerns. Furthermore, if our compliance efforts differ from the activities that regulatory and governing bodies expect or intend due to ambiguities related to interpretation or practice, we may face legal proceedings initiated by such regulatory or governing bodies and our business may be harmed. In addition, new rules and regulations may make it more difficult for us to attract and retain qualified directors and officers and may make it more expensive for us to obtain director and officer liability insurance.

We are required to pay our existing owners for certain tax benefits, which amounts are expected to be material.

We have entered into an income tax receivable agreement with our pre-initial public offering stockholders, option holders and holders of our stock appreciation rights that provides for the payment by us to such stockholders of 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that we and our subsidiaries actually realize as a result of the utilization of our net operating losses attributable to periods prior to our initial public offering.

These payment obligations are our obligations and not obligations of any of our subsidiaries. The actual utilization of net operating losses as well as the timing of any payments under the income tax receivable agreement will vary depending upon a number of factors, including the amount, character and timing of our and our subsidiaries' taxable income in the future.

We expect that the payments we make under this income tax receivable agreement will be material. Assuming no material changes in the relevant tax law, and that we and our subsidiaries earn sufficient income to realize the full tax benefits subject to the income tax receivable agreement, we expect that future payments under the income tax receivable agreement will aggregate to between $300 and $350.

Upon completion of our initial public offering in October 2012, we will record a liability in excess of $300, which represents the full obligation for our recognized deferred tax assets, with an offset to Additional Paid in Capital. We expect to record a stock compensation charge in connection with our initial public offering related to the income tax receivable agreement for the payments to option holders and holders of our stock appreciation rights. Any future changes in the realizability of our net operating loss carry forwards that were generated prior to our initial public offering will impact the amount of the liability that will be paid to our pre-initial public offering shareholders, option holders or holders of our stock appreciation rights. Changes in the realizability of these tax assets are recorded in income tax expense (benefit) and any changes in the obligation under the income tax receivable agreement is recorded in other income (expense). Based on our current taxable income estimates, we expect to repay the majority of this obligation by the end of our 2016 fiscal year.

In addition, the income tax receivable agreement provides that upon certain mergers, stock and asset sales, other forms of business combinations or other changes of control, the income tax receivable agreement will terminate and we will be required to make a payment equal to the present value of future payments under the income tax receivable agreement, which payment would be based on certain assumptions, including those relating to our and our subsidiaries' future taxable income. In these situations, our obligations under the income tax receivable agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control.

For tax reasons, special timing rules will apply to payments associated with stock options and stock appreciation rights. Such payments will generally be deemed invested in a notional account rather than made on the scheduled payment dates, and the account will be distributed on the fifth anniversary of the initial public offering.

Our counterparties under this agreement will not reimburse us for any payments previously made under the income tax receivable agreement if such benefits are subsequently disallowed (although future payments would be adjusted to the extent possible to reflect the result of such disallowance). As a result, in certain circumstances, payments could be made under the income tax receivable agreement in excess of our cash tax savings.

Our operating subsidiary Berry Plastics Corporation identified a prior deficiency in its disclosure controls and procedures.

Under applicable SEC regulations, management of a reporting company, with the participation of the principal executive officer and principal financial officer, must periodically evaluate the Company's "disclosure controls and procedures," which are defined generally as controls and other procedures of a reporting company designed to ensure that information required to be disclosed by the reporting company in its periodic reports filed with the SEC is recorded, processed, summarized, and reported on a timely basis. In conjunction with a review of the SEC of our wholly owned subsidiary Berry Plastics Corporation's fiscal 2011 annual report, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of Berry Plastics Corporation's disclosure controls and procedures were not effective to ensure that information required to be disclosed was reported at the acceptable level of detail for the period covered by the fiscal 2011 annual report. We identified deficient disclosure in the section "Critical Accounting Policy and Estimates: Goodwill and Other Indefinite Lived Intangible Assets." In that disclosure, we did not provide readers with sufficient information explaining the factors that led to the recognition of the goodwill impairment charge, along with the future implications to our business. We also identified deficient disclosure in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations." In that disclosure, we did not provide readers with sufficient informative narrative explanations of our financial statements. In addition, we identified deficient disclosure in our condensed consolidating financial statements, in which we did not provide appropriate disclosure and presentation of certain intercompany activity. To remediate these deficiencies, in addition to our historical disclosure controls and procedures, we have begun a more comprehensive review and approval procedure of disclosures related to our "Critical Accounting Policies and Estimates" and "Management's Discussion and Analysis" to ensure the level of information we disclose provides readers with a sufficient level of detail to understand these policies and estimates. We believe that these actions remediated the weakness in our disclosure controls and procedures; however, we cannot assure you that additional deficiencies in our disclosure controls and procedures will not occur in the future.

Item 1B. UNRESOLVED STAFF COMMENTS

None

Item 2. PROPERTIES

We lease or own our principal offices and manufacturing facilities. We believe that our property and equipment is well-maintained, in good operating condition and adequate for our present needs. As of the end of fiscal 2012, the locations of our principal manufacturing facilities, by country, are as follows: United States—68 locations (38 Rigid Packaging, 19 Engineered Materials, 11 Flexible Packaging); Canada—4 locations (1 Rigid Packaging, 2 Engineered Materials, 1 Flexible Packaging); Mexico—3 locations (2 Engineered Materials, 1 Flexible Packaging); India, The Netherlands and Belgium (Engineered Materials); Germany and Australia (Engineered Materials); and Brazil and Malaysia (Rigid Packaging). The Evansville, Indiana facility serves as our world headquarters.

We lease our facilities in the following locations: Evansville, Indiana; Louisville, Kentucky; Lawrence, Kansas; Peosta, Iowa; Phoenix, Arizona; Quad Cities, Iowa; Phillipsburg, New Jersey; Bloomington, Indiana; Chicago, Illinois; Bowling Green, Kentucky; Syracuse, New York; Jackson, Tennessee; Anaheim, California; Aurora, Illinois; Cranbury, New Jersey; Charlotte, North Carolina; Easthampton, Massachusetts; Lathrop, California; Hanover, Maryland; Tacoma, Washington; Baltimore, Maryland; Chippewa Falls, Wisconsin; Atlanta, Georgia; Mexico City, Mexico; and Dunkirk, New York.

Item 3. LEGAL PROCEEDINGS

We are party to various legal proceedings involving routine claims which are incidental to our business. Although our legal and financial liability with respect to such proceedings cannot be estimated with certainty, we believe that any ultimate liability would not be material to the business, financial condition, results of operations or cash flows.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER

As of the end of fiscal 2012, there was no established public trading market for any class of common stock of Berry. In October 2012 the Company completed an initial public offering, selling 29,411,764 shares of common stock and listing our shares on the New York Stock Exchange under the symbol "BERY".

As of December 17, 2012 there were approximately 375 record holders of the common stock but, we estimate the number of beneficial stockholders to be much higher as a number of our shares are held by brokers or dealers for their customers in street name.

During fiscal 2012 we did not declare or pay any cash dividends on our common stock. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Recent Sales of Unregistered Securities.

Set forth below in chronological order is certain information regarding securities issued by the Company during the period covered by this report in transactions that were not registered under the Securities Act of 1933, as amended (the "*Securities Act*"), including the consideration, if any, received by the Company for such issuances. None of these transactions involved any underwriters or any public offerings. Each of these transactions was exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act or Regulation D or Rule 701 promulgated thereunder, as transactions by an issuer not involving a public offering. With respect to each transaction listed below, no general solicitation was made by either the Registrant or any person acting on its behalf; the recipient of our securities agreed that the securities would be subject to the standard restrictions applicable to a private placement of securities under applicable state and federal securities laws; and appropriate legends were affixed to the certificates issued in such transactions. The numbers included below reflect the 12.25-for-1 stock split that was effective upon the consummation of the Company's initial public offering.

- On November 28, 2011, the Company issued 44,026 shares of its common stock to a certain key employee at a purchase price of $7.22 per share.
- On January 1, 2012, the Company granted stock options to certain key employees pursuant to its 2006 Equity Incentive Plan to purchase 149,131 shares of its common stock at an exercise price of $8.16 per share.
- On March 1, 2012, the Company issued 49,000 shares of its common stock to a certain key employee at a purchase price of $8.16 per share.
- On May 1, 2012, the Company issued 24,500 shares of its common stock to a certain key employee at a purchase price of $8.16 per share and 21,572 shares of its common stock to a certain key employee at a purchase price of $6.18 per share.
- On May 15, 2012, the Company issued 1,911 shares of its common stock to a certain key employee at a purchase price of $8.16 per share, 18,166 shares of its common stock to a certain key employee at a purchase price of $8.48 per share, and 4,361 shares of its common stock to a certain key employee at a purchase price of $9.21 per share.
- On May 17, 2012, the Company issued 612 shares of its common stock to a certain key employee at a purchase price of $4.37 per share and 1,457 shares of its common stock to a certain key employee at a purchase price of $9.21 per share.
- On June 1, 2012, the Company granted stock options to certain key employees pursuant to its 2006 Equity Incentive Plan to purchase 176,130 shares of its common stock at an exercise price of $10.24 per share.
- On July 9, 2012, the Company issued 21,572 shares of its common stock to a certain key employee at a purchase price of $6.18 per share.
- On August 8, 2012, the Company issued 10,265 shares of its common stock to a certain key employee at a purchase price of $6.18 per share.
- On August 15, 2012, the Company issued 1,898 shares of its common stock to a certain key employee at a purchase price of $4.37 per share, 1,960 shares of its common stock to a certain key employee at a purchase price of $8.16 per share,

- 4,361 shares of its common stock to a certain key employee at a purchase price of $9.21 per share, and 4,532 shares of its common stock to a certain key employee at a purchase price of $9.21 per share.
- On August 22, 2012, the Company issued 12,462 shares of its common stock to a certain key employee at a purchase price of $8.16 per share.
- On August 25, 2012, the Company issued 1,335 shares of its common stock to a certain key employee at a purchase price of $8.48 per share and 1,335 shares of its common stock to a certain key employee at a purchase price of $8.48 per share.
- On August 31, 2012, the Company issued 11,760 shares of its common stock to a certain key employee at a purchase price of $8.16 per share.
- On September 13, 2012, the Company issued 1,911 shares of its common stock to a certain key employee at a purchase price of $8.16 per share and 4,189 shares of its common stock to a certain key employee at a purchase price of $9.21 per share.

Use of Proceeds

On October 3, 2012, our registration statement on form S-1 (File No. 333-180294) was declared effective for our initial public offering pursuant to which we sold 29,411,764 shares of common stock, par value $0.01 per share, at a public offering price of $16.00 per share for an aggregate offering price of $471. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. acted as joint bookrunning managers and representatives of the underwriters for the offering, BofA Merrill Lynch, Citigroup, Barclays, Deutsche Bank Securities, Credit Suisse, Goldman, Sachs & Co. and Baird acted as joint book-running managers for the offering. Lazard Capital Markets, Wells Fargo Securities, SunTrust Robinson Humphrey, Lebenthal & Co., LLC and Apollo Global Securities acted as co-managers for the offering.

Upon completion of our initial public offering, we received net proceeds of $444, after deducting underwriting discounts and commissions. The expenses incurred in connection with the initial public offering totaled approximately $32.

For equity compensation plan information refer to Item 12 in Part III of this Form 10-K.

Item 6. SELECTED FINANCIAL DATA

	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Statement of Operations Data:					
Net sales	**$ 4,766**	$ 4,561	$ 4,257	$ 3,187	$ 3,513
Cost of goods sold	**3,949**	3,878	3,667	2,641	3,019
Selling, general and administrative	**308**	275	272	229	247
Amortization of intangibles	**109**	106	107	96	93
Restructuring and impairment charges (a)	**31**	221	41	11	10
Other operating expenses	**44**	39	46	24	33
Operating income	**325**	42	124	186	111
Other expense (income) (b)	**(7)**	61	(27)	(373)	—
Net interest expense	**328**	327	313	304	321
Net income (loss) from continuing operations before income taxes	**4**	(346)	(162)	255	(210)
Income tax benefit	**2**	(47)	(49)	99	(72)
Discontinued operations, net of tax	—	—	—	4	—
Net income (loss)	**$ 2**	$ (299)	$ (113)	$ 152	$ (138)
Comprehensive income (loss)	**$ 3**	$ (324)	$ (112)	$ 128	$ (154)
Net income (loss) available to Common Stockholders:					
Basic	**$ 0.02**	$ (3.55)	$ (1.34)	$ 1.80	$ (1.63)
Diluted	**0.02**	(3.55)	(1.34)	1.79	(1.63)
Balance Sheet Data (at period end):					
Cash and cash equivalents	**$ 87**	$ 42	$ 148	$ 10	$ 190
Property, plant and equipment	**1,216**	1,250	1,146	875	863
Total assets	**5,106**	5,217	5,344	4,216	4,766
Long-term debt obligations, less current portion	**4,431**	4,581	4,397	3,422	4,124
Total liabilities	**5,558**	5,668	5,474	4,236	4,923
Redeemable shares	**23**	16	11	—	—
Stockholders' equity (deficit)	**(475)**	(467)	(141)	(20)	(157)
Cash Flow and other Financial Data:					
Net cash from operating activities	**$ 479**	$ 327	$ 112	$ 413	$ 10
Net cash from investing activities	**(255)**	(523)	(852)	(195)	(656)
Net cash from financing activities	**(179)**	90	878	(398)	821

(a) Includes a goodwill impairment charge of $165 in fiscal 2011
(b) Includes a loss on extinguishment of debt of $68 in fiscal 2011 and $368 on gain related to the repurchase of debt in fiscal 2009

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the consolidated financial statements of Berry Plastics Group, Inc. and its subsidiaries and the accompanying notes thereto, which information is included elsewhere herein. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section. Our actual results may differ materially from those contained in any forward-looking statements.

Overview

Berry Plastics Group, Inc. ("Berry" or the "Company") is a leading provider of value-added plastic consumer packaging and engineered materials with a track record of delivering high-quality customized solutions to our customers. Our products utilize our proprietary research and development platform, which includes a continually evolving library of Berry-owned molds, patents, manufacturing techniques and technologies. We sell our solutions predominantly into consumer-oriented end-markets, such as food and beverage, healthcare and personal care. We believe our customers look to us for solutions that have high consumer impact in terms of form, function and branding. Representative examples of our products include thermoform drink cups, thin-wall containers, blow-molded bottles, specialty closures, prescription vials, specialty plastic films, tape products and corrosion protection solutions.

We believe that we have created one of the largest product libraries in our industry, allowing us to be a comprehensive solution provider to our customers. We have more than 13,000 customers, which consist of a diverse mix of leading national, mid-sized regional and local specialty businesses. The size and scope of our customer network allow us to introduce new products we develop or acquire to a vast audience that is familiar with, and we believe partial to, our brand. In fiscal 2012, no single customer represented more than 3% of net sales and our top ten customers represented less than 17% of net sales. We believe our manufacturing processes and our ability to leverage our scale to reduce expenses on items, such as raw materials, position us as a low-cost manufacturer relative to our competitors. For example, we believe based on management estimates that we are one of the largest global purchasers of plastic resins, at more than 2.5 billion pounds per year, which gives us scaled purchasing savings.

Executive Summary

Business. We operate in the following four segments: Rigid Open Top, Rigid Closed Top (together our Rigid Packaging business), Engineered Materials, and Flexible Packaging. The Rigid Packaging business sells primarily containers, foodservice items, housewares, closures, overcaps, bottles, prescription containers, and tubes. Our Engineered Materials segment sells specialty tapes, adhesives, pipeline corrosive protection solutions, polyethylene based film products, and waste bags. The Flexible Packaging segment sells primarily high barrier, multilayer film products as well as printed bags and pouches.

Raw Material Trends. Our primary raw material is plastic resin. Polypropylene and polyethylene account for approximately 90% of our plastic resin purchases based on the pounds purchased. Plastic resins are subject to price fluctuations, including those arising from supply shortages and changes in the prices of natural gas, crude oil and other petrochemical intermediates from which resins are produced. The average industry prices, as published in Chem Data, per pound were as follows by fiscal year:

	Polyethylene Butene Film			Polypropylene		
	2012	2011	2010	2012	2011	2010
1st quarter	$ .68	$ .68	$ .71	$ .79	$ .78	$ .70
2nd quarter	.76	.72	.67	.88	.95	.82
3rd quarter	.72	.79	.68	.85	1.08	.84
4th quarter	.68	.73	.62	.71	.98	.77

We expect, if demand remains consistent with recent quarters, plastic resin prices to trend flat to slightly down in the first fiscal quarter of 2013. Due to differences in the timing of passing through resin cost changes to our customers on escalator/de-escalator programs, segments are negatively impacted in the short term when plastic resin costs increase and are positively impacted when plastic resin costs decrease. Recently, the Company has made progress towards shortening these timing lags, but we still have a number of customers whose prices adjust quarterly or less frequent based on various index prices. This timing lag in passing through raw material cost changes could affect our results as plastic resin costs fluctuate.

Outlook. The Company is impacted by general economic and industrial growth, plastic resin availability and affordability, and general industrial production. Our business has both geographic and end market diversity, which reduces the effect of any one of these factors on our overall performance. Our results are affected by our ability pass through raw material cost changes to our customers, improve manufacturing productivity and adapt to volume changes of our customers. We seek to improve our overall profitability by implementing cost reduction programs for our manufacturing, selling and general and administrative expenses. Looking forward to the first fiscal quarter of 2013, we believe overall economic activity will continue to remain sluggish, but modestly positive, as it has been for the past three quarters. Despite headwinds we will be facing and assuming volumes remain consistent, we anticipate profitability, as defined as adjusted EBITDA less pro forma adjustments, will improve versus the first fiscal quarter of 2012.

Recent Developments

In October 2012, we completed our initial public offering selling 29,411,764 shares of common stock at $16.00 per share. We used proceeds of our initial public offering, net of underwriting fees, of $444 and cash on hand to repurchase all $455 of 11% Senior Subordinated Notes due September 15, 2016. In connection with the initial public offering, we entered into an income tax receivable agreement that provides for the payment by us to our pre-initial public offering stockholders, option holders and holders of our stock appreciation rights of 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that we actually realize (or are deemed to realize in the case of a change of control) as a result of the utilization of our and our subsidiaries' net operating losses attributable to periods prior to the initial public offering. We expect to pay between $300 and $350 in cash related to this agreement, based on our current taxable income estimates.

Acquisitions, Disposition and Facility Rationalizations

We have a long history of acquiring and integrating companies, having completed eleven transactions in the last six years. We maintain an opportunistic acquisition strategy, which is focused on improving our long-term financial performance, enhancing our market positions and expanding our product lines or, in some cases, providing us with a new or complementary product line. In our acquisitions, we seek to obtain businesses for attractive post-synergy multiples, creating value for our stockholders from synergy realization, leveraging the acquired products across our customer base, creating new platforms for future growth, and assuming best practices from the businesses we acquire.

The Company has included the expected benefits of acquisition integrations within our unrealized synergies, which are in turn recognized in earnings after an acquisition has been fully integrated. While the expected benefits on earnings is estimated at the commencement of each transaction, once the execution of the plan and integration occur, we are generally unable to accurately estimate or track what the ultimate effects have been due to system integrations and movements of activities to multiple facilities. As historical business combinations have not allowed us to accurately separate realized synergies compared to what was initially identified, we measure the synergy realization based on the overall segment profitability post integration. In connection with our acquisitions, we have in the past and may in the future incur charges related to reductions and rationalizations.

We also include the expected impact of our restructuring plans within our unrealized synergies which are in turn recognized in earnings after the restructuring plans are completed. While the expected benefits on earnings is estimated at the commencement of each plan, due to the nature of the matters we are generally unable to accurately estimate or track what the ultimate effects have been due to movements of activities to multiple facilities.

Rexam Specialty and Beverage Closures

In September 2011, the Company acquired 100% of the capital stock of Rexam SBC. The aggregate purchase price was $351 ($340, net of cash acquired). Rexam SBC's primary products include plastic closures, fitments and dispensing closure systems, and jars. The business is operated in our Rigid Packaging business. To finance the purchase, the Company used cash on hand and existing credit facilities. The Rexam SBC acquisition has been accounted for under the purchase method of accounting, and accordingly, the purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

Stopaq®

In June 2012, the Company acquired 100% of the shares of Frans Nooren Beheer B.V. and its operating companies ("Stopaq") for a purchase price of $65 ($62, net of cash acquired). Stopaq is the inventor and manufacturer of patented visco-elastic technologies for use in corrosion prevention, sealing and insulation applications ranging from pipelines to subsea piles to rail and cable joints. The newly added business is operated in our Engineered Materials reporting segment. To finance the purchase, the Company used cash on hand and existing credit facilities. The Stopaq acquisition has been accounted for under the purchase method of accounting, and accordingly, the preliminary purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

Plant Rationalizations

During fiscal 2012, the Company announced the intention to shut down three facilities in its Rigid Closed Top, Engineered Materials and Flexible Packaging divisions. The affected Rigid Closed Top, Engineered Materials, and Flexible Packaging business accounted for approximately $14, $71, and $24 of annual net sales, respectively, with the majority of the operations transferred to other facilities.

Discussion of Results of Operations for Fiscal 2012 Compared to Fiscal 2011

Net Sales. Net sales increased from $4,561 in fiscal 2011 to $4,766 in fiscal 2012. This increase is primarily attributed to net sales from acquired businesses of 10% partially offset by a volume decline of 6%. The following discussion in this section provides a comparison of net sales by business segment.

	Fiscal Year			
	2012	2011	$ Change	% Change
Net sales:				
Rigid Open Top	**$ 1,229**	$ 1,261	$ (32)	(3%)
Rigid Closed Top	**1,438**	1,053	385	37%
Rigid Packaging	**$ 2,667**	$ 2,314	$ 353	15%
Engineered Materials	**1,362**	1,451	(89)	(6%)
Flexible Packaging	**737**	796	(59)	(7%)
Total net sales	**$ 4,766**	$ 4,561	$ 205	4%

Net sales in the Rigid Open Top business decreased from $1,261 in fiscal 2011 to $1,229 in fiscal 2012 as a result of a volume decline of 4% partially offset by a net selling price increases of 1%. The volume decline is primarily attributed to the Company pursuing a strategy to improve profitability in products with historically lower margins. Net sales in the Rigid Closed Top business increased from $1,053 in fiscal 2011 to $1,438 in fiscal 2012 primarily as a result of net sales attributed to the Rexam SBC acquisition of 41% partially offset by a volume decline of 4%. The volume decline is primarily attributed to general market softness. The Engineered Materials business net sales decreased from $1,451 in fiscal 2011 to $1,362 in fiscal 2012 as a result of a volume decline of 8% partially offset by net selling price increases of 1% and net sales from acquired businesses of 1%. The volume decline is primarily attributed to a decrease in sales volumes due to the strategy we implemented in fiscal 2011 to improve profitability in products with historically lower margins. Net sales in the Flexible Packaging business decreased from $796 in fiscal 2011 to $737 in fiscal 2012 as a result of a volume decline of 10% partially offset by 3% net selling price increases. The volume decline is primarily due to a decrease in sales volumes due to the strategy implemented in fiscal 2011 discussed above.

Operating Income. Operating income increased from $42 (1% of net sales) in fiscal 2011 to $325 (7% of net sales) in fiscal 2012. This increase, excluding the impact from acquisitions, is primarily attributed to $59 from the relationship of net selling price to raw material costs, $29 decrease of depreciation expense, $11 decrease in amortization expense, $188 decrease in business integration and impairment charges, and $35 of improved manufacturing efficiencies partially offset by $27 from volume declines described above, $4 of increased selling, general and administrative expenses and $8 of operating loss from acquisitions. The operating income from acquisitions for periods without comparable prior year activity was negative $8 which includes $29 of selling, general and administrative expenses, $28 of business integration expenses, $37 of depreciation expense and $14 of amortization expense. The following discussion in this section provides a comparison of operating income by business segment.

	Fiscal Year			
	2012	2011	$ Change	% Change
Operating income (loss):				
Rigid Open Top	**$ 159**	$ 155	$ 4	3%
Rigid Closed Top	**95**	77	18	23%
Rigid Packaging	**$ 254**	$ 232	$ 22	9%
Engineered Materials	**70**	(71)	141	199%
Flexible Packaging	**1**	(119)	120	101%
Total operating income	**$ 325**	$ 42	$ 283	674%

Operating income for the Rigid Open Top business increased from $155 (12% of net sales) in fiscal 2011 to $159 (13% of net sales) in fiscal 2012. This increase is primarily attributed to a $26 improvement in the relationship of net selling price to raw material costs and $12 reduction of depreciation and amortization expense partially offset by a decline in manufacturing efficiencies of $6, $17 increase in business integration expenses, volume declines described above of $7 and $4 increase of selling, general and administrative expenses. Operating income for the Rigid Closed Top business increased from $77 (7% of net sales) in fiscal 2011 to $95 (7% of net sales) in fiscal 2012. This increase is primarily attributed to a $28 increase of manufacturing efficiencies, $5 reduction of selling, general and administrative expense, $4 from acquisition volume and $9 reduction of depreciation and amortization expense partially offset by $2 decrease

in the relationship of net selling price to raw material costs, $9 from the volume decline described above and $17 of increased business integration expense. Operating income for the Engineered Materials business improved from a loss of $71 (-5% of net sales) in fiscal 2011 to $70 (5% of net sales) in fiscal 2012. This increase is primarily attributed to a $18 improvement in the relationship of net selling price to raw material costs, $14 of improved operating performance in manufacturing, $4 reduction of depreciation and amortization expense and $127 decrease in business integration and impairment charges partially offset by $8 of volume decline described above, $12 loss from acquisition volume and $2 increase in selling, general and administrative expenses. Operating loss for the Flexible Packaging business improved from a loss of $119 (-15% of net sales) in fiscal 2011 to $1 (0% of net sales) in fiscal 2012. This improvement is primarily attributed to a $17 improvement in the relationship of net selling price to raw material costs, $96 reduction of business integration and impairment charges and $16 reduction of depreciation and amortization expense partially offset by $4 from the volume decline described above, $4 increase of selling, general and administrative expense, and a $1 decline in manufacturing efficiencies.

Other Expense (Income) Net. Other expense (income) improved from expense of $61 in fiscal 2011 to income of $7 in fiscal 2012. Fiscal 2011 other expense is primarily related to the loss on extinguishment of debt of $68 attributed to the write-off of deferred fees, debt discount and the premiums paid related to the debt extinguishment of the Company's 8⅞% Second Priority Senior Secured Notes partially offset by a gain attributed to the fair value adjustment for our interest rate swaps. The fiscal 2012 other income is primarily a contract settlement.

Interest Expense, Net. Interest expense increased slightly from $327 in fiscal 2011 to $328 in fiscal 2012.

Income Tax Expense (Benefit). Fiscal 2012, we recorded an income tax expense of $2 or an effective tax rate of 50% compared to an income tax benefit of $47 or an effective tax rate of 14% in fiscal 2011 due to the relative impact of permanent items on the pre-tax income and establishment of valuation allowance for certain foreign losses where benefits are not expected to be realized.

Net Income (Loss). Net income (loss) improved from a net loss of $299 in fiscal 2011 to net income of $2 in fiscal 2012 for the reasons discussed above.

Discussion of Results of Operations for Fiscal 2011 Compared to Fiscal 2010

Net Sales. Net sales increased to $4,561 for fiscal 2011 from $4,257 for fiscal 2010. This increase is primarily attributed to increased selling prices of 9% as a result of higher plastic resin costs as noted in the "Raw Material Trends" section above and the Company pursuing a strategy to improve product profitability in markets with historically lower margins and acquisition volume growth of 5% partially offset by a base volume decline of 7%. The following discussion in this section provides a comparison of net sales by business segment.

	Fiscal Year			
	2011	2010	$ Change	% Change
Net sales:				
Rigid Open Top	**$ 1,261**	$ 1,160	$ 101	9%
Rigid Closed Top	**1,053**	970	83	9%
Rigid Packaging	**$ 2,314**	$ 2,130	$ 184	9%
Engineered Materials	**1,451**	1,457	(6)	0%
Flexible Packaging	**796**	670	126	19%
Total net sales	**$ 4,561**	$ 4,257	$ 304	7%

Net sales in the Rigid Open Top business increased from $1,160 in fiscal 2010 to $1,261 in fiscal 2011 as a result of net selling price increases of 10% due to the factors noted above and acquisition growth attributed to Superfos Packaging, Inc. ("Superfos") of 1% partially offset by a base volume decline. The base volume decline is primarily attributed to a decrease in sales volumes in various container products due to market softness partially offset by continued volume growth in thermoforming drink cups as capital investments from prior periods provided additional capacity. Net sales in the Rigid Closed Top business increased from $970 in fiscal 2010 to $1,053 in fiscal 2011 as a result of net selling price increases of 6% due to the factors noted above and acquisition volume growth attributed to Rexam SBC of 4% partially offset by a base volume decline. The base volume decline is primarily attributed to a decrease in sales volumes in closures and tubes due to softness in the personal care market. Net sales in the Engineered Materials business decreased from $1,457 in fiscal 2010 to $1,451 in fiscal 2011 as a result of a base volume decline of 11% partially offset by acquisition volume growth attributed to Pliant Corporation ("Pliant") and Filmco of 3% and net selling price increases of 8% due to the factors listed above. The base volume decline is primarily attributed to a decrease in sales volumes in bags, sheeting, institutional can liners and stretch film. The bags and sheeting decreases were primarily due to the loss of the private label Wal-Mart waste bag business and our

decision to exit certain sheeting businesses during fiscal 2010. The declines in institutional can liners and stretch film were primarily attributed to the Company strategically addressing products with profitability that was lower than the value we believed our product provided to our customers. Net sales in the Flexible Packaging business increased from $670 in fiscal 2010 to $796 in fiscal 2011 primarily as a result of net selling price increases of 13% due to the factors listed above and acquisition growth attributed to Pliant of 19% partially offset by a base volume decline of 13%. The base volume decline is primarily attributed to a decrease in sales volumes in personal care films and barrier films. These declines were primarily attributed to the Company strategically addressing products with profitability that was lower than the value we believed our products provided to our customers.

Operating Income. Operating income decreased from $124 in fiscal 2010 to $42 in fiscal 2011. This decrease is primarily attributed to a $165 non-cash goodwill impairment, $11 increase integration and business optimization expenses excluding acquisition activity for periods without comparable prior year activity, $15 increase in depreciation expense excluding acquisition activity for periods without comparable prior year activity, and $13 from base volume decline described above partially offset by $61 from the relationship of net selling price to raw material costs, $5 decrease in amortization expense excluding acquisition activity for periods without comparable prior year activity, $9 of operating income from acquisitions for periods without comparable prior year activity, and $48 of improved operating performance. The operating income from acquisition for periods without comparable prior year activity includes $2 of selling, general and administrative expenses and $4 of amortization expense. The following discussion in this section provides a comparison of operating income by business segment.

	Fiscal Year			
	2011	2010	$ Change	% Change
Operating income (loss):				
Rigid Open Top	**$ 155**	$ 124	$ 31	25%
Rigid Closed Top	**77**	73	4	5%
Rigid Packaging	**$ 232**	$ 197	$ 35	18%
Engineered Materials	**(71)**	4	(75)	(1,875%)
Flexible Packaging	**(119)**	(77)	(42)	(55%)
Total operating income	**$ 42**	$ 124	$ (82)	(66%)

Operating income for the Rigid Open Top business increased from $124 (11% of net sales) for fiscal 2010 to $155 (12% of net sales) in fiscal 2011. This increase is primarily attributed to $19 of improved operating performance in manufacturing, $22 from the relationship of net selling price to raw material costs and $4 reduction of business optimization expense partially offset by $9 of higher selling, general and administrative expenses and $9 of higher depreciation and amortization expense. Operating income for the Rigid Closed Top business increased from $73 (8% of net sales) for fiscal 2010 to $77 (7% of net sales) in fiscal 2011. This increase is primarily attributed to $16 of improved operating performance in manufacturing partially offset by a $2 negative relationship of net selling price to raw material costs, $3 of higher selling, general and administrative costs, $5 increase in restructuring costs and $4 decline from base volume partially offset by $4 of operating income from acquisitions. Engineered Materials operating income declined from $4 (0% of net sales) of operating income for fiscal 2010 to $71 (negative 5% of net sales) of operating loss in fiscal 2011. This decline is primarily attributed to an $88 non-cash goodwill impairment charge in fiscal 2011, $11 increase of integration and business optimization costs and $2 from base volume decline described above as the majority of the segment's costs are variable partially offset by $12 of improved operating performance, $9 improvement from the relationship of net selling price to raw material costs, $6 of lower selling, general and administrative expenses. Operating loss for the Flexible Packaging business increased from $77 (negative 11% of net sales) for fiscal 2010 to $119 (negative 15% of net sales) in fiscal 2011. This increase is primarily attributed to a $77 non-cash goodwill impairment charge in fiscal 2011 and $7 from base volume decline partially offset by $1 of improved operating performance, $32 improvement in the relationship of net selling price to raw material costs, $5 from acquisitions and $4 of lower selling, general and administrative expenses.

Other Expense (Income), Net. Other expense of $61 recorded in fiscal 2011 is primarily attributed to a $68 loss on extinguishment of debt attributed to the write-off of $14 of deferred financing fees, $17 of non-cash debt discount and $37 of premiums paid related to the debt extinguishment of the Company's 8-7⁄8% Second Priority Senior Secured Notes. Other income recorded in fiscal 2010 is primarily attributed to a $13 gain related to the repurchase of debt and a $13 gain attributed to the fair value adjustment for our interest rate swaps. See Note 3 to the Consolidated Financial Statements for further discussion on debt repurchases and Note 4 to the Consolidated Financial Statements for further discussion of financial instruments and fair value measurements.

Interest Expense. Interest expense increased from $313 in fiscal 2010 to $327 in fiscal 2011 primarily as a result of increased borrowings to fund acquisitions.

Income Tax Benefit. For fiscal 2011, we recorded an income tax benefit of $47 or an effective tax rate of 14% compared to an income tax benefit of $49 or an effective tax rate of 30% in fiscal 2010. The effective tax rate is less than the statutory rate primarily attributed to the non-cash goodwill impairment charge in fiscal 2011 which is not tax deductible and the establishment of a valuation allowance for certain foreign operating losses where the benefits are not expected to be realized.

Net Loss. Net loss was $299 for fiscal 2011 compared to $113 for fiscal 2010 for the reasons discussed above.

Discussion of Results of Operations for Fiscal 2010 Compared to Fiscal 2009

Net Sales. Net sales increased to $4,257 for fiscal 2010 from $3,187 for fiscal 2009. This increase includes base volume growth of 7% due to the Company electing to aggressively protect market share during a soft economic period and acquisition volume growth of 27% attributed to Pliant and Superfos. The following discussion in this section provides a comparison of net sales by business segment.

	Fiscal Year			
	2010	2009	$ Change	% Change
Net sales:				
Rigid Open Top	**$ 1,160**	$ 1,028	$ 132	13%
Rigid Closed Top	**970**	857	113	13%
Rigid Packaging	**$ 2,130**	$ 1,885	$ 245	13%
Engineered Materials	**1,457**	1,219	238	19%
Flexible Packaging	**670**	83	587	707%
Total net sales	**$ 4,257**	$ 3,187	$ 1,070	34%

Net sales in the Rigid Open Top business increased from $1,028 in fiscal 2009 to $1,160 in fiscal 2010 as a result of base volume growth of 9% and acquisition growth attributed to Superfos. The base volume growth is primarily attributed to increased sales volumes in various container products and continued volume growth in thermoforming drink cups resulting in the Company electing to expand our thermoformed drink cup capacity with significant capital investment in fiscal 2010. Net sales in the Rigid Closed Top business increased from $857 in fiscal 2009 to $970 in fiscal 2010 primarily as a result of base volume growth of 14% partially offset by net selling price decreases of 1%. The base volume growth is primarily attributed to increased sales volumes in closures and bottles due to factors listed above. Net sales in the Engineered Materials business increased from $1,219 in fiscal 2009 to $1,457 in fiscal 2010 primarily as a result of acquisition volume growth attributed to Pliant. Net sales in the Flexible Packaging business increased from $83 in fiscal 2009 to $670 in fiscal 2010 primarily as a result of acquisition volume growth attributed to Pliant and a base volume growth of 6% due to factors listed above.

Operating Income. Operating income decreased from $186 in fiscal 2009 to $124 in fiscal 2010. This decrease is primarily attributed to $13 increase integration and business optimization expenses excluding acquisition activity for periods without comparable prior year activity, $31 of operating losses from acquisitions for periods without comparable prior year activity, $11 increase in depreciation expense excluding acquisition activity for periods without comparable prior year activity and $72 from the relationship of net selling price to raw material costs partially offset by $47 from base volume growth described above, $6 decrease in amortization expense excluding acquisition activity for periods without comparable prior year activity, $6 of lower selling general and administrative expense excluding the impact of acquisition activity for periods without comparable prior year activity and $3 of improved operating performance. The operating loss from acquisition for periods without comparable prior year activity includes $49 of selling, general and administrative expenses, $40 of integration and business optimization expense and $17 of amortization expense. The following discussion in this section provides a comparison of operating income by business segment.

	Fiscal Year			
	2010	2009	$ Change	% Change
Operating income (loss):				
Rigid Open Top	**$ 124**	$ 114	$ 10	9%
Rigid Closed Top	**73**	58	15	26%
Rigid Packaging	**$ 197**	$ 172	$ 25	15%
Engineered Materials	**4**	27	(23)	(85%)
Flexible Packaging	**(77)**	(13)	(64)	(492%)
Total operating income	**$ 124**	$ 186	$ (62)	(33%)

Operating income for the Rigid Open Top business increased from $114 (11% of net sales) for fiscal 2009 to $124 (11% of net sales) in fiscal 2010. The increase is attributed to $21 increase from base volume growth, $5 of lower selling, general and administrative expenses, $18 reduction of integration and business optimization expense and $6 from acquisitions partially offset by a $28 negative relationship of net selling price to raw material cost, $6 increase in

depreciation expense and an $8 decline in operations. Operating income for the Rigid Closed Top business increased from $58 (7% of net sales) for fiscal 2009 to $73 (8% of net sales) in fiscal 2010. The increase is primarily attributable to $27 from base volume growth and $2 from improved operating performance in manufacturing partially offset by a $12 negative relationship of net selling price to raw material cost. Operating income for the Engineered Materials business decreased from $27 (2% of net sales) for fiscal 2009 to $4 (0% of net sales) in fiscal 2010. The decline is primarily attributable to a $31 negative relationship of net selling price to raw material cost partially offset by $8 of improved operating performance in manufacturing, $7 higher depreciation and amortization expense and $2 lower selling, general and administrative expenses. Operating loss for the Flexible Packaging business increased from $13 (negative 16% of net sales) for fiscal 2009 to $77 (negative 11% of net sales) in fiscal 2010. The increased operating loss is primarily attributable to $37 from acquisitions, including $26 of transaction costs, and $33 increase of integration and business optimization expense partially offset by $7 lower depreciation and amortization expense.

Other Income. Other income recorded in fiscal 2010 is primarily attributed to a $13 gain related to the repurchase of debt and a $13 gain attributed to the fair value adjustment for our interest rate swaps. Other income recorded in fiscal 2009 is primarily attributed to a $368 gain related to the repurchase of debt and a $6 gain attributed to the fair value adjustment for our interest rate swaps. See Note 3 to the Consolidated Financial Statements for further discussion debt repurchases and Note 4 to the Consolidated Financial Statements for further discussion of financial instruments and fair value measurements.

Interest Expense. Interest expense increased by $9 in fiscal 2010 primarily as a result of increased borrowings partially offset by a decline in borrowing rates on variable rate debt partially attributed to the swap agreement that expired in November 2009.

Income Tax Expense (Benefit). For fiscal 2010, we recorded an income tax benefit of $49 or an effective tax rate of 30%, which is a change of $148 from the income tax expense of $99 or an effective tax rate of 39% in fiscal 2009. The effective tax rate is different than the statutory rate primarily attributed to the relative impact to permanent items and establishment of valuation allowance for certain foreign operating losses where the benefits are not expected to be realized.

Net Income (Loss). Net loss was $113 for fiscal 2010 compared to a net income of $152 for fiscal 2009 for the reasons discussed above.

Income Tax Matters

The Company had unused United States federal operating loss carryforwards to offset future taxable income of $911 which begin to expire in 2026 through 2031. As of fiscal year end 2012, the Company had foreign net operating loss carryforwards of $129, which will be available to offset future taxable income. Alternative minimum tax credit carryforwards of $9 are available to the Company indefinitely to reduce future years' U.S. federal income taxes. The net operating losses are subject to an annual limitation under guidance from the Internal Revenue Code, however the annual limitation is in excess of the net operating loss, so effectively no limitation exists. As part of the effective tax rate calculation, if we determine that a deferred tax asset arising from temporary differences is not likely to be utilized, we will establish a valuation allowance against that asset to record it at its expected realizable value. The Company has not provided a valuation allowance on its net federal net operating loss carryforwards in the United States because it has determined that future reversals of its temporary taxable differences will occur in the same periods and are of the same nature as the temporary differences giving rise to the deferred tax assets. Our valuation allowance against deferred tax assets was $51 and $43 at the end of fiscal 2012 and 2011, respectively, related to certain foreign and state operating loss carryforwards.

Liquidity and Capital Resources

Berry Plastics Corporation Senior Secured Credit Facility

Our wholly owned subsidiary Berry Plastics Corporation's senior secured credit facilities consist of a $1,200 term loan and a $650 asset-based revolving line of credit ("*Credit Facility*"). The term loan matures in April 2015 and the revolving line of credit matures in June 2016, subject to certain conditions. The availability under the revolving line of credit is the lesser of $650 or a defined borrowing base which is calculated based on available accounts receivable and inventory. The revolving line of credit allows up to $130 of letters of credit to be issued instead of borrowings under the revolving line of credit. At the end of fiscal 2012, the Company had $73 outstanding on the revolving credit facility, $50 outstanding letters of credit and a $101 borrowing base reserve providing unused borrowing capacity of $426 under the revolving line of credit. The Company was in compliance with all covenants at the end of fiscal 2012.

Berry Plastics Corporation's fixed charge coverage ratio, as defined in the revolving credit facility, is calculated based on a numerator consisting of Adjusted EBITDA less pro forma adjustments, income taxes paid in cash and capital expenditures, and a denominator consisting of scheduled principal payments in respect of indebtedness for borrowed money, interest expense and certain distributions. Berry Plastics Corporation is obligated to sustain a minimum

fixed charge coverage ratio of 1.0 to 1.0 under the revolving credit facility at any time when the aggregate unused capacity under the revolving credit facility is less than 10% of the lesser of the revolving credit facility commitments and the borrowing base (and for 10 business days following the date upon which availability exceeds such threshold) or during the continuation of an event of default. At the end of fiscal 2012, the Company had unused borrowing capacity of $426 under the revolving credit facility and thus was not subject to the minimum fixed charge coverage ratio covenant. Our fixed charge coverage ratio was 1.7 to 1.0 at the end of fiscal 2012.

Despite not having financial maintenance covenants, Berry Plastics Corporation's debt agreements contain certain negative covenants. The failure to comply with these negative covenants could restrict Berry Plastics Corporation's ability to incur additional indebtedness, effect acquisitions, enter into certain significant business combinations, make distributions or redeem indebtedness. The term loan facility contains a negative covenant first lien secured leverage ratio covenant of 4.0 to 1.0 on a pro forma basis for a proposed transaction, such as an acquisition or incurrence of additional first lien debt. Berry Plastics Corporation's first lien secured leverage ratio was 2.8 to 1.0 at the end of fiscal 2012.

A key financial metric utilized in the calculation of the first lien leverage ratio is Adjusted EBITDA as defined in the Company's senior secured credit facilities. The following table reconciles our Adjusted EBITDA for fiscal 2012, quarterly periods ended September 29, 2012 to net loss.

		Quarterly Period Ended
	Fiscal 2012	September 29, 2012
Adjusted EBITDA	$ 803	$ 215
Net interest expense	(328)	(81)
Depreciation and amortization	(355)	(93)
Income tax benefit (expense)	(2)	(9)
Business optimization and other expense	(53)	(5)
Restructuring and impairment	(31)	(1)
Pro forma acquisitions	(6)	—
Unrealized cost savings	(26)	(3)
Net loss	$ 2	$ 23
Cash flow from operating activities	$ 479	$ 201
Net additions to property, plant and equipment	(200)	(42)
Adjusted free cash flow	$ 279	$ 159
Cash flow from investing activities	(255)	(42)
Cash flow from financing activities	(179)	(111)

While the determination of appropriate adjustments in the calculation of Adjusted EBITDA is subject to interpretation under the terms of the Credit Facility, management believes the adjustments described above are in accordance with the covenants in the Credit Facility. Adjusted EBITDA should not be considered in isolation or construed as an alternative to our net income (loss) or other measures as determined in accordance with GAAP. In addition, other companies in our industry or across different industries may calculate bank covenants and related definitions differently than we do, limiting the usefulness of our calculation of Adjusted EBITDA as a comparative measure.

Contractual Obligations and Off Balance Sheet Transactions

Our contractual cash obligations at the end of fiscal 2012 are summarized in the following table which does not give any affect to the use of proceeds from the Company's initial public offering to redeem long-term debt or the effect of the tax receivable agreement.

	Payments due by period as of the end of fiscal 2012				
	Total	**< 1 year**	**1-3 years**	**4-5 years**	**> 5 years**
Long-term debt, excluding capital leases	$ 4,393	$ 16	$ 2,052	$ 1,025	$ 1,300
Capital leases (a)	104	30	50	17	7
Fixed interest rate payments (b)	1,287	249	443	308	287
Variable interest rate payments (c)	144	49	94	1	—
Operating leases	289	46	68	56	119
Funding of pension and other postretirement obligations (d)	8	8	—	—	—
Total contractual cash obligations	$ 6,225	$ 398	$ 2,707	$ 1,407	$ 1,713

(a) Includes anticipated interest of $17 over the life of the capital leases.
(b) Includes variable rate debt subject to interest rate swap agreements.
(c) Based on applicable interest rates in effect end of fiscal 2012.
(d) Pension and other postretirement contributions have been included in the above table for the next year. The amount is the estimated contributions to our defined benefit plans. The assumptions used by the actuary in calculating the projection includes weighted average return on pension assets of approximately 8% for 2012. The estimation may vary based on the actual return on our plan assets. See Note 9 to the Consolidated or Combined Financial Statements of this Form 10-K for more information on these obligations.

Cash Flows from Operating Activities

Net cash from operating activities was $479 for fiscal 2012 compared to $327 of cash flows provided by operating activities for fiscal 2011. The change is primarily the result of improved profitability, excluding non-cash charges.

Net cash provided by operating activities was $327 for fiscal 2011 compared to $112 of cash flows provided by operating activities for fiscal 2010. The change is primarily the result of an improvement in working capital and improved profitability, excluding non-cash charges.

Net cash provided by operating activities was $112 for fiscal 2010 compared to $413 of cash flows provided by operating activities for fiscal 2009. The change is primarily the result of a change in working capital and acquisition costs incurred of $22 in fiscal 2010. The working capital change is primarily attributed to higher volumes and increased raw material costs.

Cash Flows from Investing Activities

Net cash used for investing activities was $255 for fiscal 2012 compared to net cash used of $523 for fiscal 2011. The change is primarily a result of the acquisitions in fiscal 2011 partially offset by higher capital expenditures fiscal 2012. Our capital expenditures are forecasted to be approximately $230 to $250 for fiscal 2013 and will be funded from cash flows from operating activities and existing liquidity.

Net cash used for investing activities was $523 for fiscal 2011 compared to net cash used of $852 for fiscal 2010. The change is primarily a result of the acquisitions and higher capital spending in fiscal 2010 partially offset by the acquisitions of Rexam SBC and Filmco in fiscal 2011.

Net cash used for investing activities was $852 for fiscal 2010 compared to net cash used of $195 for fiscal 2009. The change is primarily a result of the acquisitions in fiscal 2010.

Cash Flows from Financing Activities

Net cash used for financing activities was $179 for fiscal 2012 compared to $90 of cash provided by financing activities for fiscal 2011. This change is primarily attributed to the net cash used for repayment of the revolving line of credit in fiscal 2012.

Net cash provided by financing activities was $90 for fiscal 2011 compared to net cash provided by financing activities of $878 for fiscal 2010. This change is primarily attributed to the issuance of the 9-3⁄4% Second Priority Notes in fiscal 2010 partially offset by borrowing on the existing line of credit to fund the Rexam SBC acquisition in fiscal 2011.

Net cash provided by financing activities was $878 for fiscal 2010 compared to net cash used for financing activities of $398 for fiscal 2009. This change is primarily attributed to the $620 debt issued in November 2009 in order to fund the Pliant acquisition and $500 of 9-1⁄2% Second Priority Notes in April 2010.

In connection with the initial public offering, we entered into an income tax receivable agreement that will provide for the payment by us to our existing stockholders, option holders and holders of our stock appreciation rights of 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that we actually realize (or are deemed to realize in the case of a change of control) as a result of the utilization of our and our subsidiaries' net operating losses attributable to periods prior to this offering. We expect to pay between $300 and $350 in cash related to this agreement, based on our current taxable income estimates, and will record a liability on our consolidated balance sheet for 85% of our net operating losses. We do not expect material payments related to this agreement to occur during fiscal 2013.

Based on our current level of operations, we believe that cash flow from operations and available cash, together with available borrowings under our senior secured credit facilities, will be adequate to meet our short-term liquidity needs over the next twelve months. We base such belief on historical experience and the funds available under the senior secured credit facility. In addition we believe that we have the business strategy and resources to generate free cash flow from operations in the long term. We do not expect this free cash flow to be sufficient to cover all long-term debt obligations and intend to refinance these obligations prior to maturity. However, we cannot predict our future results of operations and our ability to meet our obligations involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section in this Form 10-K. In particular, increases in the cost of resin which we are unable to pass through to our customers on a timely basis or significant acquisitions could severely impact our liquidity. At the end of fiscal 2012, our cash balance was $87, and we had unused borrowing capacity of $426 under our revolving line of credit.

Critical Accounting Policies and Estimates

We disclose those accounting policies that we consider to be significant in determining the amounts to be utilized for communicating our consolidated financial position, results of operations and cash flows in the first note to our consolidated financial statements included elsewhere herein. Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with these principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results are likely to differ from these estimates, but management does not believe such differences will materially affect our financial position or results of operations. We believe that the following accounting policies are the most critical because they have the greatest impact on the presentation of our financial condition and results of operations.

Revenue Recognition. Revenue from the sales of products is recognized at the time title and risks and rewards of ownership pass to the customer (either when the products reach the free-on-board shipping point or destination depending on the contractual terms), there is persuasive evidence of an arrangement, the sales price is fixed and determinable and collection is reasonably assured.

Accrued Rebates. We offer various rebates to our customers in exchange for their purchases. These rebate programs are individually negotiated with our customers and contain a variety of different terms and conditions. Certain rebates are calculated as flat percentages of purchases, while others include tiered volume incentives. These rebates may be payable monthly, quarterly, or annually. The calculation of the accrued rebate balance involves significant management estimates, especially where the terms of the rebate involve tiered volume levels that require estimates of expected annual sales. These provisions are based on estimates derived from current program requirements and historical experience. We use all available information when calculating these reserves. Our accrual for customer rebates was $68 and $60 as of the end of fiscal 2012 and 2011, respectively.

Impairments of Long-Lived Assets. In accordance with the guidance from the FASB for the impairment or disposal of long-lived assets we review long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Impairment losses are recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. The impairment loss is measured by comparing the fair value of the asset to its carrying amount. We recognized non-cash asset impairment of long-lived assets of $20, $35 and $19 in fiscal 2012, 2011 and 2010, respectively.

Goodwill and Other Indefinite Lived Intangible Assets. We are required to perform a review for impairment of goodwill and other indefinite lived intangibles to evaluate whether events and circumstances have occurred that may indicate a potential impairment, or on an annual basis. Goodwill is measured to determine if the carrying value of the reporting unit exceeds its fair value on an annual basis, and if any potential impairment is warranted at a Step 2 test level. Other indefinite lived intangibles are considered to be impaired if the carrying value exceeds the fair value.

In accordance with our policy, we completed our most recent annual evaluation for impairment of goodwill as of the first day of the fourth fiscal quarter of 2012. We utilized a six year discounted cash flow analysis with a terminal year in combination with a comparable company market approach to determine the fair value of our reporting units. At the end of fiscal 2012, we had four operating segments, Rigid Open Top, Rigid Closed Top (collectively Rigid Packaging), Engineered Materials and Flexible Packaging. For purposes of conducting our annual goodwill impairment test, we have determined that we have five reporting units, Rigid Open Top, Rigid Closed Top, Engineered Films, Flexible Packaging and Tapes. Engineered Films and Tapes operations comprise the Engineered Materials operating segment. We determined that each of the components within our respective reporting units have similar economic characteristics and therefore should be aggregated and tested at the respective level as one reporting unit. We reached this conclusion because within each of our reporting units, we have similar products and production processes which allow us to share assets and resources across the product lines. We regularly re-align our production equipment and manufacturing facilities in order to take advantage of cost savings opportunities, obtain synergies and create manufacturing efficiencies. In addition, we utilize our research and development centers, design center, tool shops, and graphics center which all provide benefits to each of the reporting units and work on new products that can not only benefit one product line, but can benefit multiple product lines. We also believe that the goodwill is recoverable from the overall operations of the unit given the similarity in production processes, synergies from leveraging the combined resources, common raw materials, common research and development, similar margins and similar distribution methodologies. Our Tapes reporting unit did not have any goodwill until it completed its acquisition of Stopaq in the fourth quarter of fiscal 2012. There were no indicators of impairment in the fourth quarter that required us to perform a test for the recoverability of goodwill.

The Company’s goodwill, fair value and carrying value of our reporting units are as follows:

	Fair Value July 1, 2012	Carrying Value July 1, 2012	Goodwill as of September 29, 2012
Rigid Open Top	$ 2,140	$ 1,651	$ 681
Rigid Closed Top	2,485	1,778	832
Engineered Films	785	489	55
Tapes	345	223	18
Flexible Packaging	580	452	40
			$ 1,626

In fiscal 2011, we recorded an impairment charge of approximately $165 million related to our operations that are now included in our Engineered Films and Flexible Packaging reporting units. This impairment was driven by volume declines that we were experiencing in our Flexible Packaging and Engineered Films operations driven by softness in volumes and strategic decisions by the Company to exit non-profitable products across these reporting units along with other products across our entire Company. In fiscal 2011, we experienced a base volume declines in our Flexible Packaging and Engineered Films segments. These volume declines occurred because of a pricing strategy that we implemented in our second fiscal quarter and continued throughout the remainder of fiscal 2011. These price increases drove declines in our overall volumes when comparing fiscal 2011 to fiscal 2010. These declines in net sales volume resulted in an assumed lower sales volume base to grow future earnings during year one through year six of our discounted cash flow model, which resulted in a lower estimated carrying value and ultimately an impairment charge being recognized.

We have completed our annual impairment test for our Open Top, Closed Top, Flexible Packaging and Engineered Films reporting units, noting no impairment in any of the four reporting units. Our forecasts include overall growth of 3-5% through and including the terminal year, which is 3%. Growth by reporting unit varies from year-to-year between segments. Our Engineered Materials and Flexible Films segments both experienced significant growth in 2012 (18% and 14% respectively). This strong growth in earnings provided significant improvement in our cash flows, was higher than our anticipated results in our prior year impairment tests and will provide a higher base to grow our future operating cash flows. Our Open Top and Closed Top reporting units experienced overall growth rates were higher than our prior year forecasts driven by the successful integration of the Rexam operations in the Closed Top reporting unit and continued operational success in the Open Top reporting unit. Our capital expenditure levels are consistent with the levels that we forecasted in the prior year in the current year. All of our reporting units fair values substantially exceed the carrying value, which we define as the fair value exceeding the carrying value by 30%. A significant decline in our revenue and earnings or a significant decline in the price of common stock could result in an impairment charge in the future. We also performed our annual impairment test for fiscal 2012 of our indefinite lived intangible assets, which primarily relate to our Rigid Packaging business. The cash flow assumptions, growth rates and risks to these cash flows are similar to those used in our analysis to determine the fair value of our combined Rigid Packaging businesses. The annual impairment test did not result in any impairment as the fair value exceeded the carrying value.

Given the uncertainty in economic trends, revenue and earnings growth, the cost of capital and other risk factors discussed under the heading “Risk Factors”, there can be no assurance that when we complete our future annual or other periodic reviews for impairment of goodwill that an additional material impairment charge will not be recorded as a result. In addition, historically we have grown our business by acquiring and integrating companies into our existing operations. We may not, however, achieve the expected benefits of integrating such acquisitions into our business that we anticipated at the time of the transaction or at the time that we performed our annual impairment tests, which may impact the overall recoverability of our goodwill and indefinite lived intangible assets in future periods. We believe based on our current forecasts and estimates that we will not recognize any future impairment charge, but given the current uncertainty in the economic trends, our forecasts and estimates could change quickly and materially in future periods and differ substantially from actual results.

Deferred Taxes and Effective Tax Rates. We estimate the effective tax rates (“*ETR*”) and associated liabilities or assets for each legal entity of ours in accordance with authoritative guidance. We use tax planning to minimize or defer tax liabilities to future periods. In recording ETRs and related liabilities and assets, we rely upon estimates, which are based upon our interpretation of United States and local tax laws as they apply to our legal entities and our overall tax structure. Audits by local tax jurisdictions, including the United States Government, could yield different interpretations from our own and cause the Company to owe more taxes than originally recorded. For interim periods, we accrue our tax provision at the ETR that we expect for the full year. As the actual results from our various businesses vary from our estimates earlier in the year, we adjust the succeeding interim periods’ ETRs to reflect our best estimate for the year-to-date results and for the full year. As part of the ETR, if we determine that a deferred tax asset arising from temporary differences is not likely to be utilized, we will establish a valuation allowance against that asset to record it at its expected realizable value. In multiple foreign jurisdictions, the Company believes that it will not generate sufficient future taxable income to realize the related tax benefits. The Company has provided a full valuation allowance against its foreign net operating losses included within the deferred tax assets in multiple foreign jurisdictions. The Company has not provided a valuation allowance on its federal net operating losses in the United States because it has determined that future reversals of its temporary taxable differences will occur in the same periods and are of the same nature as the temporary differences giving rise to the deferred tax assets. Our valuation allowance against deferred tax assets was $51 and $43 as of the end of fiscal 2012 and 2011, respectively.

Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, we believe that our consolidated financial statements provide a meaningful and fair perspective of the Company and its consolidated subsidiaries. This is not to suggest that other risk factors such as changes in economic conditions, changes in material costs, our ability to pass through changes in material costs, and others could not materially adversely impact our consolidated financial position, results of operations and cash flows in future periods.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Sensitivity

We are exposed to market risk from changes in interest rates primarily through our senior secured credit facilities, senior secured first priority notes, second priority senior secured notes and senior unsecured term loan. Our senior secured credit facilities are comprised of (i) a $1,200 term loan and (ii) a $650 revolving credit facility. At the end of fiscal 2012, the Company had $73 outstanding on the revolving credit facility. The net outstanding balance of the term loan was $1,134 at the end of fiscal 2012. Borrowings under our senior secured credit facilities bear interest, at our option, at either an alternate base rate or an adjusted LIBOR rate for a one-, two-, three- or six-month interest period, or a nine- or twelve-month period, if available to all relevant lenders, in each case, plus an applicable margin. The alternate base rate is the mean the greater of (i) in the case of our term loan, Credit Suisse’s prime rate or, in the case of our revolving credit facility, Bank of America’s prime rate and (ii) one-half of 1.0% over the weighted average of rates on overnight Federal Funds as published by the Federal Reserve Bank of New York. Our $681 of senior secured first priority notes accrue interest at a rate per annum, reset quarterly, equal to LIBOR plus 4.75%. Our second priority senior secured floating rate notes of $210 bear interest at a rate of LIBOR plus 3.875% per annum, which resets quarterly. Our senior unsecured term loan bears interest based on (1) a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus ½ of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Credit Suisse as its “prime rate” plus 525 basis points or (2) LIBOR plus 625 basis points.

At the end of fiscal 2012, the LIBOR rate of 0.36% was applicable to the term loan, first priority senior secured floating rate notes second priority senior secured floating rate notes and senior unsecured term loan. If the LIBOR rate increases 0.25% and 0.50%, we estimate an annual increase in our interest expense of $3 and $6, respectively.

In November 2010, the Company entered into two separate interest rate swap transactions to protect $1 billion of the outstanding variable rate term loan debt from future interest rate volatility. The first agreement had a notional amount of $500 and became effective in November 2010. The agreement swaps three-month variable LIBOR contracts for a fixed three-year rate of 0.8925% and expires in November 2013. The second agreement had a notional amount of $500 and became effective in December 2010. The agreement swaps three-month variable LIBOR contracts for a fixed three-year rate of 1.0235% and expires in November 2013. The counterparties to these agreements are with global financial institutions. In August 2011, the Company began utilizing one-month LIBOR contracts for the underlying senior secured credit facility. The Company's change in interest rate selection caused us to lose hedge accounting on both of the interest rate swaps. The Company recorded subsequent changes in fair value in the Consolidated Statement of Operations and will amortize the unrealized losses to Interest expense through the end of the respective swap agreements. A 0.25% change in LIBOR would not have a material impact on the fair value of the interest rate swaps.

Resin Cost Sensitivity

We are exposed to market risk from changes in plastic resin prices that could impact our results of operations and financial condition. Our plastic resin purchasing strategy is to deal with only high-quality, dependable suppliers. We believe that we have maintained strong relationships with these key suppliers and expect that such relationships will continue into the foreseeable future. The resin market is a global market and, based on our experience, we believe that adequate quantities of plastic resins will be available at market prices, but we can give you no assurances as to such availability or the prices thereof. If the price of resin increased or decreased by 5% this would result in a material change to our cost of goods sold.

Item 8. **FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

Item 9. **CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

Item 9A. **CONTROLS AND PROCEDURES**

Evaluation of disclosure controls and procedures.

We maintain “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. Based on their evaluation at the end of the period covered by this Form 10-K, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Management’s Report on Internal Control over Financial Reporting

This Annual Report on Form 10-K does not include a report of management’s assessment regarding internal control over financial reporting or an attestation report of our registered public accounting firm due to a transition period established by the rules of the SEC for newly public companies.

Item 9B. **OTHER INFORMATION**

None

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item, with the exception of the Code of Ethics disclosure below, is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2012 Annual Meeting of Stockholders.

Code of Ethics

We have a Code of Business Ethics that applies to all employees, including our Chief Executive Officer and senior financial officers. These standards are designed to deter wrongdoing and to promote the highest ethical, moral, and legal conduct of all employees. Our Code of Business Ethics can be obtained, free of charge, by contacting our corporate headquarters or can be obtained from the Corporate Governance section of the Company's internet site.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2012 Annual Meeting of Stockholders.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item, is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2012 Annual Meeting of Stockholders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2012 Annual Meeting of Stockholders.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2012 Annual Meeting of Stockholders.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

1. Financial Statements

The financial statements listed under Item 8 are filed as part of this report.

2. Financial Statement Schedules

Schedules have been omitted because they are either not applicable or the required information has been disclosed in the financial statements or notes thereto.

3. Exhibits

The exhibits listed on the Exhibit Index immediately following the signature page of this annual report are filed as part of this report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

Berry Plastics Group, Inc.

We have audited the accompanying consolidated balance sheets of Berry Plastics Group, Inc. as of September 29, 2012 and October 1, 2011, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows for each of the three years in the period ended September 29, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Berry Plastics Group, Inc. at September 29, 2012 and October 1, 2011, and the consolidated results of its operations and its cash flows for the three years in the period ended September 29, 2012, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst and Young LLP

Indianapolis, Indiana

December 17, 2012

Berry Plastics Group, Inc.
Consolidated Balance Sheets
(in millions of dollars, except share data)

	September 29, 2012	October 1, 2011
Assets		
Current assets:		
Cash and cash equivalents	**$ 87**	$ 42
Accounts receivable (less allowance for doubtful accounts of $3 and $4 at September 29, 2012 and October 1, 2011, respectively)	**455**	543
Inventories	**535**	578
Deferred income taxes	**114**	62
Prepaid expenses and other current assets	**42**	30
Total current assets	**1,233**	1,255
Property, plant and equipment	**1,216**	1,250
Goodwill, intangible assets and deferred costs	**2,636**	2,704
Other assets	**21**	8
Total assets	**$ 5,106**	$ 5,217
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	**$ 306**	$ 352
Accrued expenses and other current liabilities	**300**	286
Current portion of long-term debt	**40**	46
Total current liabilities	**646**	684
Long-term debt, less current portion	**4,431**	4,581
Deferred income taxes	**315**	233
Other long-term liabilities	**166**	170
Total liabilities	**5,558**	5,668
Commitments and contingencies		
Redeemable shares	**23**	16
Stockholders' equity (deficit):		
Common stock: $0.01 par value: 400,000,000 shares authorized; 84,696,218 shares issued as of September 29, 2012 and October 1, 2011 and 83,188,488 and 83,863,047 shares outstanding as of September 29, 2012 and October 1, 2011	**1**	1
Paid-in capital	**131**	142
Notes receivable-common stock	**(2)**	(2)
Non controlling interest	**3**	3
Accumulated deficit	**(561)**	(563)
Accumulated other comprehensive loss	**(47)**	(48)
Total stockholders' equity (deficit)	**(475)**	(467)
Total liabilities and stockholders' equity (deficit)	**$ 5,106**	$ 5,217

See notes to consolidated financial statements.

Berry Plastics Group, Inc.
Consolidated Statements of Operations
(in millions of dollars, except share data)

	Fiscal years ended		
	September 29, 2012	October 1, 2011	October 2, 2010
Net sales	**$ 4,766**	$ 4,561	$ 4,257
Costs and expenses:			
Cost of goods sold	**3,949**	3,878	3,667
Selling, general and administrative	**308**	275	272
Amortization of intangibles	**109**	106	107
Restructuring and impairment charges	**31**	221	41
Other operating expenses	**44**	39	46
Operating income	**325**	42	124
Other expense (income)	**(7)**	61	(27)
Interest expense	**328**	327	313
Income (loss) before income taxes	**4**	(346)	(162)
Income tax expense (benefit)	**2**	(47)	(49)
Net income (loss)	**$ 2**	$ (299)	$ (113)
Comprehensive income (loss):			
Currency translation	**6**	(10)	6
Interest rate hedges	**4**	(8)	-
Defined benefit pension and retiree health benefit plans	**(14)**	(14)	(12)
Provision for income taxes related to other comprehensive income items	**5**	7	7
Comprehensive income (loss)	**$ 3**	$ (324)	$ (112)
Net income (loss) per share:			
Basic	**$ 0.02**	$ (3.55)	$ (1.34)
Diluted	**$ 0.02**	$ (3.55)	$ (1.34)
Weighted-average number of shares outstanding: (in thousands)			
Basic	**83,435**	84,121	84,525
Diluted	**86,644**	84,121	84,525

See notes to consolidated financial statements.

Berry Plastics Group, Inc.
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
(in millions of dollars)

	Common Stock	Paid-in Capital	Notes Receivable-Common Stock	Non Controlling Interest	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at September 26, 2009	$ 1	$ 160	$ (2)	$ -	$ (28)	$ (151)	$ (20)
Stock compensation expense	-	1	-	-	-	-	1
Interest rate hedge amortization	-	-	-	-	4	-	4
Fair value adjustment of redeemable stock	-	(14)	-	-	-	-	(14)
Net loss	-	-	-	-	-	(113)	(113)
Currency translation	-	-	-	-	6	-	6
Defined benefit pension and retiree health benefit plans, net of tax	-	-	-	-	(5)	-	(5)
Balance at October 2, 2010	1	147	- (2)	-	- (23)	(264)	(141)
Stock compensation expense	-	2	- -	-	-	-	2
Non controlling interest	-	-	-	3	-	-	3
Fair value adjustment of redeemable stock	-	(7)	-	-	-	-	(7)
Net loss	-	-	-	-	-	(299)	(299)
Currency translation	-	-	-	-	(10)	-	(10)
Interest rate hedges, net of tax	-	-	-	-	(6)	-	(6)
Defined benefit pension and retiree health benefit plans, net of tax	-	-	-	-	(9)	-	(9)
Balance at October 1, 2011	1	- 142	- (2)	- 3	- (48)	- (563)	- (467)
Stock compensation expense	-	**2**	-	-	-	-	**2**
Interest rate hedge amortization	-	-	-	-	**3**	-	**3**
Fair value adjustment of redeemable stock	-	**(13)**	-	-	-	-	**(13)**
Treasury stock, net	-	-	-	-	-	-	-
Net income	-	-	-	-	-	**2**	**2**
Currency translation	-	-	-	-	**6**	-	**6**
Defined benefit pension and retiree health benefit plans, net of tax	-	-	-	-	**(8)**	-	**(8)**
Balance at September 29, 2012	**$ 1**	**$ 131**	**$ (2)**	**$ 3**	**$ (47)**	**$ (561)**	**$ (475)**

See notes to consolidated financial statements.

Berry Plastics Group, Inc.
Consolidated Statements of Cash Flows
(in millions of dollars)

	Fiscal years ended		
	September 29, 2012	October 1, 2011	October 2, 2010
Cash Flows from Operating Activities:			
Net income (loss)	**$ 2**	$ (299)	$ (113)
Adjustments to reconcile net cash from operating activities:			
Depreciation	**246**	238	210
Amortization of intangibles	**109**	106	107
Non-cash interest expense	**24**	21	31
Write-off of deferred financing fees and loss on extinguishment of debt	**-**	68	1
Non-cash gain on debt repurchase	**(1)**	(4)	(13)
Deferred income taxes	**1**	(51)	(52)
Impairment of long-lived assets and goodwill	**20**	200	19
Other non-cash items	**6**	(3)	(14)
Changes in operating assets and liabilities:			
Accounts receivable, net	**95**	(11)	(41)
Inventories	**37**	59	(118)
Prepaid expenses and other assets	**(7)**	25	12
Accounts payable and other liabilities	**(53)**	(22)	83
Net cash from operating activities	**479**	327	112
Cash Flows from Investing Activities:			
Additions to property, plant and equipment	**(230)**	(160)	(223)
Proceeds from disposal of assets	**30**	5	29
Acquisitions of business, net of cash acquired	**(55)**	(368)	(658)
Net cash from investing activities	**(255)**	(523)	(852)
Cash Flows from Financing Activities:			
Proceeds from long-term borrowings	**2**	995	1,097
Purchase of common stock	**(6)**	(2)	(3)
Repayment of long-term debt	**(175)**	(880)	(178)
Debt financing costs	**-**	(23)	(38)
Net cash from financing activities	**(179)**	90	878
Effect of currency translation on cash	**-**	-	-
Net increase (decrease) in cash and cash equivalents	**45**	(106)	138
Cash and cash equivalents at beginning of period	**42**	148	10
Cash and cash equivalents at end of period	**$ 87**	$ 42	$ 148

See notes to consolidated financial statements.

1. Basis of Presentation and Summary of Significant Accounting Policies

Background

Berry Plastics Group, Inc. ("Berry" or the "Company") is a leading provider of value-added plastic consumer packaging and engineered materials with a track record of delivering high-quality customized solutions to our customers. Representative examples of our products include thermoform drink cups, thin-wall containers, blow-molded bottles, specialty closures, prescription vials, specialty plastic films, adhesives and corrosion protection materials. We sell our solutions predominantly into consumer-oriented end-markets, such as food and beverage, healthcare and personal care.

Initial Public Offering and Stock Split

In October 2012, we filed an initial public offering and sold 29,411,764 shares of common stock at $16.00 per share. Proceeds, net of underwriting fees, of $444 and cash from operations were used to repurchase $455 of 11% Senior Subordinated Notes due September 2016. In conjunction with the initial public offering the Company executed a 12.25 for one stock split of the Company's common stock. The effect of the stock split on outstanding shares and earnings per share has been retroactively applied to all periods presented.

Basis of Presentation

Berry is majority owned by affiliates of Apollo Management, L.P. ("Apollo") and Graham Partners ("Graham"). Periods presented in these financial statements include fiscal periods ending September 29, 2012 ("fiscal 2012"), October 1, 2011 ("fiscal 2011"), and October 2, 2010 ("fiscal 2010"). Berry, through its wholly-owned subsidiaries operates in four primary segments: Rigid Open Top, Rigid Closed Top, Engineered Materials, and Flexible Packaging. The Company's customers are located principally throughout the United States, without significant concentration in any one region or with any one customer. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. The Company's fiscal year is based on fifty-two or fifty-three week periods. Fiscal 2010 represents a fifty-three week period. The Company has evaluated subsequent events through the date the financial statements were issued.

Consolidation

The consolidated financial statements include the accounts of Berry and its subsidiaries, all of which includes our wholly owned and majority owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation. Where our ownership of consolidated subsidiaries is less than 100% the non-controlling interests are reflected in stockholders' equity.

Revenue Recognition

Revenue from the sales of products is recognized at the time title and risks and rewards of ownership pass to the customer (either when the products reach the free-on-board shipping point or destination depending on the contractual terms), there is persuasive evidence of an arrangement, the sales price is fixed and determinable and collection is reasonably assured. Provisions for certain rebates, sales incentives, trade promotions, coupons, product returns and discounts to customers are accounted for as reductions in gross sales to arrive at net sales. In accordance with the Revenue Recognition standards of the Accounting Standards Codification ("Codification" or "ASC"), the Company provides for these items as reductions of revenue at the later of the date of the sale or the date the incentive is offered. These provisions are based on estimates derived from current program requirements and historical experience.

Shipping, handling, purchasing, receiving, inspecting, warehousing, and other costs of distribution are presented in cost of goods sold in the statements of operations. The Company classifies amounts charged to its customers for shipping and handling in Net sales in the Consolidated Statement of Operations.

Vendor Rebates, Purchases of Raw Materials and Concentration of Risk

The Company receives consideration in the form of rebates from certain vendors. The Company accrues these as a reduction of inventory cost as earned under existing programs, and reflects as a reduction of cost of goods sold at the time that the related underlying inventory is sold to customers.

The largest supplier of the Company's total resin material requirements represented approximately 20% of purchases in fiscal 2012. The Company uses a variety of suppliers to meet its resin requirements.

Research and Development

Research and development costs are expensed when incurred. The Company incurred research and development expenditures of $25, $20, and $21 in fiscal 2012, 2011, and 2010, respectively.

Stock-Based Compensation

The compensation guidance of the FASB requires that the compensation cost relating to share-based payment transactions be recognized in financial statements based on alternative fair value models. The share-based compensation cost is measured based on the fair value of the equity or liability instruments issued. As of fiscal 2012, the Company has one share-based compensation plan, the 2006 Equity Incentive Plan, which is more fully described in Note 12. The Company recorded total stock compensation expense of $2, $2, and $1 for fiscal 2012, 2011 and 2010, respectively.

The Company utilizes the Black-Scholes option valuation model for estimating the fair value of the stock options. The model allows for the use of a range of assumptions. Expected volatilities utilized in the Black-Scholes model are based on implied volatilities from traded stocks of peer companies. Similarly, the dividend yield is based on historical experience and the estimate of future dividend yields. The risk-free interest rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The expected lives of the grants are derived from historical experience and expected behavior. The fair value for options granted has been estimated at the date of grant using a Black-Scholes model, with the following weighted average assumptions:

	Fiscal year		
	2012	2011	2010
Risk-free interest rate	**0.6 - 0.9%**	1.3%	2.6%
Dividend yield	**0.0%**	0.0%	0.0%
Volatility factor	.38	.32 - .34	.33
Expected option life	**5 years**	5 years	5 years

In connection with the initial public offering, the Company adopted the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan, (the "2012 Plan"). The purposes of the 2012 Plan are to further the growth of the Company and to reward and incentivize the outstanding performance of our key employees, directors, consultants and other service providers by aligning their interests with those of stockholders through equity-based compensation and enhanced opportunities for ownership of shares of our common stock. The 2012 Plan will be administered by our board of directors and/or the compensation committee thereof, or such other committee of the board of directors as the board of directors may from time to time designate (the committee administering the 2012 Plan is referred to in this description as the "committee"). Among other things, the committee will have the authority to select individuals to whom awards may be granted, to determine the type of awards, to determine the terms and conditions of any such awards, to interpret the terms and provisions of the 2012 Plan and awards granted thereunder and to otherwise administer the plan. Persons who serve or agree to serve as employees of, directors of, consultants to or other service providers of Berry Plastics Group, Inc. on the date of the grant will be eligible to be granted awards under the 2012 Plan. The 2012 Plan authorizes the issuance of up to 9,297,750 shares of common stock pursuant to the grant or exercise of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units and other equity-based awards. The maximum number of shares of common stock pursuant to incentive stock options will be 929,775 shares of common stock.

Foreign Currency

For the non-U.S. subsidiaries that account in a functional currency other than U.S. Dollars, assets and liabilities are translated into U.S. Dollars using period-end exchange rates. Sales and expenses are translated at the average exchange rates in effect during the period. Foreign currency translation gains and losses are included as a component of Accumulated other comprehensive income (loss) within stockholders' equity. Gains and losses resulting from foreign currency transactions, the amounts of which are not material in any period presented are included in the Consolidated Statements of Operations.

Cash and Cash Equivalents

All highly liquid investments purchased with a maturity of three months or less from the time of purchase are considered to be cash equivalents.

Allowance for Doubtful Accounts

The Company's accounts receivable and related allowance for doubtful accounts are analyzed in detail on a quarterly basis and all significant customers with delinquent balances are reviewed to determine future collectibility. The determinations are based on legal issues (such as bankruptcy status), past history, current financial and credit agency reports, and the experience of the credit representatives. Reserves are established in the quarter in which the Company makes the determination that the account is deemed uncollectible. The Company maintains additional reserves based on its historical bad debt experience. The following table summarizes the activity for fiscal 2012, 2011 and 2010 for the allowance for doubtful accounts:

	2012	2011	2010
Allowance for doubtful accounts, beginning	**$ 4**	$ 4	$ 3
Bad debt expense	**1**	1	2
Write-offs against allowance	**(2)**	(1)	(1)
Allowance for doubtful accounts, ending	**$ 3**	$ 4	$ 4

Inventories

Inventories are stated at the lower of cost or market and are valued using the first-in, first-out method. Management periodically reviews inventory balances, using recent and future expected sales to identify slow-moving and/or obsolete items. The cost of spare parts inventory is charged to manufacturing overhead expense when incurred. We evaluate our reserve for inventory obsolescence on a quarterly basis and review inventory on-hand to determine future salability. We base our determinations on the age of the inventory and the experience of our personnel. We reserve inventory that we deem to be not salable in the quarter in which we make the determination. We believe, based on past history and our policies and procedures, that our net inventory is salable. Inventory as of fiscal 2012 and 2011 was:

Inventories:	**2012**	2011
Finished goods	**$ 306**	$ 338
Raw materials	**229**	240
	$ 535	$ 578

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed primarily by the straight-line method over the estimated useful lives of the assets ranging from 15 to 25 years for buildings and improvements and two to 10 years for machinery, equipment, and tooling. Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the lease term. Repairs and maintenance costs are charged to expense as incurred. The Company capitalized interest of $5, $3, and $2 in fiscal 2012, 2011, and 2010, respectively. Property, plant and equipment as of fiscal 2012 and 2011 was:

Property, plant and equipment:	2012	2011
Land, buildings and improvements	**$ 281**	$ 268
Equipment and construction in progress	**2,019**	1,836
	2,300	2,104
Less accumulated depreciation	**1,084**	854
	$ 1,216	$ 1,250

Long-lived Assets

Long-lived assets, including property, plant and equipment and definite lived intangible assets are reviewed for impairment at the product line level in accordance with the Property, Plant and Equipment standard of the ASC whenever facts and circumstances indicate that the carrying amount may not be recoverable. Specifically, this process involves comparing an asset's carrying value to the estimated undiscounted future cash flows the asset is expected to generate over its remaining life. If this process were to result in the conclusion that the carrying value of a long-lived asset would not be recoverable, a write-down of the asset to fair value would be recorded through a charge to operations. Fair value is determined based upon discounted cash flows or appraisals as appropriate. Long-lived assets that are held for sale are reported at the lower of the assets' carrying amount or fair value less costs related to the assets' disposition. In connection with our facility rationalizations, we recorded impairment charges totaling $20, $35, and $19 to write-down long-lived assets to their net realizable valuables during fiscal years 2012, 2011, and 2010 respectively.

Goodwill

The Company follows the principles provided by the Goodwill and Other Intangibles standard of the ASC. Goodwill is not amortized but rather tested annually for impairment. The Company performs their annual impairment test on the first day of the fourth quarter in each respective fiscal year. For purposes of conducting our annual goodwill impairment test, the Company determined that we have five reporting units, Open Top, Rigid Closed Top, Engineered Films, Flexible Packaging and Tapes. Tapes and Engineered Films comprise the Engineered Materials operating segment. We determined that each of the components within our respective reporting units have similar economic characteristics and therefore should be aggregated. We reached this conclusion because within each of our reporting units, we have similar products and production processes which allow us to share assets and resources across the product lines. We regularly re-align our production equipment and manufacturing facilities in order to take advantage of cost savings opportunities, obtain synergies and create manufacturing efficiencies. In addition, we utilize our research and development centers, design center, tool shops, and graphics center which all provide benefits to each of the reporting units and work on new products that can not only benefit one product line, but can benefit multiple product lines. We also believe that the goodwill is recoverable from the overall operations of the unit given the similarity in production processes, synergies from leveraging the combined resources, common raw materials, common research and development, similar margins and similar distribution methodologies. In fiscal 2012 the Company completed its annual test and determined no impairment existed. In fiscal 2011 the Company completed the annual impairment and determined the carrying value of the Specialty Films division, which is now included in Engineered Materials and Flexible Packaging, exceeded its fair value. The Company performed the second step of its evaluation to calculate the impairment and as a result recorded a goodwill impairment charge of $165 in Restructuring and impairment charges on the Consolidated Statement of Operations in fiscal 2011. In fiscal 2011, we experienced a base volume decline of 11% in out Engineered Materials and Flexible Packaging segments. This base volume decline of 11% occurred because of a pricing strategy that we implemented in our second fiscal quarter and continued throughout the remainder of 2011.

The changes in the carrying amount of goodwill by reportable segment are as follows:

	Rigid Open Top	Rigid Closed Top	Engineered Materials	Flexible Packaging	Total
Balance as of fiscal 2010	$ 682	$ 771	$ 134	$ 113	$ 1,700
Adjustment for income taxes	-	6	4	-	10
Foreign currency translation adjustment	-	(1)	-	-	(1)
Impairment of goodwill	-	-	(88)	(77)	(165)
Goodwill from acquisitions	(1)	43	5	4	51
Balance as of fiscal 2011	$ 681	$ 819	$ 55	$ 40	$ 1,595
Adjustment for income taxes	-	-	-	-	-
Foreign currency translation adjustment	-	**2**	-	-	**2**
Goodwill from acquisitions	-	**11**	**18**	-	**29**
Balance as of fiscal 2012	**$ 681**	**$ 832**	**$ 73**	**$ 40**	**$ 1,626**

Deferred Financing Fees

Deferred financing fees are being amortized to interest expense using the effective interest method over the lives of the respective debt agreements.

Intangible Assets

Customer relationships are being amortized using an accelerated amortization method which corresponds with the customer attrition rates used in the initial valuation of the intangibles over the estimated life of the relationships which range from 11 to 20 years. Technology intangibles are being amortized using the straight-line method over the estimated life of the technology which is 11 years. License intangibles are being amortized using the straight-line method over the life of the license which is 10 years. Patent intangibles are being amortized using the straight-line method over the shorter of the estimated life of the technology or the patent expiration date ranging from 10 to 20 years, with a weighted-average life of 15 years. The Company evaluates the remaining useful life of intangible assets on a periodic basis to determine whether events and circumstances warrant a revision to the remaining useful life. Trademarks that are expected to remain in use, which are indefinite lived intangible assets, are required to be reviewed for impairment annually. We completed the annual impairment test of our indefinite lived tradenames and noted no impairment. As discussed in Note 10, the Company recorded a $17 impairment charge related to the exit of its building products operations.

	Customer Relationships	Trademarks	Other Intangibles	Accumulated Amortization	Total
Balance as of fiscal 2010	$ 1,145	$ 277	$ 76	$ (396)	$ 1,102
Adjustment for income taxes	-	-	(4)	-	(4)
Amortization expense	-	-	-	(106)	(106)
Acquisition intangibles	33	9	10	-	52
Balance as of fiscal 2011	$ 1,178	$ 286	$ 82	$ (502)	$ 1,044
Adjustment for income taxes	-	-	**(4)**	-	**(4)**
Write-off of fully amortized intangibles	-	-	**(7)**	**7**	-
Amortization expense	-	-	-	**(109)**	**(109)**
Impairment of intangibles	**(37)**	-	-	**20**	**(17)**
Acquisition intangibles	**12**	**3**	**28**	-	**43**
Balance as of fiscal 2012	**$ 1,153**	**$ 289**	**$ 99**	**$ (584)**	**$ 957**

Insurable Liabilities

The Company records liabilities for the self-insured portion of workers' compensation, health, product, general and auto liabilities. The determination of these liabilities and related expenses is dependent on claims experience. For most of these liabilities, claims incurred but not yet reported are estimated by utilizing actuarial valuations based upon historical claims experience.

Income Taxes

The Company accounts for income taxes under the asset and liability approach, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequence of events that have been recognized in the Company's financial statements or income tax returns. Income taxes are recognized during the period in which the underlying transactions are recorded. Deferred taxes, with the exception of non-deductible goodwill, are provided for temporary differences between amounts of assets and liabilities as recorded for financial reporting purposes and such amounts as measured by tax laws. If the Company determines that a deferred tax asset arising from temporary differences is not likely to be utilized, the Company will establish a valuation allowance against that asset to record it at its expected realizable value. The Company recognizes uncertain tax positions when it is more likely than not that the tax position will be sustained upon examination by relevant taxing authorities, based on the technical merits of the position. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company's effective tax rate is dependent on many factors including: the impact of enacted tax laws in jurisdictions in which the Company operates; the amount of earnings by jurisdiction, due to varying tax rates in each country; and the Company's ability to utilize foreign tax credits related to foreign taxes paid on foreign earnings that will be remitted to the United States.

Comprehensive Loss

Comprehensive loss is comprised of net loss and other comprehensive losses. Other comprehensive losses include net unrealized gains or losses resulting from currency translations of foreign subsidiaries, changes in the value of our derivative instruments and adjustments to the pension liability.

The accumulated balances related to each component of other comprehensive income (loss) were as follows (amounts below are net of taxes):

	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Interest Rate Hedges	Accumulated Other Comprehensive Loss
Balance as of fiscal 2010	$ (11)	$ (12)	$ -	$ (23)
Other comprehensive loss	(10)	(14)	(8)	(32)
Tax expense (benefit)	-	5	2	7
Balance as of fiscal 2011	$ (21)	$ (21)	$ (6)	$ (48)
Other comprehensive income (loss)	**6**	**(14)**	**4**	**(4)**
Tax expense (benefit)	**-**	**6**	**(1)**	**5**
Balance as of fiscal 2012	**$ (15)**	**$ (29)**	**$ (3)**	**$ (47)**

Accrued Rebates

The Company offers various rebates to customers based on purchases. These rebate programs are individually negotiated with customers and contain a variety of different terms and conditions. Certain rebates are calculated as flat percentages of purchases, while others included tiered volume incentives. These rebates may be payable monthly, quarterly, or annually. The calculation of the accrued rebate balance involves significant management estimates, especially where the terms of the rebate involve tiered volume levels that require estimates of expected annual sales. These provisions are based on estimates derived from current program requirements and historical experience. The accrual for customer rebates was $68 and $60 at the end of fiscal 2012 and 2011, respectively and is included in Accrued expenses and other current liabilities.

Pension

Pension benefit costs include assumptions for the discount rate, retirement age, and expected return on plan assets. Retiree medical plan costs include assumptions for the discount rate, retirement age, and health-care-cost trend rates. Periodically, the Company evaluates the discount rate and the expected return on plan assets in its defined benefit pension and retiree health benefit plans. In evaluating these assumptions, the Company considers many factors, including an evaluation of the discount rates, expected return on plan assets and the health-care-cost trend rates of other companies; historical assumptions compared with actual results; an analysis of current market conditions and asset allocations; and the views of advisers.

Net Income (Loss) Per Share

The Company calculates basis net income (loss) per share based on the weighted-average number of outstanding common shares. The Company calculates diluted net income (loss) per share based on the weighted-average number of outstanding common shares plus the effect of dilutive securities.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make extensive use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of sales and expenses. Actual results could differ materially from these estimates. Changes in estimates are recorded in results of operations in the period that the event or circumstances giving rise to such changes occur.

Recently Issued Accounting Pronouncements

In June 2011, the FASB issued *Accounting Standards Update No. 2011-05: Comprehensive Income* ("ASU 2011-05"). ASU 2011-05 amends current presentation guidance by eliminating the option for an entity to present the components of comprehensive income as part of the statement of changes in stockholder's equity and requires presentation of comprehensive income in a single continuous financial statement or in two separate but consecutive financial statements. The amendments in ASU 2011-05 do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The Company adopted this standard on January 1, 2012 and has included the comprehensive income in a single continuous financial statement within its consolidated financial statements.

In September 2011, the FASB issued *Accounting Standards Update No. 2011*-08: Testing for Goodwill Impairment ("ASU 2011-08"). ASU 2011-08 amends current goodwill impairment testing guidance by providing entities with an option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. ASU 2011-08 will be effective for interim and annual goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of ASU 2011-08 is not expected to have a material impact on the Company's consolidated financial statements.

In December 2011, the FASB issued Accounting Standards Update No. 2011-12: Comprehensive Income (Topic 220), Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 ("ASU 2011-12"). This ASU 2011-12 defers the ASU 2011-05 requirement that companies present reclassification adjustments for each component of accumulated other comprehensive income (AOCI) in both net income and other comprehensive income (OCI) on the face of the financial statements. Companies are still required to present reclassifications out of AOCI on the face of the financial statements or disclose those amounts in the notes to the financial statements. The ASU also defers the requirement to report reclassification adjustments in interim periods. The Company adopted this standard on January 1, 2012 and has included the comprehensive income in a single continuous financial statement within its consolidated financial statements.

In July 2012, the FASB issued Accounting Standards Update No. 2012-02: Intangibles – Goodwill and Other (Topic 350), Testing Indefinite-Lived Intangible Assets for Impairment ("ASU 2012-02"). This ASU 2012-02 adds on optional qualitative assessment for determining whether an indefinite-lived intangible asset is impaired, similar to the goodwill guidance issued in ASU 2011-08. Companies have the option to first perform a qualitative assessment to determine whether it is more likely than not (a likelihood of more than 50%) that an indefinite-lived intangible asset is impaired. If a company determines that it is more likely than not that the fair value of such an asset exceeds its carrying value amount, it would not need to calculate the fair value of the asset in that year. However, if a company concludes otherwise, it must calculate the fair value of the asset, compare that value with its carrying amount and record an impairment charge, if any. ASU 2012-02 becomes effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The adoption of ASU 2012-02 is not expected to have a material impact on the Company's consolidated financial statements.

2. Acquisitions

The Company maintains a selective and disciplined acquisition strategy, which is focused on improving our long-term financial performance, enhancing our market positions, and expanding our product lines or, in some cases, providing us with a new or complementary product line. Most businesses we have acquired had profit margins that are lower than that of our existing business, which resulted in a temporary decrease in our margins. The Company has historically achieved significant reductions in manufacturing and overhead costs of acquired companies by introducing advanced manufacturing processes, exiting low-margin businesses or product lines, reducing headcount, rationalizing facilities and machinery, applying best practices and capitalizing on economies of scale. In connection with our acquisitions, we have in the past and may in the future incur charges related to these reductions and rationalizations.

The Company has a long history of acquiring and integrating companies. The Company has been able to achieve these synergies by eliminating duplicative costs and rationalizing facilities and integrating the production into the most efficient operating facility. While the expected benefits on earnings are estimated at the commencement of each transaction, once the execution of the plan and integration occur, the Company is generally unable to accurately estimate or track what the ultimate effects on future earnings have been due to systems integrations and movement of activities to multiple facilities. The historical business combinations have not allowed the Company to accurately separate realized synergies compared to what was initially identified during the due diligence phase of each acquisition.

Stopaq®

In June 2012, the Company acquired 100% of the shares of Frans Nooren Beheer B.V. and its operating companies ("Stopaq") for a purchase price of $65 ($62, net of cash acquired). Stopaq is the inventor and manufacturer of patented visco-elastic technologies for use in corrosion prevention, sealing and insulation applications ranging from pipelines to subsea piles to rail and cable joints. The newly added business is operated in the Company's Engineered Materials reporting segment. To finance the purchase, the Company used cash on hand and existing credit facilities. The Stopaq acquisition has been accounted for under the purchase method of accounting, and accordingly, the preliminary purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date. The Company has not finalized the purchase price allocation to the fair value on fixed assets, deferred income taxes, intangibles and is reviewing all the working capital acquired. The Company has recognized goodwill on this transaction as a result of expected synergies. A portion of the goodwill will not be deductible for tax purposes.

Rexam Specialty and Beverage Closures

In September 2011, the Company acquired 100% of the capital stock of Rexam Closures Kentucky Inc., Rexam Delta Inc., Rexam Closures LLC, Rexam Closure Systems LLC, Rexam de Mexico S. de R.L. de C.V., Rexam Singapore PTE Ltd., Rexam Participacoes Ltda. and Rexam Plasticos do Brasil Ltda. (collectively, "Rexam SBC") pursuant to an Equity Purchase Agreement by and among Rexam Inc., Rexam Closures and Containers Inc., Rexam Closure Systems Inc., Rexam Plastic Packaging Inc., Rexam Brazil Closure Inc., Rexam Beverage Can South America S.A. and the Company. The aggregate purchase price was $351 ($340, net of cash acquired). Rexam SBC's primary products include plastic closures, fitments and dispensing closure systems, and jars. The newly added business is operated in the Company's Rigid Closed Top reporting segment. To finance the purchase, the Company used cash on hand and existing credit facilities. The Rexam SBC acquisition has been accounted for under the purchase method of accounting, and accordingly, the purchase price has been allocated to the identifiable assets and liabilities based on estimated fair values at the acquisition date.

The acquisition was accounted for as a business combination using the purchase method of accounting. The Company has recognized goodwill on this transaction as a result of expected synergies. A portion of the goodwill will not be deductible for tax purposes. The following table summarizes the allocation of purchase price:

Working capital	$	80
Property and equipment		199
Intangible assets		43
Goodwill		60
Other long-term liabilities		(31)
Net assets acquired	$	351

Pro forma net sales were $4,996 and $4,943 and unaudited pro forma net losses were $307 and $186 for fiscal 2011 and 2010, respectively. The pro forma net sales and net loss assume that the Rexam SBC and Pliant Corporation acquisition had occurred as of the beginning of the respective periods.

The pro forma information presented above is for informational purposes only and is not necessarily indicative of the operating results that would have occurred had the Rexam SBC acquisition been consummated at the beginning of the respective period, nor is it necessarily indicative of future operating results. Further, the information reflects only pro forma adjustments for additional interest expense, amortization and closing expenses, net of the applicable income tax effects.

3. Long-Term Debt

Long-term debt consists of the following as of fiscal year-end 2012 and 2011:

	Maturity Date	2012	2011
Term loan	April 2015	**$ 1,134**	$ 1,146
Revolving line of credit	June 2016	**73**	195
First Priority Senior Secured Floating Rate Notes	February 2015	**681**	681
8¼% First Priority Notes	November 2015	**370**	370
Second Priority Senior Secured Floating Rate Notes	September 2014	**210**	210
$9^1/_2$% Second Priority Notes	May 2018	**500**	500
Senior Unsecured Term Loan	June 2014	**39**	56
9¾% Second Priority Notes	January 2021	**800**	800
10¼% Senior Subordinated Notes	March 2016	**127**	127
11% Senior Subordinated Notes	September 2016	**455**	455
Debt discount, net		**(9)**	(13)
Capital leases and other	Various	**91**	100
		4,471	4,627
Less current portion of long-term debt		**(40)**	(46)
		$ 4,431	$ 4,581

Berry Plastics Corporation Senior Secured Credit Facility

In fiscal 2007, the Berry Plastics Corporation entered into senior secured credit facilities that include a term loan in the principal amount of $1,200 term loan and a revolving credit facility (“Credit Facility”), which was amended in June 2011 to increase the commitments under its revolving credit facility by $150 to a total of $650 and extended the maturity to June 2016, subject to certain conditions. The Credit Facility provides borrowing availability equal to the lesser of (a) $650 or (b) the borrowing base, which is a function, among other things, of the Company’s accounts receivable and inventory.

The borrowings under the senior secured credit facilities bear interest at a rate equal to an applicable margin plus, as determined at the Company’s option, either (a) a base rate determined by reference to the higher of (1) the prime rate of Credit Suisse, Cayman Islands Branch, as administrative agent, in the case of the term loan facility or Bank of America, N.A., as administrative agent, in the case of the revolving credit facility and (2) the U.S. federal funds rate plus 1/2 of 1% or (b) LIBOR (0.36% for the term loan as of fiscal 2012) determined by reference to the costs of funds for eurodollar deposits in dollars in the London interbank market for the interest period relevant to such borrowing Bank Compliance for certain additional costs. The applicable margin for LIBOR rate borrowings under the revolving credit facility range from 1.75% to 2.25% and for the term loan is 2.00%. The initial applicable margin for base rate borrowings under the revolving credit facility is 0% and under the term loan is 1.00%.

The term loan facility requires minimum quarterly principal payments of $3 for the first eight years, which commenced in June 2007, with the remaining amount payable in April 2015. In addition, the Company must prepay the outstanding term loan, subject to certain exceptions, with (1) beginning with the Company’s first fiscal year after the closing, 50% (which percentage is subject to a minimum of 0% upon the achievement of certain leverage ratios) of excess cash flow (as defined in the credit agreement); and (2) 100% of the net cash proceeds of all non-ordinary course asset sales and casualty and condemnation events, if the Company does not reinvest or commit to reinvest those proceeds in assets to be used in its business or to make certain other permitted investments within 15 months, subject to certain limitations.

In addition to paying interest on outstanding principal under the senior secured credit facilities, the Company is required to pay a commitment fee to the lenders under the revolving credit facilities in respect of the unutilized commitments thereunder at a rate equal to 0.375% to 0.50% per annum depending on the average daily available unused borrowing capacity. The Company also pays a customary letter of credit fee, including a fronting fee of 0.125% per annum of the stated amount of each outstanding letter of credit, and customary agency fees.

The Company may voluntarily repay outstanding loans under the senior secured credit facilities at any time without premium or penalty, other than customary "breakage" costs with respect to eurodollar loans. The senior secured credit facilities contain various restrictive covenants that, among other things and subject to specified exceptions, prohibit the Company from prepaying other indebtedness, and restrict its ability to incur indebtedness or liens, make investments or declare or pay any dividends. All obligations under the senior secured credit facilities are unconditionally guaranteed by the Company and, subject to certain exceptions, each of the Company's existing and future direct and indirect domestic subsidiaries. The guarantees of those obligations are secured by substantially all of the Company's assets as well as those of each domestic subsidiary guarantor.

The Company's fixed charge coverage ratio, as defined in the revolving credit facility, is calculated based on a numerator consisting of adjusted EBITDA less pro forma adjustments, income taxes paid in cash and capital expenditures, and a denominator consisting of scheduled principal payments in respect of indebtedness for borrowed money, interest expense and certain distributions. We are obligated to sustain a minimum fixed charge coverage ratio of 1.0 to 1.0 under the revolving credit facility at any time when the aggregate unused capacity under the revolving credit facility is less than 10% of the lesser of the revolving credit facility commitments and the borrowing base (and for 10 business days following the date upon which availability exceeds such threshold) or during the continuation of an event of default. At the end of fiscal 2012, the Company had unused borrowing capacity of $426 under the revolving credit facility subject to a borrowing base and thus was not subject to the minimum fixed charge coverage ratio covenant. The fixed charge ratio was 1.7 to 1.0, at the end of fiscal 2012.

Despite not having financial maintenance covenants, our debt agreements contain certain negative covenants. The failure to comply with these negative covenants could restrict our ability to incur additional indebtedness, effect acquisitions, enter into certain significant business combinations, make distributions or redeem indebtedness. The term loan facility contains a negative covenant first lien secured leverage ratio covenant of 4.0 to 1.0 on a pro forma basis for a proposed transaction, such as an acquisition or incurrence of additional first lien debt. Our first lien secured leverage ratio was 2.8 to 1.0 at the end of fiscal 2012.

As of fiscal 2012, there was $73 outstanding on the revolving line of credit and $50 in letters of credit outstanding. As of fiscal 2012, the Company had unused borrowing capacity of $426 under the revolving line of credit subject to the Company's borrowing base calculations.

Future maturities of long-term debt as of fiscal year-end 2012 are as follows:

2013	$ 40
2014	281
2015	1,813
2016	1,035
2017	4
Thereafter	1,307
	$4,480

Interest paid was $288, $300, and $244 in fiscal 2012, 2011, and 2010, respectively.

In October 2012, the Company filed an initial public offering and sold 29,411,764 shares of common stock at $16.00 per share. Proceeds, net of underwriting fees, of $444 and cash from operations were used to repurchase $455 of 11% Senior Subordinated Notes due September 2016.

In fiscal 2012 and 2010, BP Parallel LLC ("BP Parallel"), a non-guarantor subsidiary of the Company, invested $4 and $25 to purchase assignments from non-affiliated third parties at then-prevailing market prices of $5 and $33 of principal of the Senior Unsecured Term Loan, respectively. We recognized a net gain of $1 and $8 on the repurchase of the Senior Unsecured Term Loan in fiscal 2012 and 2010, respectively which is recorded in Other expense (income) in our Consolidated Statements of Operations. BP Parallel did not purchase assignments of the Senior Unsecured Term Loan in 2011.

4. Financial Instruments and Fair Value Measurements

As part of the overall risk management, the Company uses derivative instruments to reduce exposure to changes in interest rates attributed to the Company's floating-rate borrowings. For those derivative instruments that are designated and qualify as hedging instruments, the Company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation. To the extent hedging relationships are found to be effective, as determined by FASB guidance, changes in fair value of the derivatives are offset by changes in the fair value of the related hedged item are recorded to Accumulated other comprehensive loss. Management believes hedge effectiveness is evaluated properly in preparation of the financial statements.

Cash Flow Hedging Strategy

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of Accumulated other comprehensive loss and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings.

In November 2010, the Company entered into two separate interest rate swap transactions to manage cash flow variability associated with $1 billion of the outstanding variable rate term loan debt (the "2010 Swaps"). The first agreement had a notional amount of $500 and became effective in November 2010. The agreement swaps three month variable LIBOR contracts for a fixed three year rate of 0.8925% and expires in November 2013. The second agreement had a notional amount of $500 and became effective in December 2010. The agreement swaps three month variable LIBOR contracts for a fixed three year rate of 1.0235% and expires in November 2013. In August 2011, the Company began utilizing 1-month LIBOR contracts for the underlying senior secured credit facility. The Company's change in interest rate selection caused the Company to lose hedge accounting on both of the interest rate swaps. The Company recorded changes in fair value in the Consolidated Statement of Operations and will amortize the previously recorded unrealized losses of $3, net of tax as of fiscal year-end 2012 to Interest expense through the end of the respective swap agreements.

		Liability Derivatives	
Derivatives not designated as hedging instruments under FASB guidance	**Balance Sheet Location**	**2012**	2011
Interest rate swaps – 2010 Swaps	Other long-term liabilities	**$ 7**	$ 8

The effect of the derivative instruments on the Consolidated Statement of Operations are as follows:

Derivatives not designated as hedging instruments under FASB guidance	**Statement of Operations Location**	**2012**	2011
Interest rate swaps – 2010 Swaps	Other expense (income)	**$ -**	$ (2)
	Interest expense	**$ 4**	$ 1

The Fair Value Measurements and Disclosures section of the ASC defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value. This section also establishes a three-level hierarchy (Level 1, 2, or 3) for fair value measurements based upon the observability of inputs to the valuation of an asset or liability as of the measurement date. This section also requires the consideration of the counterparty's or the Company's nonperformance risk when assessing fair value.

The Company's interest rate swap fair values were determined using Level 2 inputs as other significant observable inputs were not available.

The Company's financial instruments consist primarily of cash and cash equivalents, investments, long-term debt, interest rate swap agreements and capital lease obligations. The fair value of our investments exceeded book value as of fiscal 2012 and 2011, by $80 and $159, respectively. The following table summarizes our long-term indebtedness for which the book value was in excess of the fair value:

	2012	2011
First Priority Senior Secured Floating Rate Notes	-	61
9 ½% Second Priority Notes	-	83
9¾% Second Priority Notes	-	140
Second Priority Senior Secured Floating Rate Notes	1	38
Senior Unsecured Term Loan	6	8
11% Senior Subordinated Notes	-	64
10 ¼% Senior Subordinated Notes	-	18

Redeemable Common Stock

The Company has common stock outstanding to former employees that will be repurchased by the Company. Redemption of this common stock will be based on the fair value of the stock on the fixed redemption date and this redemption is out of the control of the Company. This redeemable common stock is recorded at its fair value in temporary equity and changes in the fair value are recorded in additional paid in capital each period. Under the 2006 Equity Incentive Plan, the exercise price for option awards is the fair market value of common stock on the date of grant. Historically, the fair market value of a share of common stock was determined by the Board of Directors by applying industry-appropriate multiples to EBITDA. This valuation took into account a level of net debt that excluded cash required for working capital purposes. The categorization of the framework used to price these liabilities is considered a Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value. Subsequent to the initial public offering, the redemption requirement terminated and the Company no longer will be required to repurchase these shares. The fair value as of the end of fiscal 2012 and 2011 was $23 and $16, respectively.

Non-recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis under the circumstances and events described in Note 1 and Note 10. The assets are adjusted to fair value only when the carrying values exceed the fair values. The categorization of the framework used to price the assets is considered a Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value (see Note 1 and 10 for additional discussion).

Included in the following table are the major categories of assets measured at fair value on a non-recurring basis along with the impairment loss recognized on the fair value measurement for the year then ended.

	As of the end of fiscal 2012				
	Level 1	Level 2	Level 3		
	Quoted Prices in Active Markets for Identical Assets or Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	Impairment Loss
Indefinite-lived trademarks	**$ -**	**$ -**	**$ 220**	**$ 220**	**$ -**
Goodwill	-	-	**1,626**	**1,626**	-
Definite lived intangibles	-	-	**737**	**737**	**17**
Property, plant, and equipment	-	-	**1,216**	**1,216**	**3**
Total	**$ -**	**$ -**	**$ 3,799**	**$ 3,799**	**$ 20**

	As of the end of fiscal 2011				
	Level 1	Level 2	Level 3		
	Quoted Prices in Active Markets for Identical Assets or Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	Impairment Loss
Indefinite-lived trademarks	$ -	$ -	$ 220	$ 220	$ -
Goodwill	-	-	1,595	1,595	165
Property, plant, and equipment	-	-	1,250	1,250	35
Total	$ -	$ -	$ 3,065	$ 3,065	$ 200

	As of the end of fiscal 2010				
	Level 1	Level 2	Level 3		
	Quoted Prices in Active Markets for Identical Assets or Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs	Total	Impairment Loss
Indefinite-lived trademarks	$ -	$ -	$ 220	$ 220	$ -
Goodwill	-	-	1,700	1,700	-
Property, plant, and equipment	-	-	1,146	1,146	19
Total	$ -	$ -	$ 3,066	$ 3,066	$ 19

Valuation of Goodwill and Indefinite Lived Intangible Assets

ASC Topic 350 requires the Company to test goodwill for impairment at least annually using a two-step process. The first step is a screen for potential impairment, while the second step measures the amount of impairment. The Company conducts the two-step impairment test on the first day of the fourth fiscal quarter, unless indications of impairment exist during an interim period. When assessing its goodwill for impairment, the Company utilizes a discounted cash flow analysis in combination with a comparable company market approach to determine the fair value of their reporting units and corroborate the fair values. The Company utilizes a relief from royalty method to value their indefinite lived trademarks and uses the forecasts that are consistent with those used in the reporting unit analysis. The Company has five reporting units more fully discussed in Note 1. In fiscal 2012 and fiscal 2010 the Company performed their annual impairment test and determined no impairment existed. In fiscal 2011 the Company recorded a goodwill impairment charge of $165 in Restructuring and impairment charges on the Consolidated Statement of Operations. The Company did not recognize any impairment charges on the definitive lived intangible assets in any of the years presented.

Valuation of Property, Plant and Equipment and Definite Lived Intangible Assets

The Company periodically realigns their manufacturing operations which results in facilities being closed and shut down and equipment transferred to other facilities or equipment being scrapped or sold. The Company utilizes appraised values to corroborate the fair value of the facilities and has utilized a scrap value based on prior facility shut downs to estimate the fair value of the equipment, which has approximated the actual value that was received. When impairment indicators exist, the Company will also perform an undiscounted cash flow analysis to determine the recoverability of the Company's long-lived assets. The Company wrote-down their property, plant, and equipment with a carrying value of $1,219 to its fair value of $1,216, which resulted in an impairment charge of $3 during fiscal 2012. The Company wrote-down their property, plant, and equipment with a carrying value of $1,285 to its fair value of $1,250, which resulted in an impairment charge of $35 during fiscal 2011. The Company wrote-down their property, plant, and equipment with a carrying value of $1,165 to its fair value of $1,146, which resulted in an impairment charge of $19 during fiscal 2010. The Company recognized an impairment charge of $20 on the property, plant, and equipment and long-lived assets during fiscal 2012.

5. Goodwill, Intangible Assets and Deferred Costs

The following table sets forth the gross carrying amount and accumulated amortization of the Company's goodwill, intangible assets and deferred costs as of the fiscal year-end 2012 and 2011:

	2012	2011	Amortization Period
Deferred financing fees	**$ 104**	$ 104	Respective debt
Accumulated amortization	**(51)**	(39)	
Deferred financing fees, net	**53**	65	
Goodwill	**1,626**	1,595	Indefinite lived
Customer relationships	**1,153**	1,178	11 – 20 years
Trademarks (indefinite lived)	**220**	220	Indefinite lived
Trademarks (definite lived)	**69**	66	8-15 years
Other intangibles	**99**	82	10-20 years
Accumulated amortization	**(584)**	(502)	
Intangible assets, net	**957**	1,044	
Total goodwill, intangible assets and deferred costs	**$ 2,636**	$ 2,704	

The Company recorded a goodwill impairment charge in the Engineered Materials and Flexible Packaging segments in fiscal 2011. See Note 1 for further discussion. Future amortization expense for definite lived intangibles as of fiscal 2012 for the next five fiscal years is $103, $95, $86, $79 and $68 each year for fiscal years ending 2013, 2014, 2015, 2016, and 2017, respectively.

6. Lease and Other Commitments and Contingencies

The Company leases certain property, plant and equipment under long-term lease agreements. Property, plant, and equipment under capital leases are reflected on the Company's balance sheet as owned. The Company entered into new capital lease obligations totaling $45, $29, and $7 during fiscal 2010, 2011, and 2012, respectively, with various lease expiration dates through 2019. The Company records amortization of capital leases in Cost of goods sold in the Consolidated Statement of Operations. Assets under operating leases are not recorded on the Company's balance sheet. Operating leases expire at various dates in the future with certain leases containing renewal options. The Company had minimum lease payments or contingent rentals of $15 and $14 and asset retirement obligations of $5 and $6 as of fiscal 2012 and 2011, respectively. Total rental expense from operating leases was $56, $59, and $56 in fiscal 2012, 2011, and 2010, respectively.

Future minimum lease payments for capital leases and noncancellable operating leases with initial terms in excess of one year as of fiscal year-end 2012, are as follows:

	Capital Leases	Operating Leases
2013	$ 24	$ 46
2014	20	36
2015	22	32
2016	11	30
2017	4	26
Thereafter	6	119
	87	$ 289
Less: amount representing interest	(17)	
Present value of net minimum lease payments	$ 70	

In September 2012, the Company entered into a sale-leaseback transaction pursuant to which it sold its warehouse facility located in Lawrence , Kansas. The Company received net proceeds of $20 and resulted in the Company realizing a deferred gain of $1 which will be offset against the future lease payments over the life of the lease.

The Company is party to various legal proceedings involving routine claims which are incidental to its business. Although the Company's legal and financial liability with respect to such proceedings cannot be estimated with certainty, the Company believes that any ultimate liability would not be material to its financial position, results of operations or cash flows. The Company has various purchase commitments for raw materials, supplies and property and equipment incidental to the ordinary conduct of business.

As the end of fiscal 2012, the Company employed over 15,000 employees. Approximately 11% of our employees are covered by collective bargaining agreements. Four of our 12 agreements, covering approximately 1,200 employees, were scheduled for renegotiation in fiscal 2012, and each of them was renegotiated. The remaining agreements expire after fiscal 2012.

7. Accrued Expenses, Other Current Liabilities and Other Long-Term Liabilities

The following table sets forth the totals included in Accrued expenses and other current liabilities as of fiscal year-end 2012 and 2011.

	2012	2011
Employee compensation, payroll and other taxes	**$ 95**	$ 101
Interest	**60**	63
Rebates	**68**	60
Other	**77**	62
	$ 300	$ 286

The following table sets forth the totals included in Other long-term liabilities as of fiscal year-end 2012 and 2011.

	2012	2011
Lease retirement obligation	**$ 20**	$ 20
Sale-lease back deferred gain	**34**	35
Pension liability	**84**	79
Other	**28**	36
	$ 166	$ 170

8. Income Taxes

The Company is being taxed at the U.S. corporate level as a C-Corporation and has provided U.S. Federal, State and foreign income taxes.

Significant components of income tax expense (benefit) for the fiscal years ended 2012, 2011 and 2010 are as follows:

	2012	2011	2010
Current			
United States			
Federal	**$ (3)**	$ -	$ -
State	**-**	1	3
Non-U.S.	**4**	3	-
Current income tax provision	**1**	4	3
Deferred:			
United States			
Federal	**3**	(57)	(38)
State	**(1)**	7	(11)
Non-U.S.	**(1)**	(1)	(3)
Deferred income tax expense (benefit)	**1**	(51)	(52)
Expense (benefit) for income taxes	**$ 2**	$ (47)	$ (49)

U.S. income (loss) from continuing operations before income taxes was $2, $(342), and $(140) for fiscal 2012, 2011, and 2010, respectively. Non-U.S. income (loss) from continuing operations before income taxes was $2, $(4), and $(22) for fiscal 2012, 2011, and 2010, respectively.

The reconciliation between U.S. Federal income taxes at the statutory rate and the Company's benefit for income taxes on continuing operations for fiscal 2012, 2011, and 2010 are as follows:

	2012	2011	2010
U.S. Federal income tax benefit at the statutory rate	**$ 1**	$ (121)	$ (57)
Adjustments to reconcile to the income tax provision:			
U.S. State income tax expense, net of valuation allowance	**(1)**	8	(8)
Impairment of goodwill	**-**	58	-
Permanent differences	**1**	1	2
Transaction costs	**-**	1	3
Changes in foreign valuation allowance	**1**	3	3
Rate differences between U.S. and foreign	**1**	1	4
Other	**(1)**	2	4
Expense (benefit) for income taxes	**$ 2**	$ (47)	$ (49)

Deferred income taxes result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes. The components of the net deferred income tax liability as of fiscal 2012 and 2011 are as follows:

	2012	2011
Deferred tax assets:		
Allowance for doubtful accounts	**$ 4**	$ 4
Deferred gain on sale-leaseback	**15**	15
Accrued liabilities and reserves	**60**	58
Inventories	**8**	8
Net operating loss carryforward	**393**	406
Alternative minimum tax (AMT) credit carryforward	**9**	8
Other	**6**	15
Total deferred tax assets	**495**	514
Valuation allowance	**(51)**	(43)
Total deferred tax assets, net of valuation allowance	**444**	471
Deferred tax liabilities:		
Property and equipment	**190**	143
Intangible assets	**322**	347
Debt extinguishment	**132**	132
Other	**1**	4
Total deferred tax liabilities	**645**	626
Net deferred tax liability	**$ (201)**	$ (155)

In the United Sates the Company had $911 of Federal net operating loss carryforwards, which will be available to offset future taxable income. As of fiscal year-end 2012, the Company had foreign net operating loss carryforwards of $129, which will be available to offset future taxable income. If not used, the Federal net operating loss carryforwards will expire in future years beginning 2026 through 2031. AMT credit carryforwards totaling $9 are available to the Company indefinitely to reduce future years' Federal income taxes.

The Company believes that it will not generate sufficient future taxable income to realize the tax benefits in certain foreign jurisdictions related to the deferred tax assets. The Company also has certain state net operating losses that may expire before they are fully utilized. Therefore, the Company has provided a full valuation allowance against certain of its foreign net operating losses and a valuation allowance against certain of its state net operating losses included within the deferred tax assets.

Prior changes in ownership have created limitations under Sec. 382 of the internal revenue code on annual usage of net operating loss carryforwards. However, the Company's Federal net operating loss carryforwards are available for immediate use. As part of the effective tax rate calculation, if we determine that a deferred tax asset arising from temporary differences is not likely to be utilized, we will establish a valuation allowance against that asset to record it at its expected realizable value. The Company has not provided a valuation allowance on its Federal net operating loss carryforwards in the United States because it has determined that future reversals of its temporary taxable differences will occur in the same periods and are of the same nature as the temporary differences giving rise to the deferred tax assets. Our valuation allowance against deferred tax assets was $51 and $43 as of fiscal year-end 2012 and 2011, respectively, related to the foreign operating loss carryforwards, U.S. State operating loss carryforwards, and foreign tax credit carryforwards. The Company paid cash taxes of $2, $2 and $3 in fiscal 2012, 2011, and 2010, respectively.

Uncertain Tax Positions

We adopted the provisions of the Income Taxes standard of the Codification. This interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with guidance provide by FASB and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Our policy to include interest and penalties related to gross unrecognized tax benefits within our provision for income taxes did not change. There was no adjustment to retained earnings upon adoption.

The following table summarizes the activity related to our gross unrecognized tax benefits from year-end fiscal 2011 to year-end fiscal 2012:

	2012	2011
Beginning unrecognized tax benefits	**$ 33**	$ 34
Gross increases – tax positions in prior periods	**2**	3
Gross decreases – tax positions in prior periods	**(25)**	(4)
Gross increases – from acquisitions	**-**	2
Gross increases – current period tax positions	**-**	1
Settlements	**-**	(2)
Lapse of statute of limitations	**(2)**	(1)
Ending unrecognized tax benefits	**$ 8**	$ 33

The $25 gross decrease of tax positions related to prior periods and did not have a material impact on our effective tax rate due to a similar decrease in the related deferred tax asset.

The amount of unrecognized tax benefits that, if recognized, would affect our effective tax rate was $5 for fiscal year-end 2011 and 2012.

As of fiscal year-end 2012, we had $1 accrued for payment of interest and penalties related to our uncertain tax positions. Our penalties and interest related to uncertain tax positions are included in income tax expense.

We and our subsidiaries are routinely examined by various taxing authorities. Although we file U.S. Federal, U.S. State, and foreign tax returns, our major tax jurisdiction is the U.S. The IRS has completed an examination of our 2003 tax year. The Company is currently under examination by the IRS for U.S. Federal tax years 2010 and 2011. Our 2004 - 2009 tax years remain subject to examination by the IRS. There are various other on-going audits in various other jurisdictions that are not material to our financial statements.

As of the end of fiscal 2012, we had unremitted earnings from foreign subsidiaries including earnings that have been or are intended to be permanently reinvested for continued use in foreign operations, accordingly, no provision for US Federal or State income taxes has been provided thereon. If distributed, those earnings would result in additional income tax expense at approximately the U.S. statutory rate. Determination of the amount of unrecognized deferred US income tax liability is not practicable due to the complexities associated with its hypothetical calculation nor is it considered to be material. We have identified non U.S. funds from Germany, Australia, Malaysia and India that are not permanently reinvested and have recognized deferred tax liabilities for additional tax expense that we expect to incur upon repatriation of earnings that are not sourced from previously taxed income.

9. Retirement Plan

The Company maintains six defined benefit pension plans which cover certain manufacturing facilities. The Company also maintains a retiree health plan, which covers certain healthcare and life insurance benefits for certain retired employees and their spouses. Each of the six defined benefit plans and the retiree health plan are frozen plans. The Company uses fiscal year-end as a measurement date for the retirement plans.

The Company sponsors two defined contribution 401(k) retirement plans covering substantially all employees. Contributions are based upon a fixed dollar amount for employees who participate and percentages of employee contributions at specified thresholds. Contribution expense for these plans was $7, $6, and $6 for fiscal 2012, 2011, and 2010, respectively.

The Company participates in one multiemployer plan. Contributions to the plan are based on specific percentages of employee compensation and are immaterial.

The projected benefit obligations of the Company's plans presented herein are equal to the accumulated benefit obligations of such plans. The tables below exclude the obligations related to the foreign plans. The net liability for foreign plans is approximately $3. The net amount of liability recognized is included in Other long-term liabilities on the Consolidated Balance Sheets.

	Defined Benefit Pension Plans		Retiree Health Plan	
	2012	2011	**2012**	2011
Change in Projected Benefit Obligations (PBO)				
PBO at beginning of period	**$ 179**	$ 175	**$ 4**	$ 4
Service cost	**-**	-	**-**	-
Interest cost	**8**	8	**-**	-
Actuarial loss (gain)	**29**	4	**-**	-
Benefits paid	**(9)**	(8)	**(1)**	-
PBO at end of period	**$ 207**	$ 179	**$ 3**	$ 4
Change in Fair Value of Plan Assets				
Plan assets at beginning of period	**$ 109**	$ 112	**$ -**	$ -
Actual return on plan assets	**20**	(2)	**-**	-
Company contributions	**9**	7	**1**	-
Benefits paid	**(9)**	(8)	**(1)**	-
Plan assets at end of period	**129**	109	**-**	-
Net amount recognized	**$ (78)**	$ (70)	**$ (3)**	$ (4)

At the end of fiscal 2012 the Company had $53 of net unrealized losses recorded in Accumulated other comprehensive loss on the Consolidated Balance Sheets. The Company expects $2 to be realized in fiscal 2013.

The following table presents significant weighted-average assumptions used to determine benefit obligation and benefit cost for the fiscal years ended:

	Defined Benefit Pension Plans		Retiree Health Plan	
(Percents)	**2012**	2011	**2012**	2011
Weighted-average assumptions:				
Discount rate for benefit obligation	**3.6**	4.4	**2.4**	4.5
Discount rate for net benefit cost	**4.4**	4.8	**4.5**	5.0
Expected return on plan assets for net benefit costs	**8.0**	8.0	**8.0**	8.0

In evaluating the expected return on plan assets, Berry considered its historical assumptions compared with actual results, an analysis of current market conditions, asset allocations, and the views of advisors. The return on plan assets is derived from target allocations and historical yield by asset type. Health-care-cost trend rates were assumed to increase at an annual rate of 7.0% in 2012 and thereafter. A one-percentage-point change in these assumed health care cost trend rates would not have a material impact on our postretirement benefit obligation.

In accordance with the guidance from the FASB for employers' disclosure about postretirement benefit plan assets the table below discloses fair values of each pension plan asset category and level within the fair value hierarchy in which it falls. There was no material changes or transfers between level 3 assets and the other levels.

Fiscal 2012 Asset Category	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	**$ 4**	**$ -**	**$ -**	**$ 4**
U.S. large cap comingled equity funds	**-**	**40**	**-**	**40**
U.S. mid cap equity mutual funds	**13**	**-**	**-**	**13**
U.S. small cap equity mutual funds	**7**	**-**	**-**	**7**
International equity mutual funds	**13**	**-**	**-**	**13**
Real estate equity investment funds	**4**	**-**	**-**	**4**
Corporate bond mutual funds	**-**	**37**	**-**	**37**
Guaranteed investment account	**-**	**-**	**11**	**11**
Other	**-**	**-**	**-**	**-**
Total	**$ 41**	**$ 77**	**$ 11**	**$ 129**

Fiscal 2011 Asset Category	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 4	$ -	$ -	$ 4
U.S. large cap comingled equity funds	-	28	-	28
U.S. mid cap equity mutual funds	10	-	-	10
U.S. small cap equity mutual funds	5	-	-	5
International equity mutual funds	11	-	-	11
Real estate equity investment funds	3	-	-	3
Corporate bond mutual funds	-	30	-	30
Guaranteed investment account	-	-	12	12
Other	6	-	-	6
Total	$ 39	$ 58	$ 12	$ 109

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the fiscal years ending as follows:

	Defined Benefit Pension Plans	Retiree Health Plan
2013	$ 10	$ 1
2014	10	-
2015	10	-
2016	10	-
2017	10	-
2018-2022	55	1

Net pension and retiree health benefit expense included the following components as of fiscal 2012 and 2011:

	2012	2011
Defined Benefit Pension Plans		
Service cost	**$ -**	$ -
Interest cost	**8**	9
Amortization	**2**	1
Expected return on plan assets	**(8)**	(9)
Net periodic benefit cost	**$ 2**	$ 1

Our defined benefit pension plan asset allocations as of fiscal year-end 2012 and 2011 are as follows:

Asset Category	**2012**	2011
Equity securities and equity-like instruments	**59%**	53%
Debt securities	**29**	32
Other	**12**	15
Total	**100%**	100%

The Company's retirement plan assets are invested with the objective of providing the plans the ability to fund current and future benefit payment requirements while minimizing annual Company contributions. The plans' asset allocation strategy reflects a long-term growth strategy with approximately 40-50% allocated to growth investments and 40-50% allocated to fixed income investments and 5-10% in other, including cash. The retirement plans held $11 principal of the Company's 10 ¼% Senior Subordinated Notes at the end of fiscal 2012 and 2011, respectively. The Company re-addresses the allocation of its investments on a regular basis.

10. Restructuring and Impairment Charges

The Company announced various restructuring plans in the last three fiscal years which included shutting down facilities in all four of the Company's operating segments.

During fiscal 2010, the Company announced the intention to shut down four manufacturing facilities within its Engineered Materials division. The affected business accounted for $91 of annual net sales with majority of the operations transferred to other facilities. The Company also announced the intention to shut down a manufacturing facility within its Flexible Packaging division. The affected business accounted for less than $22 of annual net sales with majority of the operations transferred to other facilities. The Company recorded $19 of non-cash asset impairment costs in fiscal 2010 related to these restructuring plans and has been reported as Restructuring and impairment charges in the Consolidated Statements of Operations. These impairments were for buildings and equipment that exceeded net realizable value as of the valuation dates.

During fiscal 2011, the Company announced the intention to shut down two facilities within its Engineered Materials division. The affected business accounted for approximately $106 of annual net sales with the majority of the operations transferred to other facilities. The Company also announced its intention to shut down a manufacturing location within its Flexible Packaging division. The affected business accounted for approximately $24 of annual net sales with the majority of the operations transferred to other facilities. The Company also announced its intention to shut down a manufacturing location within its Rigid Closed Top division. The affected business accounted for approximately $14 of annual net sales with the majority of the operations transferred to other facilities. The Company recorded $35 of non-cash asset impairment costs in fiscal 2011 related to these restructuring plans and has been reported as Restructuring and impairment charges in the Consolidated Statements of Operations. These impairments were for buildings and equipment that exceeded net realizable value as of the valuation dates.

During fiscal 2012, the Company announced the intention to shut down three facilities one each in Rigid Closed Top, Engineered Materials and Flexible Packaging divisions. The affected Rigid Closed Top, Engineered Materials, and Flexible Packaging businesses accounted for approximately $14, $71, and $24 of annual net sales, with the majority of the operations transferred to other facilities. During the first fiscal quarter the Company made the decision to exit operations in the Engineered Materials division. This decision resulted in non-cash impairment charges of $17 related to certain customer lists deemed to have no further value recorded in Restructuring and impairment charges on the Consolidated Statement of Operations. The exited operations were immaterial to the Company and Engineered Materials segment.

The table below sets forth the Company's estimate of the total cost of the restructuring programs since 2007, the portion recognized through fiscal year-end 2012 and the portion expected to be recognized in a future period:

	Expected Total Costs	Cumulative charges through Fiscal 2012	To be Recognized in Future
Severance and termination benefits	$ 34	$ 34	$ -
Facility exit costs	52	50	2
Asset impairment	100	100	-
Other	4	4	-
Total	$ 190	$ 188	$ 2

The tables below sets forth the significant components of the restructuring charges recognized for the fiscal years ended 2012 2011 and 2010, by segment:

	Fiscal Year		
	2012	2011	2010
Rigid Open Top			
Severance & termination benefits	$ -	$ 2	$ -
Facility exit costs	-	-	2
Total	$ -	$ 2	$ 2
Rigid Closed Top			
Severance & termination benefits	$ 3	$ 3	$ -
Facility exit costs	2	1	3
Non-cash asset impairment	4	4	-
Total	$ 9	$ 8	$ 3
Engineered Materials			
Severance & termination benefits	$ 4	$ 2	$ -
Facility exit costs	2	7	4
Non-cash asset impairment	16	22	9
Total	$ 22	$ 31	$ 13
Flexible Packaging			
Severance & termination benefits	$ -	$ 4	$ 7
Facility exit costs	-	2	6
Non-cash asset impairment	-	9	10
Total	$ -	$ 15	$ 23
Consolidated			
Severance & termination benefits	$ 7	$ 11	$ 7
Facility exit costs	4	10	15
Non-cash asset impairment	20	35	19
Total	$ 31	$ 56	$ 41

The table below sets forth the activity with respect to the restructuring accrual as of fiscal 2012 and 2011:

	Employee Severance and Benefits	Facility Exit Costs	Non-cash charges	Total
Balance as of fiscal 2010	$ 3	$ 3	$ -	$ 6
Charges	11	10	35	56
Non-cash asset impairment	-	-	(35)	(35)
Cash payments	(10)	(10)	-	(20)
Balance as of fiscal 2011	4	3	-	7
Charges	**7**	**4**	**20**	**31**
Non-cash asset impairment	-	-	**(20)**	**(20)**
Cash payments	**(7)**	**(4)**	-	**(11)**
Balance as of fiscal 2012	**$ 4**	**$ 3**	**$ -**	**$ 7**

The restructuring costs accrued as of fiscal year-end 2012 will result in future cash outflows, which are not expected to be material.

11. Related Party Transactions

Management Fee

The Company is charged a management fee by affiliates of Apollo and Graham for the provision of management consulting and advisory services provided throughout the year. The management fee is the greater of $3 or 1.25% of adjusted EBITDA. The management fees are classified in Other operating expenses in the Statement of Operations and the management services agreement with Apollo and Graham terminated upon completion of the initial public offering completed on October 3, 2012.

Total management fees charged by Apollo and Graham were $9, $9, and $8 in fiscal 2012, 2011, and 2010, respectively. The Company paid $8 and $6 to entities affiliated with Apollo and $1 to entities affiliated with Graham for fiscal 2012 and 2011, respectively. In connection with the Rexam SBC acquisition, Berry management and the sponsors received a transaction fee of $5.

Other Related Party Transactions

Certain of our management, stockholders and related parties and its affiliates have independently acquired and held financial debt instruments of the Company. During fiscal 2010 and 2012, interest expense related to this debt includes $8 and $2, respectively.

12. Stockholders' Equity

2006 Equity Incentive Plan

In connection with Apollo's acquisition of the Company, we adopted an equity incentive plan pursuant to which options to acquire up to 7,071,337 shares of the Company's common stock may be granted. Prior to fiscal 2011, the plan was amended to allow for an additional 5,267,500 options to be granted. Options granted under the 2006 Equity Incentive Plan may not be assigned or transferred, except to the Company or by will or the laws of descent or distribution. The 2006 Equity Incentive Plan terminates ten years after adoption and no options may be granted under the plan thereafter. The 2006 Equity Incentive Plan allows for the issuance of non-qualified options, options intended to qualify as "incentive stock options" within the meaning of the Internal Revenue Code of 1986, as amended, and stock appreciation rights. The employees participating in the 2006 Equity Incentive Plan receive options and stock appreciation rights under the 2006 Equity Incentive Plan pursuant to individual option and stock appreciation rights agreements, the terms and conditions of which are substantially identical. Each option agreement provides for the issuance of options to purchase common stock of the Company. Options granted under the 2006 Equity Incentive Plan had an exercise price per share that either (1) was fixed at the fair market value of a share of common stock on the date of grant or (2) commenced at the fair market value of a share of common stock on the date of grant and increases at the rate of 15% per year during the term. Some options granted under the plan become vested and exercisable over a five-year period based on continued service. Other options become vested and exercisable based on the achievement by the Company of certain financial targets. Upon a change in control, the vesting schedule, with respect to certain options, accelerate for a portion of the shares subject to such options.

The Company recognized total stock based compensation of $2 for fiscal 2012 and 2011 and $1 for fiscal 2010.

Information related to the 2006 Equity Incentive Plan as of the fiscal year-end 2012 and 2011 is as follows:

	2012		2011	
	Number Of Shares	Weighted Average Exercise Price	Number Of Shares	Weighted Average Exercise Price
Options outstanding, beginning of period	**10,826,232**	**$ 7.70**	10,614,883	$ 7.78
Options granted	**695,898**	**10.57**	1,552,418	6.13
Options exercised or cash settled	**(175,412)**	**7.33**	-	-
Options forfeited or cancelled	**(605,628)**	**7.43**	(1,341,069)	7.94
Options outstanding, end of period	**10,741,090**	**$ 7.76**	10,826,232	$ 7.70
Option price range at end of period	**$ 3.04-15.04**		$ 3.04-9.21	
Options exercisable at end of period	**7,327,612**		7,318,346	
Options available for grant at period end	**1,597,240**		1,512,606	
Weighted average fair value of options granted during period	**$ 2.71**		$ 1.88	

The fair value for options granted has been estimated at the date of grant using a Black-Scholes model, generally with the following weighted average assumptions:

	2012	2011	2010
Risk-free interest rate	**.6 - .9%**	1.30%	2.60%
Dividend yield	**0.00%**	0.00%	0.00%
Volatility factor	**0.38**	.32 - .34	0.33
Expected option life	**5 years**	5 years	5 years

The following table summarizes information about the options outstanding as of fiscal 2012:

Range of Exercise Prices	**Number Outstanding**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**	**Number Exercisable**
$3.04 - $15.04	10,741,090	5 years	$7.76	7,327,612

Redeemable Common Stock

The Company has common stock outstanding to former employees that will be repurchased by the Company. Redemption of this common stock will be based on the fair value of the stock on the fixed redemption date and this redemption is out of the control of the Company. This redeemable common stock is recorded at its fair value in temporary equity and changes in the fair value are recorded in additional paid in capital each period. Under the 2006 Equity Incentive Plan, the exercise price for option awards is the fair market value of common stock on the date of grant. Historically, the fair market value of a share of common stock was determined by the Board of Directors by applying industry-appropriate multiples to current EBITDA. This valuation took into account a level of net debt that excluded cash required for working capital purposes. The categorization of the framework used to price these liabilities is considered a Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value. Upon completion of a successful initial public offering, the redemption requirement terminates and the Company is no longer required to repurchase these shares. The fair value as of the end of fiscal 2012 and 2011 is $23 and $16, respectively

13. Segment and Geographic Data

Berry's operations are organized into four reportable segments: Rigid Open Top, Rigid Closed Top, Engineered Materials, and Flexible Packaging. The Company has manufacturing and distribution centers in the United States, Canada, Mexico, Belgium, Australia, Germany, Brazil, Malaysia, and India. The North American operation represents 96% of the Company's net sales, 98% of total long-lived assets, and 99% of the total assets. Selected information by reportable segment is presented in the following table.

	2012	2011	2010
Net sales			
Rigid Open Top	**$ 1,229**	$ 1,261	$ 1,160
Rigid Closed Top	**1,438**	1,053	970
Engineered Materials	**1,362**	1,451	1,457
Flexible Packaging	**737**	796	670
Total	**$ 4,766**	$ 4,561	$ 4,257
Operating income (loss)			
Rigid Open Top	**$ 159**	$ 155	$ 124
Rigid Closed Top	**95**	77	73
Engineered Materials	**70**	(71)	4
Flexible Packaging	**1**	(119)	(77)
Total	**$ 325**	$ 42	$ 124
Depreciation and amortization			
Rigid Open Top	**$ 90**	$ 102	$ 93
Rigid Closed Top	**135**	95	91
Engineered Materials	**71**	72	72
Flexible Packaging	**59**	75	61
Total	**$ 355**	$ 344	$ 317

Total assets	**2012**	2011
Rigid Open Top	**$ 1,773**	$ 1,818
Rigid Closed Top	**1,959**	1,963
Engineered Materials	**873**	841
Flexible Packaging	**501**	595
	$ 5,106	$ 5,217

Goodwill	**2012**	2011
Rigid Open Top	**$ 681**	$ 681
Rigid Closed Top	**832**	819
Engineered Materials	**73**	55
Flexible Packaging	**40**	40
	$ 1,626	$ 1,595

14. Net Income (Loss) Per Share

Basic net income or loss per share is calculated by dividing the net income or loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Diluted net income or loss per share is computed by dividing the net income or loss attributable to common stockholders by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method and the if-converted method. For purposes of this calculation, stock options are considered to be common stock equivalents and are only included in the calculation of diluted net income or loss per share when their effect is dilutive. The Company's redeemable common stock is included in the weighted-average number of common shares outstanding for calculating basic and diluted net income or loss per share.

The following tables and discussion provide a reconciliation of the numerator and denominator of the basic and diluted net loss per share computations. The calculation below provides net income or loss on both basic and diluted basis for fiscal 2012, 2011, and 2010 (in thousands).

	2012	2011	2010
Net income (loss)	**$ 2**	$ (299)	$ (113)
Weighted average shares of common stock outstanding--basic	**83,435**	84,121	84,525
Weighted average shares of common stock outstanding	**83,435**	84,121	84,525
Other common stock equivalents	**3,209**	-	-
Weighted average shares of common stock outstanding--diluted	**86,644**	84,121	84,525
Basic net income (loss) per share			
Basic net income (loss) per share from continuing operations	**$ 0.02**	$ (3.55)	$ (1.34)
Basic net income (loss) per share available to common shareholders	**$ 0.02**	$ (3.55)	$ (1.34)
Diluted net income (loss) per share			
Diluted net income (loss) per share from continuing operations	**$ 0.02**	$ (3.55)	$ (1.34)
Diluted net income (loss) per share available to common shareholders	**$ 0.02**	$ (3.55)	$ (1.34)

The conversion of stock options is not included in the calculation of diluted net loss per common share as of the end of fiscal 2011 and 2010 as the effect of these conversions would be antidilutive to the net loss available to common shareholders. Thus, the weighted-average common equivalent shares used for purposed of computing diluted EPS are the same as those used to compute basic EPS for these periods. Shares excluded from the calculation as the effect of their conversion into shares of our common stock would be antidilutive were 10,826,232 and 10,614,882 as of the end of fiscal 2011 and 2010, respectively.

15. Guarantor and Non-Guarantor Financial Information

Berry Plastics Corporation ("Issuer") has notes outstanding which are fully, jointly, severally, and unconditionally guaranteed by substantially all of Berry's domestic subsidiaries. Separate narrative information or financial statements of the guarantor subsidiaries have not been included because they are 100% owned by the parent company and the guarantor subsidiaries unconditionally guarantee such debt on a joint and several basis. A guarantee of a guarantor of the securities will terminate upon the following customary circumstances: the sale of the capital stock of such guarantor if such sale complies with the indenture, the designation of such guarantor as an unrestricted subsidiary, the defeasance or discharge of the indenture, as a result of the holders of certain other indebtedness foreclosing on a pledge of the shares of a guarantor subsidiary or if such guarantor no longer guarantees certain other indebtedness of the issuer. The guarantees are also limited as necessary to prevent them from constituting a fraudulent conveyance under applicable law and guarantees guaranteeing subordinated debt are subordinated to certain other of the Company's debts. Presented below is condensed consolidating financial information for the parent, issuer, guarantor subsidiaries and non-guarantor subsidiaries. Our issuer and guarantor financial information includes all of our domestic operating subsidiaries, our non-guarantor subsidiaries include our foreign subsidiaries and BP Parallel, LLC. BP Parallel, LLC is the entity that we established to buyback debt securities of Berry Plastics Group, Inc. and Berry Plastics Corporation. Berry Plastics Group, Inc. uses the equity method to account for its ownership in Berry Plastics Corporation in the Condensed Consolidating Supplemental Financial Statements. Berry Plastics Corporation uses the equity method to account for its ownership in the guarantor and non-guarantor subsidiaries. All consolidating entries are included in the eliminations column along with the elimination of intercompany balances.

Condensed Supplemental Consolidated Statements of Operations

	Fiscal 2012					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	$ -	$ 579	$ 3,829	$ 358	$ -	$ 4,766
Cost of sales	-	501	3,144	304	-	3,949
Selling, general and administrative expenses	-	53	329	35	-	417
Restructuring and impairment charges, net	-	1	29	1	-	31
Other operating expenses	-	28	7	9	-	44
Operating income (loss)	-	(4)	320	9	-	325
Other income	-	(7)	-	-	-	(7)
Interest expense, net	54	39	261	(110)	84	328
Equity in net income of subsidiaries	(58)	(173)	-	-	231	-
Net income (loss) before income taxes	4	137	59	119	(315)	4
Income tax expense (benefit)	2	46	1	3	(50)	2
Net income (loss)	$ 2	$ 91	$ 58	$ 116	$ (265)	$ 2
Currency translation	-	-	-	6	-	6
Interest rate hedges	-	4	-	-	-	4
Defined benefit pension and retiree benefit plans	-	-	(14)	-	-	(14)
Provision for income taxes realted to other comprehensive income items	-	(1)	6	-	-	5
Comprehensive income (loss)	$ 2	$ 94	$ 50	$ 122	$ (265)	$ 3

	Fiscal 2011					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	$ -	$ 695	$ 3,503	$ 363	$ -	$ 4,561
Cost of sales	-	626	2,937	315	-	3,878
Selling, general and administrative expenses	-	56	295	30	-	381
Restructuring and impairment charges, net	-	30	190	1	-	221
Other operating expenses	-	-	11	28	-	39
Operating income (loss)	-	(17)	70	(11)	-	42
Other income	-	62	(1)	-	-	61
Interest expense, net	50	49	249	(77)	56	327
Equity in net income of subsidiaries	296	85	-	-	(381)	-
Net income (loss) before income taxes	(346)	(213)	(178)	66	325	(346)
Income tax expense (benefit)	(47)	16	(29)	2	11	(47)
Net income (loss)	$ (299)	$ (229)	$ (149)	$ 64	$ 314	$ (299)
Currency translation	-	-	-	(10)	-	(10)
Interest rate hedges	-	(8)	-	-	-	(8)
Defined benefit pension and retiree benefit plans	-	-	(14)	-	-	(14)
Provision for income taxes related to other comprehensive income taxes	-	2	5	-	-	7
Comprehensive income (loss)	$ (299)	$ (235)	$ (158)	$ 54	$ 314	$ (324)

	Fiscal 2010					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	$ -	$ 758	$ 3,166	$ 333	$ -	$ 4,257
Cost of sales	-	709	2,666	292	-	3,667
Selling, general and administrative expenses	-	63	285	31	-	379
Restructuring and impairment charges, net	-	15	24	2	-	41
Other operating expenses	-	12	17	17	-	46
Operating income (loss)	-	(41)	174	(9)	-	124
Other income	-	(19)	-	-	(8)	(27)
Interest expense, net	48	54	229	(51)	33	313
Equity in net income of subsidiaries	114	-	-	-	(114)	-
Net income (loss) before income taxes	(162)	(76)	(55)	42	89	(162)
Income tax expense (benefit)	(49)	(8)	(17)	4	21	(49)
Net income (loss)	$ (113)	$ (68)	$ (38)	$ 38	$ 68	$ (113)
Currency translation	-	-	-	6	-	6
Interest rate hedges	-	-	-	-	-	-
Defined benefit pension and retiree benefit plans	-	-	(12)	-	-	(12)
Provision for income taxes related to other comprehensive income items	-	-	7	-	-	7
Comprehensive income (loss)	$ (113)	$ (68)	$ (43)	$ 44	$ 68	$ (112)

Condensed Supplemental Consolidated Balance Sheet
As of fiscal year-end 2012

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets						
Current assets:						
Cash and cash equivalents	$ -	$ 66	$ -	$ 21	$ -	$ 87
Accounts receivable, net of allowance	-	60	336	59	-	455
Intercompany receivable	243	3,800	74	-	(4,117)	-
Inventories	-	83	414	38	-	535
Prepaid expenses and other current	120	17	9	21	(11)	156
Total current assets	363	4,026	833	139	(4,128)	1,233
Property, plant and equipment, net	-	113	1,023	80	-	1,216
Intangible assets, net	8	184	2,343	111	(10)	2,636
Investment in subsidiaries	254	615	-	-	(869)	-
Other assets	-	10	10	638	(637)	21
Total assets	$ 625	$ 4,948	$ 4,209	$ 968	$ (5,644)	$ 5,106
Liabilities and equity						
Current liabilities:						
Accounts payable	$ -	$ 84	$ 195	$ 27	$ -	$ 306
Accrued and other current liabilities	18	159	120	16	(13)	300
Intercompany payable	-	-	3,966	151	(4,117)	-
Long-term debt-current portion	-	35	-	5	-	40
Total current liabilities	18	278	4,281	199	(4,130)	646
Long-term debt	736	4,542	-	3	(850)	4,431
Deferred tax liabilities	315	-	-	-	-	315
Other long-term liabilities	8	37	119	5	(3)	166
Total long-term liabilities	1,059	4,579	119	8	(853)	4,912
Total liabilities	1,077	4,857	4,400	207	(4,983)	5,558
Redeemable shares	23	-	-	-		23
Total equity	(475)	91	(191)	761	(661)	(475)
Total liabilities and equity	$ 625	$ 4,948	$ 4,209	$ 968	$ (5,644)	$ 5,106

Condensed Supplemental Consolidated Balance Sheet
As of fiscal year-end 2011

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets						
Current assets:						
Cash and cash equivalents	$ -	$ 20	$ 5	$ 17	$ -	$ 42
Accounts receivable, net of allowance	-	80	411	52	-	543
Intercompany receivable	159	4,078	-	-	(4,237)	-
Inventories	-	98	445	35	-	578
Prepaid expenses and other current	62	10	9	11	-	92
Total current assets	221	4,286	870	115	(4,237)	1,255
Property, plant and equipment, net	-	129	1,048	73	-	1,250
Intangible assets, net	5	207	2,447	52	(7)	2,704
Investment in subsidiaries	282	417	-	-	(699)	-
Other assets	-	-	7	511	(510)	8
Total assets	$ 508	$ 5,039	$ 4,372	$ 751	$ (5,453)	$ 5,217
Liabilities and equity						
Current liabilities:						
Accounts payable	$ -	$ 98	$ 231	$ 23	$ -	$ 352
Accrued and other current liabilities	12	147	126	13	(12)	286
Intercompany payable	-	-	4,167	70	(4,237)	-
Long-term debt-current portion	-	32	-	2	12	46
Total current liabilities	12	277	4,524	108	(4,237)	684
Long-term debt	697	4,688	-	3	(807)	4,581
Deferred tax liabilities	233	-	-	-	-	233
Other long-term liabilities	17	68	97	5	(17)	170
Total long-term liabilities	947	4,756	97	8	(824)	4,984
Total liabilities	959	5,033	4,621	116	(5,061)	5,668
Redeemable shares	16	-	-	-		16
Total equity	(467)	6	(249)	635	(392)	(467)
Total liabilities and equity	$ 508	$ 5,039	$ 4,372	$ 751	$ (5,453)	$ 5,217

Condensed Supplemental Consolidated Statements of Cash Flows

	Fiscal 2012					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Cash Flow from Operating Activities	**$ -**	**$ (22)**	**$ 504**	**$ (3)**	**$ -**	**$ 479**
Cash Flow from Investing Activities						
Additions to property, plant, and equipment	-	(9)	(209)	(12)	-	(230)
Proceeds from disposal of assets	-	-	30	-	-	30
Investment in Parent	-	-	-	(4)	4	--
(Contributions) distributions to/from subsidiaries	16	(20)	-	-	4	-
Intercompany advances (repayments)	-	258	-	-	(258)	-
Investment in Issuer debt securities	-	-	-	-	-	-
Acquisition of business net of cash acquired	-	-	7	(62)	-	(55)
Net cash used in investing activities	16	229	(172)	(78)	(250)	(255)
Cash Flow from Financing Activities						
Proceeds from long-term debt	-	-	-	2	-	2
Equity contributions	-	(6)	-	-	-	(6)
Repayment of long-term debt	(16)	(155)	-	-	(4)	(175)
Changes in intercompany balances	-	-	(337)	79	258	-
Contribution from Parent	-	-	-	4	(4)	-
Deferred financing costs	-	-	-	-	-	-
Net cash provided by (used in) financing activities	(16)	(161)	(337)	85	250	(179)
Net increase in cash and cash equivalents	-	46	(5)	4	-	45
Cash and cash equivalents at beginning of period	-	20	5	17	-	42
Cash and cash equivalents at end of period	$ -	$ 66	$ -	$ 21	$ -	$ 87

	Fiscal 2011					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Cash Flow from Operating Activities	$ 2	$ 15	$ 322	$ (11)	$ (1)	$ 327
Cash Flow from Investing Activities						
Additions to property, plant, and equipment	-	(16)	(138)	(6)	-	(160)
Proceeds from disposal of assets	-	-	5	-	-	5
Investment in Parent	-	-	-	-	-	--
(Contributions) distributions to/from subsidiaries	-	(39)	-	-	39	-
	-	166	-	-	(166)	-
Investment in Issuer debt securities	-	-	-	(39)	39	-
Acquisition of business net of cash acquired	-	(368)	-	-	-	(368)
Net cash used in investing activities	-	(257)	(133)	(45)	(88)	(523)
Cash Flow from Financing Activities						
Proceeds from long-term debt	-	995	-	-	-	995
Equity contributions	(2)	(1)	-	-	1	(2)
Repayment of long-term debt	-	(841)	-	-	(39)	(880)
Changes in intercompany balances	-	-	(186)	20	166	-
Contribution from Parent	-	-	-	39	(39)	-
Deferred financing costs	-	(23)	-	-	-	(23)
Net cash provided by (used in) financing activities	(2)	130	(186)	59	89	90
Net increase in cash and cash equivalents	-	(112)	3	3	-	(106)
Cash and cash equivalents at beginning of period	-	132	2	14	-	148
Cash and cash equivalents at end of period	$ -	$ 20	$ 5	$ 17	$ -	$ 42

	Fiscal 2010					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Cash Flow from Operating Activities	$ 3	$ 37	$ 100	$ (25)	$ (3)	$ 112
Cash Flow from Investing Activities						
Additions to property, plant, and equipment	-	(61)	(150)	(12)	-	(223)
Proceeds from disposal of assets	-	-	29	-	-	29
Investment in Parent	-	-	-	(25)	25	--
(Contributions) distributions to/from subsidiaries	-	(81)	-	-	81	-
Intercompany advances (repayments)	-	(71)	-	-	71	-
Investment in Issuer debt securities	-	-	-	(56)	56	-
Acquisition of business net of cash acquired	-	(658)	-	-	-	(658)
Net cash used in investing activities	-	(871)	(121)	(93)	233	(852)
Cash Flow from Financing Activities						
Proceeds from long-term debt	-	1,097	-	-	-	1,097
Equity contributions	(3)	(3)	-	-	3	(3)
Repayment of long-term debt	-	(97)	-	-	(81)	(178)
Changes in intercompany balances	-	-	23	48	(71)	-
Contribution from Parent	-	-	-	81	(81)	-
Deferred financing costs	-	(38)	-	-	-	(38)
Net cash provided by (used in) financing activities	(3)	959	23	129	(230)	878
Net increase in cash and cash equivalents	-	125	2	11	-	138
Cash and cash equivalents at beginning of period	-	7	-	3	-	10
Cash and cash equivalents at end of period	$ -	$ 132	$ 2	$ 14	$ -	$ 148

16. Quarterly Financial Data (Unaudited)

The following table contains selected unaudited quarterly financial data for fiscal years 2012 and 2011.

	2012				2011			
	First	Second	Third	Fourth	First (b)	Second	Third	Fourth (a)
Net sales	**$ 1,137**	**$ 1,183**	**$ 1,242**	**$ 1,204**	$ 1,041	$ 1,104	$ 1,187	$ 1,229
Cost of sales	**972**	**972**	**1,028**	**977**	902	939	1,000	1,037
Gross profit	**165**	**211**	**214**	**227**	139	165	187	192
Net income (loss)	**$ (31)**	**$ 2**	**$ 9**	**$ 22**	$ (83)	$ (19)	$ (5)	$ (192)

(a) Includes a goodwill impairment charge of $165 in fiscal 2011

(b) Includes a loss on extinguishment of debt of $68 in fiscal 2011

17. Subsequent Events

In October 2012, we filed an initial public offering and sold 29,411,764 shares of common stock at $16.00 per share. Proceeds, net of underwriting fees, of $444 and cash from operations were used to repurchase $455 of 11% Senior Subordinated Notes due September 15, 2016. In connection with the initial public offering, we entered into an income tax receivable agreement that provides for the payment by us to our existing stockholders, option holders and holders of our stock appreciation rights of 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that we actually realize (or are deemed to realize in the case of a change of control) as a result of the utilization of our and our subsidiaries' net operating losses attributable to periods prior to the initial public offering. We expect to pay between $300 and $350 in cash related to this agreement, based on our current taxable income estimates, and will record a liability on our consolidated balance sheet for 85% of our net operating losses upon consummation of our initial public offering.

In connection with the initial public offering, the Company adopted the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan, "2012 Plan" . The purposes of the 2012 Plan are to further the growth of the Company and to reward and incentivize the outstanding performance of our key employees, directors, consultants and other service providers by aligning their interests with those of stockholders through equity-based compensation and enhanced opportunities for ownership of shares of our common stock. The 2012 Plan will be administered by our board of directors and/or the compensation committee thereof, or such other committee of the board of directors as the board of directors may from time to time designate (the committee administering the 2012 Plan is referred to in this description as the "committee"). Among other things, the committee will have the authority to select individuals to whom awards may be granted, to determine the type of awards, to determine the terms and conditions of any such awards, to interpret the terms and provisions of the 2012 Plan and awards granted thereunder and to otherwise administer the plan. Persons who serve or agree to serve as employees of, directors of, consultants to or other service providers of Berry Plastics Group, Inc. on the date of the grant will be eligible to be granted awards under the 2012 Plan. The 2012 Plan authorizes the issuance of up to 9,297,750 shares of common stock pursuant to the grant or exercise of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units and other equity-based awards. The maximum number of shares of common stock pursuant to incentive stock options will be 929,775 shares of common stock.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 17th day of December, 2012.

BERRY PLASTICS GROUP, INC.

By /s/ Jonathan D. Rich
Jonathan D. Rich
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Jonathan D. Rich Jonathan D. Rich	Chairman of the Board of Directors, Chief Executive Officer and Director (Principal Executive Officer)	December 17, 2012
/s/ James M. Kratochvil James M. Kratochvil	Chief Financial Officer (Principal Financial and Accounting Officer)	December 17, 2012
/s/ Robert V. Seminara Robert V. Seminara	Director	December 17, 2012
/s/ Anthony M. Civale Anthony M. Civale	Director	December 17, 2012
/s/ Donald C. Graham Donald C. Graham	Director	December 17, 2012
/s/ Steven C. Graham Steven C. Graham	Director	December 17, 2012
/s/ B. Evan Bayh B. Evan Bayh	Director	December 17, 2012
/s/ Joshua J. Harris Joshua J. Harris	Director	December 17, 2012
/s/ David B. Heller David B. Heller	Director	December 17, 2012

Supplemental Information To Be Furnished With Reports Filed Pursuant To Section 15(d) Of The Act By Registrant Which Has Not Registered Securities Pursuant To Section 12 Of The Act

The Registrant has not sent any annual report or proxy material to security holders.

Exhibit No.	Description of Exhibit
3.1*	Amended and Restated Certificate of Berry Plastics Group, Inc.
3.2*	Bylaws, as amended, of Berry Plastics Group, Inc.
4.1	Supplemental Indenture, dated November 19, 2010, to the Indenture dated as of September 20, 2006, respecting the 8 7/8% Second Priority Senior Secured Fixed Rate Notes due 2014, among Berry Plastics Corporation, the guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.01 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on November 19, 2010).
4.2	Supplemental Indenture, dated November 19, 2010, to the Indenture dated as of November 12, 2009, respecting the 8 7/8% Second Priority Senior Secured Notes due 2014, among Berry Plastics Corporation, the guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated herein by reference to Exhibit 4.02 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on November 19, 2010).
4.3	Indenture, by and among Berry Plastics Corporation, each Subsidiary of Berry Plastics Corporation identified therein and U.S. Bank National Association, as Trustee, relating to 9.75% second priority senior secured notes due 2021, dated November 19, 2010 (incorporated herein by reference to Exhibit 4.03 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on November 19, 2010).
4.4	Additional Secured Creditor Consent, by and between Berry Plastics Corporation, each Subsidiary of Berry Plastics Corporation signatory thereto and U.S. Bank National Association, as Authorized Representative and Collateral Agent, relating to 9.75% second priority senior secured notes due 2021, dated November 19, 2010 (incorporated herein by reference to Exhibit 4.04 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on November 19, 2010).
4.5	Registration Rights Agreement, by and between Berry Plastics Corporation, each Subsidiary of Berry Plastics Corporation identified therein and Credit Suisse Securities (USA) LLC, as representatives of the Initial Purchasers, relating to 9.75% second priority senior secured notes due 2021, dated November 19, 2010 (incorporated herein by reference to Exhibit 4.05 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on November 19, 2010).
4.6	Indenture, by and among Berry Plastics Corporation, each Subsidiary of Berry Plastics Corporation identified therein and U.S. Bank National Association, as Trustee, relating to $9\ ^1/_2$% second priority senior secured notes due 2018, dated April 30, 2010 (incorporated herein by reference to Exhibit 4.01 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on May 4, 2010).
4.7	Additional Secured Creditor Consent, by and between Berry Plastics Corporation, each Subsidiary of Berry Plastics Corporation signatory thereto and U.S. Bank National Association, as Authorized Representative and Collateral Agent, relating to $9\ ^1/_2$% second priority senior secured notes due 2018, dated April 30, 2010 (incorporated herein by reference to Exhibit 4.02 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on May 4, 2010).
4.8	Indenture, by and between Berry Plastics Escrow Corporation and Berry Plastics Escrow LLC, as Issuers, and U.S. Bank National Association, as Trustee, relating to 8 1/4% first priority senior secured notes due 2015, dated November 12, 2009 (incorporated herein by reference to Exhibit 4.01 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on December 8, 2009).
4.9	First Supplemental Indenture, dated as of December 3, 2009, by and between Berry Plastics Corporation, the subsidiaries of Berry Plastics Corporation party thereto, Berry Plastics Escrow LLC, Berry Plastics Escrow Corporation, and U.S. Bank National Association, as Trustee, relating to the Indenture, by and between Berry Plastics Escrow Corporation and Berry Plastics Escrow LLC, as Issuers, and U.S. Bank National Association, as Trustee, relating to 8 1/4% first priority senior secured notes due 2015, dated November 12, 2009 (incorporated herein by reference to Exhibit 4.02 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on December 8, 2009).

4.10	Indenture, by and between Berry Plastics Escrow Corporation and Berry Plastics Escrow LLC, as Issuers, and U.S. Bank National Association, as Trustee, relating to 8 7/8% second priority senior secured notes due 2014, dated November 12, 2009 (incorporated herein by reference to Exhibit 4.03 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on December 8, 2009).
4.11	First Supplemental Indenture, dated as of December 3, 2009, by and between Berry Plastics Corporation, the subsidiaries of Berry Plastics Corporation party thereto, Berry Plastics Escrow LLC, Berry Plastics Escrow Corporation, and U.S. Bank National Association, as Trustee, relating to the Indenture, by and between Berry Plastics Escrow Corporation and Berry Plastics Escrow LLC, as Issuers, and U.S. Bank National Association, as Trustee, relating to 8 7/8% second priority senior secured notes due 2014, dated November 12, 2009 (incorporated herein by reference to Exhibit 4.04 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on December 8, 2009).
4.12	Collateral Agreement, by and between Berry Plastics Corporation, each Subsidiary of Berry Plastics Corporation identified therein and U.S. Bank National Association, as Collateral Agent, relating to 8 1/4% first priority senior secured notes due 2015, dated December 3, 2009 (incorporated herein by reference to Exhibit 4.05 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on December 8, 2009).
4.13	Additional Secured Creditor Consent, by and between Berry Plastics Corporation, each Subsidiary of Berry Plastics Corporation signatory thereto and U.S. Bank National Association, as Authorized Representative and Collateral Agent, relating to 8 7/8% second priority senior secured notes due 2014, dated December 3, 2009 (incorporated herein by reference to Exhibit 4.06 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on December 8, 2009).
4.14	Indenture, by and between Berry Plastics Corporation, as Issuer, certain Guarantors and Wells Fargo Bank, National Association, as Trustee, relating to first priority floating rate senior secured notes due 2015, dated as of April 21, 2008 (incorporated herein by reference to Exhibit 4.1 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 22, 2008).
4.15	Collateral Agreement, by and between Berry Plastics Corporation, each Subsidiary of Berry Plastics Corporation identified therein and Wells Fargo Bank, National Association, as Collateral Agent, dated as of April 21, 2008 (incorporated herein by reference to Exhibit 4.2 to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 22, 2008).
4.16	Indenture, by and between BPC Acquisition Corp. (and following the merger of BPC Acquisition Corp. with and into BPC Holding Corporation, BPC Holding Corporation, as Issuer, and certain Guarantors) and Wells Fargo Bank, National Association, as Trustee, relating to 11% Senior Subordinated Notes due 2016, dated as of September 20, 2006 (incorporated herein by reference to Exhibit 10.4 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
4.17	First Supplemental Indenture, by and among BPC Holding Corporation, certain Guarantors, BPC Acquisition Corp., and Wells Fargo Bank, National Association, as Trustee, dated as of September 20, 2006 (incorporated herein by reference to Exhibit 10.5 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
4.18	Indenture, dated as of February 16, 2006, among Covalence Specialty Materials Corp., the Guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated herein by reference to Exhibit 10.1(e) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).

4.19	First Supplemental Indenture, dated as of April 3, 2007, among Covalence Specialty Materials Corp. (or its successor), the Guarantors identified on the signature pages thereto and Wells Fargo Bank, National Association, as trustee (incorporated herein by reference to Exhibit 10.1(f) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).
4.20	Second Supplemental Indenture, dated as of April 3, 2007, among Covalence Specialty Materials Corp. (or its successor), Berry Plastics Holding Corporation, the Guarantors identified on the signature pages thereto and Wells Fargo Bank, National Association, as trustee (incorporated herein by reference to Exhibit 10.1(g) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).
4.21	Second Supplemental Indenture, dated as of April 3, 2007, among Berry Plastics Holding Corporation (or its successor), the existing Guarantors identified on the signature pages thereto, the new Guarantors identified on the signature pages thereto and Wells Fargo Bank, National Association, as trustee (incorporated herein by reference to Exhibit 10.1(h) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).
4.22	Second Supplemental Indenture dated as of April 3, 2007, among Berry Plastics Holding Corporation (or its successor), the existing Guarantors identified on the signature pages thereto, the new Guarantors identified on the signature pages thereto and Wells Fargo Bank, National Association, as trustee (incorporated herein by reference to Exhibit 10.1(i) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).
4.23	Supplement No. 1, dated as of April 3, 2007, to the Collateral Agreement dated as of September 20, 2006 among Berry Plastics Holding Corporation, each subsidiary identified therein as a party and Wells Fargo Bank, National Association, as collateral agent (incorporated herein by reference to Exhibit 10.1(j) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).
4.24	Indenture, by and between BPC Acquisition Corp. (and following the merger of BPC Acquisition Corp. with and into BPC Holding Corporation, BPC Holding Corporation, as Issuer, and certain Guarantors) and Wells Fargo Bank, National Association, as Trustee, relating to $525,000,000 $8\frac{7}{8}$% Second Priority Senior Secured Fixed Rate Notes due 2014 and $225,000,000 Second Priority Senior Secured Floating Rate Notes due 2014, dated as of September 20, 2006 (incorporated herein by reference to Exhibit 4.1 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
4.25	First Supplemental Indenture, by and among BPC Holding Corporation, certain Guarantors, BPC Acquisition Corp., and Wells Fargo Bank, National Association, as Trustee, dated as of September 20, 2006 (incorporated herein by reference to Exhibit 4.2 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
4.26	Collateral Agreement, by and among BPC Acquisition Corp., as Borrower, each Subsidiary of the Borrower identified therein and Wells Fargo Bank, N.A., as Collateral Agent, dated as of September 20, 2006 (incorporated herein by reference to Exhibit 4.4 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
4.27	Form of common stock certificate of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 4.27 of Amendment No. 5 to the Company's Registration Statement on Form S-1 (File No. 333-180294) filed on September 19, 2012).
4.28	Supplemental Indenture, dated as of December 3, 2012 among Berry Plastics Group, Inc., Berry Plastics Corporation, and U.S. Bank National Association, as trustee, with respect to the indenture, dated as of November 19, 2010, respecting Berry Plastics Corporation's 9.75% Second Priority Senior Secured Notes due 2021 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on December 6, 2012).
4.29	Supplemental Indenture, dated as of December 3, among Berry Plastics Group, Inc., Berry Plastics Corporation, and U.S. Bank National Association, as trustee, with respect to the indenture, dated as of April 30, 2010, respecting Berry Plastics Corporation's 9½% Second Priority Senior Secured Notes due 2018 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on December 6, 2012).

4.30	Supplemental Indenture, dated as of December 3, 2012 among Berry Plastics Group, Inc., Berry Plastics Corporation, and U.S. Bank National Association, as trustee, with respect to the indenture, dated as of April 21, 2008, respecting Berry Plastics Corporation's First Priority Senior Secured Floating Rate Notes due 2015 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on December 6, 2012).
4.31	Supplemental Indenture, dated as of December 3, 2012 among Berry Plastics Group, Inc., Berry Plastics Corporation, and U.S. Bank National Association, as trustee, with respect to the indenture, dated as of November 12, 2009, respecting Berry Plastics Corporation's 8¼% First Priority Senior Secured Notes due 2015 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on December 6, 2012).
4.32	Supplemental Indenture, dated as of December 3, 2012 among Berry Plastics Group, Inc., Berry Plastics Corporation, and U.S. Bank National Association, as trustee, with respect to the indenture, dated as of September 20, 2006, respecting Berry Plastics Corporation's Second Priority Senior Secured Floating Rate Notes due 2014 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on December 6, 2012).
4.33	Supplemental Indenture, dated as of December 3, 2012 among Berry Plastics Group, Inc., Berry Plastics Corporation, and U.S. Bank National Association, as trustee, with respect to the indenture, dated as of February 16, 2006, respecting Berry Plastics Corporation's 10¼% Senior Subordinated Notes due 2016. (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on December 6, 2012).
10.1	U.S. $400,000,000 Amended and Restated Credit Agreement, dated as of April 3, 2007, by and among Covalence Specialty Materials Corp., Berry Plastics Group, Inc., certain domestic subsidiaries party thereto from time to time, Bank of America, N.A., as collateral agent and administrative agent, the lenders party thereto from time to time, and the financial institutions party thereto (incorporated herein by reference to Exhibit 10.1(a) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).
10.2	U.S. $1,200,000,000 Second Amended and Restated Credit Agreement, dated as of April 3, 2007, by and among Covalence Specialty Materials Corp., Berry Plastics Group, Inc., Credit Suisse, Cayman Islands Branch, as collateral and administrative agent, the lenders party thereto from time to time, and the other financial institutions party thereto (incorporated herein by reference to Exhibit 10.1(b) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).
10.3	Amended and Restated Intercreditor Agreement, by and among Berry Plastics Group, Inc., Covalence Specialty Materials Corp., certain subsidiaries identified as parties thereto, Bank of America, N.A. and Credit Suisse, Cayman Islands Branch as first lien agents, and Wells Fargo Bank, N.A., as trustee (incorporated herein by reference to Exhibit 10.1(d) to Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on April 10, 2007).
10.4	Management Agreement, among Berry Plastics Corporation, Berry Plastics Group, Inc., Apollo Management VI, L.P., and Graham Partners, Inc., dated as of September 20, 2006 (incorporated herein by reference to Exhibit 10.7 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.5	Termination Agreement, by and among Covalence Specialty Materials Holding Corp., Covalence Specialty Materials Corp., and Apollo Management V, L.P., dated as of April 3, 2007 (incorporated herein by reference to Exhibit 10.7 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-142602) filed on May 4, 2007).
10.6	2006 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.8 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.7	Form of Performance-Based Stock Option Agreement of Berry Plastics Group, Inc. (incorporated herein by reference to Exhibit 10.9 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.8	Form of Accreting Stock Option Agreement of Berry Plastics Group, Inc. (incorporated herein by reference to Exhibit 10.10 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).

10.9	Form of Time-Based Stock Option Agreement of Berry Plastics Group, Inc. (incorporated herein by reference to Exhibit 10.11 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.10	Form of Performance-Based Stock Appreciation Rights Agreement of Berry Plastics Group, Inc. (incorporated herein by reference to Exhibit 10.12 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.11	Employment Agreement, dated September 20, 2006, between Berry Plastics Corporation and Ira G. Boots (incorporated herein by reference to Exhibit 10.13 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.12	Employment Agreement, dated September 20, 2006, between Berry Plastics Corporation and James M. Kratochvil (incorporated herein by reference to Exhibit 10.14 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.13	Employment Agreement, dated September 20, 2006, between Berry Plastics Corporation and R. Brent Beeler (incorporated herein by reference to Exhibit 10.15 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.14	Employment Agreement, dated November 22, 1999, between Berry Plastics Corporation and G. Adam Unfried (incorporated herein by reference to Exhibit 10.23 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on March 22, 2006).
10.15	Amendment No. 1 to Employment Agreement, dated November 22, 1999, between Berry Plastics Corporation and G. Adam Unfried, dated November 23, 2004 (incorporated herein by reference to Exhibit 10.24 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on March 22, 2006).
10.16	Amendment No. 2 to Employment Agreement, dated November 22, 1999, between Berry Plastics Corporation and G. Adam Unfried, dated March 10, 2006 (incorporated herein by reference to Exhibit 10.25 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on March 22, 2006).
10.17	Amendment No. 3 to Employment Agreement, dated November 22, 1999, between Berry Plastics Corporation and G. Adam Unfried, dated September 20, 2006 (incorporated herein by reference to Exhibit 10.19 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.18	Employment Agreement, dated April 3, 2007, between Berry Plastics Corporation and Thomas E. Salmon (incorporated herein by reference to Exhibit 10.20 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on December 16, 2008).
10.19	Letter Agreement, dated as of March 9, 2007, by and between Berry Plastics Group, Inc. and Ira Boots (incorporated by reference to Exhibit 10.19 of Amendment No. 1 to the Company's Registration Statement on Form 8-K (File No. 333-180294), filed on May 4, 2012).
10.20	Purchase and Sale Agreement, dated as of December 15, 2008, by and between BP Parallel Corporation, a Delaware corporation, and Apollo Management VI, L.P., a Delaware limited partnership (incorporated herein by reference to Exhibit 10.21 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on December 16, 2008).
10.21	Employment Agreement, dated as of August 1, 2010, between Berry Plastics Corporation and Randall J. Becker (incorporated by reference to Exhibit 10.21 of Amendment No. 1 to the Company's Registration Statement on Form 8-K (File No. 333-180294) filed on May 4, 2012).
10.22	Letter Agreement, dated September 30, 2010, between Berry Plastics Corporation and Ira G. Boots (incorporated herein by reference to Exhibit 10.1 of Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on October 6, 2010).

10.23	Employment Agreement, dated October 1, 2010, between the Berry Plastics Corporation and Jonathan Rich (incorporated herein by reference to Exhibit 10.2 of Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on October 6, 2010).
10.24	Amendment, dated as of June 28, 2011, to U.S. $400,000,000 Amended and Restated Credit Agreement, dated as of April 3, 2007, by and among Covalence Specialty Materials Corp., Berry Plastics Group, Inc., certain domestic subsidiaries party thereto from time to time, Bank of America, N.A., as collateral agent and administrative agent, the lenders party thereto from time to time, and the financial institutions party thereto (incorporated herein by reference to Exhibit 10.1 to Berry Plastics Corporation's (File No. 033-75706-01) Amendment No. 1 to Current Report on Form 8-K filed on May 3, 2012).
10.15	Amendment No. 1 to Employment Agreement, dated November 22, 1999, between Berry Plastics Corporation and G. Adam Unfried, dated November 23, 2004 (incorporated herein by reference to Exhibit 10.24 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on March 22, 2006).
10.16	Amendment No. 2 to Employment Agreement, dated November 22, 1999, between Berry Plastics Corporation and G. Adam Unfried, dated March 10, 2006 (incorporated herein by reference to Exhibit 10.25 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on March 22, 2006).
10.17	Amendment No. 3 to Employment Agreement, dated November 22, 1999, between Berry Plastics Corporation and G. Adam Unfried, dated September 20, 2006 (incorporated herein by reference to Exhibit 10.19 to Berry Plastics Corporation's Registration Statement Form S-4 (Reg. No. 333-138380) filed on November 2, 2006).
10.18	Employment Agreement, dated April 3, 2007, between Berry Plastics Corporation and Thomas E. Salmon (incorporated herein by reference to Exhibit 10.20 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on December 16, 2008).
10.19	Letter Agreement, dated as of March 9, 2007, by and between Berry Plastics Group, Inc. and Ira Boots (incorporated by reference to Exhibit 10.19 of Amendment No. 1 to the Company's Registration Statement on Form 8-K (File No. 333-180294), filed on May 4, 2012).
10.20	Purchase and Sale Agreement, dated as of December 15, 2008, by and between BP Parallel Corporation, a Delaware corporation, and Apollo Management VI, L.P., a Delaware limited partnership (incorporated herein by reference to Exhibit 10.21 of Berry Plastics Corporation's (File No. 033-75706-01) Annual Report on Form 10-K filed with the SEC on December 16, 2008).
10.21	Employment Agreement, dated as of August 1, 2010, between Berry Plastics Corporation and Randall J. Becker (incorporated by reference to Exhibit 10.21 of Amendment No. 1 to the Company's Registration Statement on Form 8-K (File No. 333-180294) filed on May 4, 2012).
10.22	Letter Agreement, dated September 30, 2010, between Berry Plastics Corporation and Ira G. Boots (incorporated herein by reference to Exhibit 10.1 of Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on October 6, 2010).
10.23	Employment Agreement, dated October 1, 2010, between the Berry Plastics Corporation and Jonathan Rich (incorporated herein by reference to Exhibit 10.2 of Berry Plastics Corporation's (File No. 033-75706-01) Current Report on Form 8-K filed on October 6, 2010).
10.24	Amendment, dated as of June 28, 2011, to U.S. $400,000,000 Amended and Restated Credit Agreement, dated as of April 3, 2007, by and among Covalence Specialty Materials Corp., Berry Plastics Group, Inc., certain domestic subsidiaries party thereto from time to time, Bank of America, N.A., as collateral agent and administrative agent, the lenders party thereto from time to time, and the financial institutions party thereto (incorporated herein by reference to Exhibit 10.1 to Berry Plastics Corporation's (File No. 033-75706-01) Amendment No. 1 to Current Report on Form 8-K filed on May 3, 2012).
10.25*	Income Tax Receivable Agreement, dated as of November 29, 2012, by and among Berry Plastics Group, Inc. and Apollo Management Fund VI, L.P.
10.26*	Berry Plastics Group, Inc. Executive Bonus Plan.
10.27*	Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan.
10.28*	Amendment No. 1 to the Amended and Restated Stockholders Agreement, by and among Berry Plastics Group, Inc. , and the stockholders of the Corporation listed on schedule A thereto, dated as of October 2, 2012.
12.1*	Computation of Ratio of Earnings to Fixed Charges.
21.1*	Subsidiaries of the Registrant.
23*	Consent of Independent Registered Public Accounting Firm
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer
32.1*	Section 1350 Certification of the Chief Executive Officer
32.2*	Section 1350 Certification of the Chief Financial Officer

* Filed herewith.

EXHIBIT 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

BERRY PLASTICS GROUP, INC.

Berry Plastics Group, Inc. (the "Corporation"), a corporation organized and existing under the laws and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the Corporation is BERRY PLASTICS GROUP, INC.

2. The Corporation was originally incorporated under the name TP&A Acquisition Corporation. The date of filing of the original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware was November 18, 2005.

3. This Amended and Restated Certificate of Incorporation amends and restates the Certificate of Incorporation of the Corporation and has been duly adopted by the Board of Directors of the Corporation by unanimous written consent in lieu of a meeting in accordance with Sections 141(f), 242, and 245 of the General Corporation Law of the State of Delaware (the "DGCL") and by the stockholders of the Corporation by written consent in lieu of a meeting thereof in accordance with Sections 228, 242 and 245 of the DGCL.

4. The Certificate of Incorporation of the Corporation, as amended hereby, shall, upon the effectiveness hereof, read in its entirety, as follows:

ARTICLE I

The name of the Corporation (hereinafter called the "Corporation") is:

BERRY PLASTICS GROUP, INC.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent, State of Delaware 19904. The name of the Corporation's registered agent at such address is National Registered Agents, Inc.

ARTICLE III

The purpose of the Corporation shall be to engage in any lawful act and activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware, as the same may be amended and supplemented.

ARTICLE IV

Section 1. Authorized Shares. The total number of shares of all classes of stock that the Corporation shall have authority to issue is 450,000,000 shares, of which

400,000,000 shares shall be common stock, $0.01 par value ("Common Stock") and 50,000,000 shares shall be preferred stock, $0.01 par value ("Preferred Stock").

Section 2. Common Stock. Except as otherwise required by applicable law, all shares of Common Stock shall be identical in all respects and shall entitle the holders thereof to the same rights, subject to the same qualifications, limitations and restrictions. The terms of the Common Stock set forth below shall be subject to the express terms of any series of Preferred Stock.

(a) Voting Rights. Except as otherwise required by applicable law, the holders of Common Stock shall be entitled to one vote per share on all matters to be voted on by the Corporation's stockholders. No stockholder of the Corporation shall be entitled to exercise any right of cumulative voting.

(b) Dividends. The holders of Common Stock shall be entitled to receive, as, if and when declared by the Board of Directors of the Corporation (the "Board") out of the funds of the Corporation legally available therefor, such dividends (payable in cash, stock or otherwise) as the Board may from time to time determine, payable to stockholders of record on such dates, not exceeding 60 days preceding the dividend payment dates, as shall be fixed for such purpose by the Board in advance of payment of each particular dividend.

(c) Liquidation. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after the distribution or payment of any liabilities and accrued but unpaid dividends and any liquidation preferences on any outstanding Preferred Stock, the remaining assets of the Corporation available for distribution to stockholders shall be distributed among and paid to the holders of Common Stock ratably in proportion to the number of shares of Common Stock held by them respectively.

Section 3. Preferred Stock. The Board is authorized to provide for the issuance from time to time of shares of Preferred Stock in one or more series and, by filing a certificate (a "Preferred Stock Certificate of Designation") pursuant to the applicable provisions of the Delaware General Corporation Law (the "DGCL"), to establish from time to time the number of shares to be included in each such series, with such powers, designations, preferences and relative, participating, optional or other rights, if any, and qualifications, limitations or restrictions thereof, if any, as are stated and expressed in the resolution or resolutions providing for the issuance thereof adopted by the Board (as such resolutions may be amended by a resolution or resolutions subsequently adopted by the Board), and as are not stated and expressed

in this Amended and Restated Certificate of Incorporation, including, but not limited to, determination of any of the following:

(a) the distinctive designation of the series, whether by number, letter or title, and the number of shares which will constitute the series, which number may be increased or decreased (but not below the number of shares then outstanding and except to the extent otherwise provided in the applicable Preferred Stock Certificate of Designation) from time to time by action of the Board;

(b) the dividend rate, if any, and the times of payment of dividends, if any, on the shares of the series, whether such dividends will be cumulative and, if so, from what date or dates, and the relation which such dividends, if any, shall bear to the dividends payable on any other class or classes of stock;

(c) the price or prices at which, and the terms and conditions on which, the shares of the series may be redeemed at the option of the Corporation;

(d) whether or not the shares of the series will be entitled to the benefit of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if so entitled, the amount of such fund and the terms and provisions relative to the operation thereof;

(e) the amounts payable on, and the preferences, if any, of the shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

(f) whether or not the shares of the series will be convertible into, or exchangeable for, any other shares of stock of the Corporation or other securities and, if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and any adjustments thereof, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

(g) whether or not the shares of the series will have priority over or be on a parity with or be junior to the shares of any other series or class of stock in any respect, or will be entitled to the benefit of limitations restricting the issuance of shares of any other series or class of stock, restricting the payment of dividends on or the making of other distributions in respect of shares of any other series or class of stock ranking junior to the shares of the series as to dividends or assets, or restricting the purchase or redemption of the shares of any such junior series or class, and the terms of any such restriction;

(h) whether or not the shares of the series will have voting rights in addition to any voting rights provided by law and, if so, the terms of such voting rights; and

(i) any other terms of the shares of the series.

ARTICLE V

Section 1. General Powers. Except as otherwise provided by applicable law or this Amended and Restated Certificate of Incorporation, in each case as the same may be amended and supplemented, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

Section 2. Number of Directors. The number of directors that shall constitute the whole Board shall be as determined from time to time by a majority of the Board, subject to the Amended and Restated Stockholders Agreement, effective as of October 10, 2012, as amended from time to time, by and among the Corporation and the stockholders that are parties thereto (the "Stockholders Agreement"); provided, that in no event shall the total number of directors constituting the entire Board be less than three (3) nor more than fifteen (15). Election of directors need not be by written ballot.

Section 3. Classes of Directors; Term of Office. The Board shall be and is divided into three classes, as nearly equal in number as possible, designated: Class I, Class II and Class III. In case of any increase or decrease, from time to time, in the number of directors, the number of directors in each class shall be apportioned as nearly equal as possible. No decrease in the number of directors shall shorten the term of any incumbent director.

Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected; provided, that each director initially appointed to Class I shall serve for a term expiring at the Corporation's annual meeting of stockholders held in 2013; each director initially appointed to Class II shall serve for a term expiring at the Corporation's annual meeting of stockholders held in 2014; and each director initially appointed to Class III shall serve for a term expiring at the Corporation's annual meeting of stockholders held in 2015; provided, further, that the term of each director shall continue until the election and qualification of his successor and be subject to his earlier death, resignation or removal.

Section 4. Quorum. Except as otherwise provided by law, this Amended and Restated Certificate of Incorporation or the Bylaws, a majority of the total number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board, but in no event shall less than one-third of the directors constitute a quorum. A majority of the directors present (though less than such quorum) may adjourn the meeting from time to time without further notice.

Section 5. Manner of Acting. Every act or decision done or made by the majority of the directors present at a meeting at which a quorum is present shall be regarded as the act of the Board (a) unless the act of a greater number is required by law, this Amended and Restated Certificate of Incorporation or the Bylaws, in each case as the same may be amended and supplemented, and (b) except as provided in the Stockholders Agreement.

Section 6. Vacancies. Any vacancy or newly created directorships in the Board, however occurring, shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, except as otherwise provided by law and the Stockholders Agreement, and shall not be filled by the stockholders of the Corporation. A

director elected to fill a vacancy shall hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of a successor and to such director's earlier death, resignation or removal.

If any applicable provision of the DGCL expressly confers power on stockholders to fill such a directorship at a special meeting of stockholders, such a directorship may be filled at such meeting only by the affirmative vote of the holders of a majority of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.

Section 7. Removal and Resignation of Directors. Except to the extent otherwise provided in the Stockholders Agreement, directors may be removed only for cause, and only by the affirmative vote of the holders of a majority of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors. A director may resign at any time by filing his written resignation with the secretary of the Corporation.

Section 8. Voting Rights of Preferred Stock. Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal, filling of vacancies and other features of such directorships shall be governed by the terms of this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article unless expressly provided by such terms.

ARTICLE VI

In furtherance and not in limitation of the rights, powers, privileges and discretionary authority granted or conferred by statute, the Board is expressly authorized to:

(a) make, alter, amend or repeal the Bylaws, without any action on the part of the stockholders of the Corporation and subject to any limitations that may be contained in such Bylaws, but any Bylaws adopted by the Board may be amended, modified or repealed by the stockholders entitled to vote thereon; and

(b) from time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to inspection of stockholders; and, except as so determined or as expressly provided in this Amended and Restated Certificate of Incorporation or in any Preferred Stock Certificate of Designation, no stockholder shall have any right to inspect any account, book or document of the Corporation other than such rights as may be conferred by applicable law.

ARTICLE VII

Any action required or permitted to be taken by the holders of the Common Stock of the Corporation must be effected at a duly called annual or special meeting of such holders and, subject to the next sentence, may not be effected by any consent or consents in writing by stockholders. Notwithstanding the foregoing, until such time as Apollo Management VI, L.P., Apollo Management V, L.P. and any of their Affiliates (as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (collectively, "Apollo") no longer beneficially own more than 50.1% of the total number of shares of Common Stock outstanding, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by or on behalf of the holders of outstanding Common Stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of Common Stock were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

ARTICLE VIII

Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation may be called only by the Chairman of the Board or a majority of the members of the Board pursuant to a resolution approved by the Board, and special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

ARTICLE IX

To the extent permitted by the DGCL, a director of the Corporation will not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL (or any successor provision thereto), or (iv) for any transaction from which the director derived any improper personal benefit. Any repeal or amendment or modification of this Article IX by the stockholders of the Corporation or by changes in applicable law, or the adoption of any provision of this Certificate of Incorporation inconsistent with this Article IX, will, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide a broader limitation on a retroactive basis than permitted prior thereto), and will not adversely affect any limitation on the personal liability of any director of the Corporation at the time of such repeal or amendment or modification or adoption of such inconsistent provision. If any provision of the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

ARTICLE X

(a) Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was, at any time during which this Amended and Restated Certificate of Incorporation is in effect (whether or not such person continues to serve in such capacity at the time any indemnification or payment of expenses pursuant hereto is sought or at the time any proceeding relating thereto exists or is brought), a director or officer of the Corporation or is or was at any such time serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation (hereinafter, an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, trustee, employee or agent or in any other capacity while serving as a director, officer, trustee, employee or agent, shall be (and shall be deemed to have a contractual right to be) indemnified and held harmless by the Corporation (and any successor of the Corporation by merger or otherwise) to the fullest extent authorized by the DGCL as the same exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater indemnification rights than said law permitted the Corporation to provide prior to such amendment or modification), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, trustee, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in paragraph (c) of this Article X, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board. The right to indemnification conferred in this Article X shall include the right, without the need for any action by the Board, to be paid by the Corporation (and any successor of the Corporation by merger or otherwise) the expenses incurred in defending any such proceeding in advance of its final disposition, such advances to be paid by the Corporation within twenty (20) days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that if the DGCL requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter, the "undertaking") by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal (a "final disposition") that such director or officer is not entitled to be indemnified for such expenses under this Article X or otherwise. The rights conferred upon indemnitees in this Article X shall be contract rights between the Corporation and each indemnitee to whom such rights are extended that vest at the commencement of such person's service to or at the request of the Corporation and all such rights shall continue as to an indemnitee who has ceased to be a director or officer of the Corporation or ceased to serve at the Corporation's request as a director, officer, trustee, employee or agent of another corporation,

partnership, joint venture, trust or other enterprise, as described herein, and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

(b) To obtain indemnification under this Article X, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this paragraph (b), a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (i) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (ii) if no request is made by the claimant for a determination by Independent Counsel, (A) by the Board by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), (B) if a quorum of the Board consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the claimant, or (C) if a quorum of Disinterested Directors so directs, by a majority of the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected by the Board unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a "Change of Control" as defined in the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

(c) If a claim under paragraph (a) of this Article X is not paid in full by the Corporation within thirty (30) days after a written claim pursuant to paragraph (b) of this Article X has been received by the Corporation (except in the case of a claim for advancement of expenses, for which the applicable period is twenty (20) days), the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action that the claimant has not met the standard of conduct which makes it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed or that the claimant is not entitled to the requested advancement of expenses, but (except where the required undertaking, if any, has not been tendered to the Corporation) the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board, Independent Counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, Independent Counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(d) If a determination shall have been made pursuant to paragraph (b) of this Article X that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to paragraph (c) of this Article X.

(e) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to paragraph (c) of this Article X that the procedures and presumptions of this Article X are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Article X.

(f) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article X: (i) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Amended and Restated Certificate of Incorporation, Bylaws, agreement, vote of stockholders or Disinterested Directors or otherwise and (ii) cannot be terminated by the Corporation, the Board or the stockholders of the Corporation with respect to a person's service prior to the date of such termination. Any amendment, modification, alteration or repeal of this Article X that in any way diminishes, limits, restricts, adversely affects or eliminates any right of an indemnitee or his or her successors to indemnification, advancement of expenses or otherwise shall be prospective only and shall not, without the written consent of the indemnitee, in any way diminish, limit, restrict, adversely affect or eliminate any such right with respect to any actual or alleged state of facts, occurrence, action or omission then or previously existing, or any action, suit or proceeding previously or thereafter brought or threatened based in whole or in part upon any such actual or alleged state of facts, occurrence, action or omission.

(g) The Corporation may maintain insurance, at its expense, to protect itself and any current or former director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL. To the extent that the Corporation maintains any policy or policies providing such insurance, each such current or former director or officer, and each such agent or employee to which rights to indemnification have been granted as provided in paragraph (h) of this Article X, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such current or former director, officer, employee or agent.

(h) The Corporation may, to the extent authorized from time to time by the Board or the Chief Executive Officer, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in connection with any proceeding in advance of its final disposition, to any current or former employee or agent of the Corporation to the fullest extent of the provisions of this Article X with respect to the indemnification and advancement of expenses of current or former directors and officers of the Corporation.

(i) If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article X (including, without limitation, each portion of any paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article X (including, without limitation, each such portion of any paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(j) For purposes of this Article X:

(i) "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(ii) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporate law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this Article X.

(k) Any notice, request or other communication required or permitted to be given to the Corporation under this Article X shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE XI

Neither any contract or other transaction between the Corporation and any other corporation, partnership, limited liability company, joint venture, firm, association, or other entity (an "Entity"), nor any other acts of the Corporation with relation to any other Entity will, in the absence of fraud, in any way be invalidated or otherwise affected by the fact that any one or more of the directors or officers of the Corporation are pecuniarily or otherwise interested in, or are directors, officers, partners, or members of, such other Entity (such directors, officers, and Entities, each a "Related Person"). Any Related Person may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Corporation, provided, that the fact that such person is a Related Person is disclosed or is known to the Board or a majority of directors present at any meeting of the Board at which action upon any such contract or transaction is taken; and any director of the Corporation who is also a Related Person may be counted in determining the existence of a quorum at any meeting of the Board during which any such contract or transaction is authorized and may vote thereat to authorize any such contract or transaction, with like force and effect as if such person were not a Related Person. Any director of the Corporation may vote upon any contract or any other transaction between the Corporation and any subsidiary or affiliated corporation without regard to the fact that such person is also a director or officer of such subsidiary or affiliated corporation.

Any contract, transaction or act of the Corporation or of the directors that is ratified at any annual meeting of the stockholders of the Corporation, or at any special meeting of the stockholders of the Corporation called for such purpose, will, insofar as permitted by applicable law, be as valid and as binding as though ratified by every stockholder of the Corporation; provided, however, that any failure of the stockholders to approve or ratify any such contract, transaction or act, when and if submitted, will not be deemed in any way to invalidate the same or deprive the Corporation, its directors, officers or employees, of its or their right to proceed with such contract, transaction or act.

Subject to any express agreement that may from time to time be in effect, (x) any director or officer of the Corporation who is also an officer, director, employee, managing director or other affiliate of Apollo or of Graham Partners II, L.P. and its Affiliates (as defined in Rule 12b-2 under the Exchange Act) (collectively, "Graham"), (y) Apollo and (z) Graham, may, and shall have no duty not to, in each case on behalf of Apollo or Graham, as applicable (the persons and entities in clauses (x), (y) and (z), each a "Covered Person"), (i) carry on and conduct, whether directly, or as a partner in any partnership, or as a joint venturer in any joint venture, or as an officer, director or stockholder of any corporation, or as a participant in any syndicate, pool, trust or association, any business of any kind, nature or description, whether or not such business is competitive with or in the same or similar lines of business as the Corporation, (ii) do business with any client, customer, vendor or lessor of any of the Corporation or its affiliates, and (iii) make investments in any kind of property in which the Corporation may make investments. To the fullest extent permitted by Section 122(17) of the DGCL, the Corporation hereby renounces any interest or expectancy of the Corporation to participate in any business of Apollo and Graham, as applicable, and waives any claim against a Covered Person and shall indemnify a Covered Person against any claim that such Covered Person is liable to the Corporation or its stockholders for breach of any fiduciary duty solely by reason of such person's or entity's participation in any such business. The Corporation shall pay in advance any expenses incurred in defense of such claim as provided in Article X. In the event that a Covered Person acquires knowledge of a potential transaction or matter which may constitute a corporate opportunity for both (x) the Covered Person, in his or her Apollo-related capacity or Graham-related capacity, as applicable, or Apollo or Graham, and (y) the Corporation, the Covered Person shall not have any duty to offer or communicate information regarding such corporate opportunity to the Corporation. To the fullest extent permitted by Section 122(17) of the DGCL, the Corporation hereby renounces any interest or expectancy of the Corporation in such corporate opportunity and waives any claim against each Covered Person and shall indemnify a Covered Person against any claim, that such Covered Person is liable to the Corporation or its stockholders for breach of any fiduciary duty solely by reason of the fact that such Covered Person (i) pursues or acquires any corporate opportunity for its own account or the account of any affiliate, (ii) directs, recommends, sells, assigns, or otherwise transfers such corporate opportunity to another person or (iii) does not communicate information regarding such corporate opportunity to the Corporation, provided, however, in each case, that any corporate opportunity which is expressly offered to a Covered Person in writing solely in his or her capacity as an officer or director of the Corporation shall belong to the Corporation. The Corporation shall pay in advance any expenses incurred in defense of such claim as provided in Article X.

Any person or entity purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XI.

This Article XI may not be amended, modified or repealed with respect to Apollo without the prior written consent of Apollo, or with respect to Graham without the prior written consent of Graham.

ARTICLE XII

The Corporation elects not to be governed by Section 203 of the DGCL.

ARTICLE XIII

The Corporation reserves the right at any time from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article.

Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least a majority in voting power of all the shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to modify, amend or repeal, this Amended and Restated Certificate of Incorporation; provided, however, that any modification, amendment or repeal to Article XI shall require the prior written approval of Apollo.

ARTICLE XIV

If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

ARTICLE XV

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL, or (d) any action asserting a claim governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in any share of capital stock of the Corporation shall be deemed to have notice of and consent to the provisions of this Article XV.

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IN WITNESS WHEREOF, BERRY PLASTICS GROUP, INC. has caused this Amended and Restated Certificate of Incorporation to be signed by Jonathan D. Rich, Chairman and Chief Executive Officer, this 10th day of October, 2012.

BERRY PLASTICS GROUP, INC.

By:/s/ Jonathan D. Rich
Name: Jonathan D. Rich
Title: Chairman and Chief Executive Officer

EXHIBIT 3.1

AMENDED AND RESTATED BYLAWS

OF

BERRY PLASTICS GROUP, INC.

ARTICLE I

OFFICES AND RECORDS

SECTION 1.1 Delaware Office. The registered office of Berry Plastics Group, Inc. (the "Corporation") in the State of Delaware shall be located in the City of Dover, County of Kent, and the name and address of its registered agent is c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, in Dover, Delaware, 19904.

SECTION 1.2 Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors of the Corporation (the "Board of Directors") may designate or as the business of the Corporation may from time to time require.

SECTION 1.3 Books and Records. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

STOCKHOLDERS

SECTION 2.1 Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held on such date and at such place and time as may be fixed by resolution of the Board of Directors.

SECTION 2.2 Special Meeting. Subject to the rights of the holders of any series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation ("Preferred Stock") with respect to such series of Preferred Stock, special meetings of the stockholders may be called only by the Chairman of the Board or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies (the "Whole Board").

SECTION 2.3 Place of Meeting. The Board of Directors or the Chairman of the Board, as the case may be, may designate the place of meeting for any annual meeting or for any special meeting of the stockholders called by the Board of Directors or the Chairman of the Board. If no designation is so made, the place of meeting shall be the principal office of the Corporation.

SECTION 2.4 Notice of Meeting. Written or printed notice, stating the place, date and time of the meeting and the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally, by electronic transmission in the manner provided in Section 232 of the General Corporation Law of the State of Delaware (except to the extent prohibited by Section 232(e) of the General Corporation Law of the State of Delaware) or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his or her address as it appears on the stock transfer books of the Corporation. If notice is given by electronic transmission, such notice shall be deemed to be given at the times provided in the General Corporation Law of the State of Delaware. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting or otherwise by or at the direction of the Board of Directors. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Section 6.4 of these Bylaws. Any previously scheduled meeting of the stockholders may be postponed, and (unless otherwise provided in the Amended and Restated Certificate of Incorporation, as may be amended from time to time (the "Certificate of Incorporation")) any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 2.5 Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The Chairman of the meeting, the Chief Executive Officer or a President may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. At any such adjourned meeting at which the requisite amount of stock entitled to vote shall be represented, any business may be transacted that might have been transacted at the meeting as originally noticed; but only those stockholders entitled to vote at the meeting as originally noticed shall be entitled to vote at any adjournment or adjournments thereof. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.6 Proxies. At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such manner prescribed by the General Corporation Law of the State of Delaware) by the stockholder, or by his or her duly authorized attorney in fact.

SECTION 2.7 Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders.

(1) At any annual meeting of the stockholders, only such nominations of persons for election to the Board of Directors and only other business shall be considered or conducted, as shall have been properly brought before the meeting. For nominations to be properly made at an annual meeting, and proposals of other business to be properly brought before an annual meeting, nominations and proposals of other business must be: (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who (i) was a stockholder of record at the time of giving of notice provided for in this By-Law and at the time of the annual meeting, (ii) is entitled to vote at the meeting and (iii) complies with the notice procedures set forth in this By-Law as to such business or nomination; clause (c) shall be the exclusive means for a stockholder to make nominations or submit other business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and included in the Corporation's notice of meeting) before an annual meeting of stockholders.

(2) Without qualification or limitation, for any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to paragraph (A)(1)(c) of this By-Law, the stockholder must have given timely notice thereof in writing to the Secretary and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above. In addition, to be timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) business days prior to the date for the meeting, any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof. To be in proper form, a stockholder's notice (whether given pursuant to this paragraph (A)(2) or paragraph (B)) to the Secretary must: (a) set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as

they appear on the Corporation's books, of such beneficial owner, if any, and of their respective affiliates or associates or others acting in concert therewith, (ii) (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder, such beneficial owner, and of their respective affiliates or associates or others acting in concert therewith, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise, through the delivery of cash or other property, or otherwise, and without regard of whether the stockholder of record, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert therewith, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of the Corporation, (D) any contract, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such stockholder, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any security of the Corporation (any of the foregoing, a "Short Interest"), (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership, (G) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household, (H) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder, and (I) any

direct or indirect interest of such stockholder in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), and (iii) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement and form of proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; (b) if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, set forth (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, in such business, (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration) and (iii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; (c) set forth, as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and (d) with respect to each nominee for election or reelection to the Board of Directors, include a completed and signed questionnaire, representation and agreement required by Section 2.8 of these Bylaws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting or otherwise by or at the direction of the Board of Directors. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (i) is a stockholder of record at the time of giving of notice provided for in this By-Law and at the time of the special meeting, (ii) is entitled to vote at the meeting, and (iii) complies with the notice procedures set forth in this By-Law as to such nomination. The immediately preceding sentence shall be the exclusive means for a stockholder to make nominations (other than matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting) before a special meeting of stockholders. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (A)(2) of this By-Law with respect to any nomination (including the completed and signed questionnaire, representation and agreement required by Section 2.8 of this By-Law) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to the date of such special meeting and not later than the close of business on the later of the 90th day prior to the date of such special meeting or, if the first public announcement of the date of such special meeting is less than 100 days prior to the date of such special meeting, the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(C) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this By-Law and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded. Unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to make a nomination or present a proposal of other business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this By-Law, to be considered a qualified representative of the stockholder, a person must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(2) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this By-Law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law; provided, however, that any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to paragraph (A)(1)(c) or paragraph (B) of this By-Law. Nothing in this By-Law shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws. Subject to Rule 14a-8 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of director or directors or any other business proposal.

SECTION 2.8 Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 2.7 of these Bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein and (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

SECTION 2.9 Procedure for Election of Directors; Required Vote. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, a plurality of the votes cast at any meeting for the election of directors at which a quorum is present shall elect directors. Except as otherwise provided by law, the Certificate of Incorporation, or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

SECTION 2.10 Inspectors of Elections; Opening and Closing the Polls. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The Chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

SECTION 2.11 Action Without Meeting. Only to the extent permitted under the Certificate of Incorporation, any action permitted or required to be taken at a meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by or on behalf of the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the state of incorporation, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. An electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed, and dated for the purposes of these Bylaws, provided that any such electronic transmission sets forth or is delivered with information from which the Corporation can determine (A) that the electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (B) the date on which such stockholder or

proxyholder or authorized person or persons transmitted such electronic transmission. Any consent by means of electronic transmission shall be deemed to have been signed on the date on which such electronic transmission was transmitted. No consent given by electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book or books in which proceedings of meetings of stockholders are recorded. Delivery of a consent given by electronic transmission made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by electronic transmission may be otherwise delivered to the principal place of business of the Corporation or to an officer or agent of the Corporation having custody of the book or books in which proceedings of meetings of stockholders are recorded if, to the extent, and in the manner provided by resolution of the Board of Directors of the Corporation. Any copy, facsimile, or other reliable reproduction of a consent in writing (or reproduction in paper form of a consent by electronic transmission) may be substituted or used in lieu of the original writing (or original reproduction in paper form of a consent by electronic transmission) for any and all purposes for which the original consent could be used, provided that such copy, facsimile, or other reproduction shall be a complete reproduction of the entire original writing (or original reproduction in paper form of a consent by electronic transmission). Prompt notice of the taking of corporate action without a meeting by less than a unanimous written consent shall be given by the Secretary to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of the holders to take the action were delivered to the Corporation.

SECTION 2.12 Effectiveness of Written Consent. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated written consent received in accordance with Section 2.11, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the Corporation in the manner prescribed in Section 2.11.

SECTION 2.13 Remote Meetings. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(A) participate in a meeting of stockholders; and

(B) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication; provided, that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

In the case of any annual meeting of stockholders or any special meeting of stockholders called upon order of the Board of Directors, the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communications as authorized by this Section 2.13.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.1 General Powers. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

SECTION 3.2 Number, Tenure and Qualifications. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director. Commencing with the date of these Bylaws, the directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall be divided, with respect to the time for which they severally hold office, into three (3) classes, as nearly equal in number as is reasonably possible, with the term of office of the first class to expire at the 2013 annual meeting of stockholders, the term of office of the second class to expire at the 2014 annual meeting of stockholders and the term of office of the third class to expire at the 2015 annual meeting of stockholders, with each director to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, commencing with the 2013 annual meeting, (i) directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified, and (ii) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created.

SECTION 3.3 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the Annual Meeting of Stockholders. The Board of Directors may, by resolution, provide the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 3.4 Special Meetings. Subject to the notice requirements in Section 3.5, special meetings of the Board of Directors shall be called at the request of the Chairman of the Board or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

SECTION 3.5 Notice. Notice of any special meeting of directors shall be given to each director at his or her business or residence in writing by hand delivery, first-class or overnight mail or courier service, telegram, facsimile or electronic transmission, or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If by facsimile or electronic transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twelve (12) hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws, as provided under Section 8.1. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 6.4 of these Bylaws.

SECTION 3.6 Action by Consent of Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 3.7 Conference Telephone Meetings. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.8 Quorum. A majority of the members of the Whole Board shall constitute a quorum for the transaction of business; provided, that if (i) there is at least one member of the Board of Directors who is an officer, director, employee, managing director, consultant or other affiliate of Apollo Management VI, L.P. or Apollo Management V, L.P. (together with Apollo Management VI, L.P., "Apollo"), or any person nominated therefor by Apollo (any such person, an "Apollo Representative"), and (ii) Apollo has the right to nominate directors for election to the Board pursuant to the Amended and Restated Stockholders Agreement, effective as of October 10, 2012, as amended from time to time, by and among the Corporation and the stockholders that are parties thereto (the "Stockholders Agreement"), a quorum for the transaction of business shall include at least one Apollo Representative unless

each Apollo Representative provides written or electronic notice to the remaining members of the Board of Directors prior to the meeting at which business is to be transacted waiving his or her right to be included in the quorum at such meeting. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting without further notice. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors (x) unless the Certificate of Incorporation or these Bylaws shall require the vote of a greater number and (y) except as provided in the Stockholders Agreement. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum. This By-Law may not be amended, modified or repealed without the approval of no less than two-thirds of the Whole Board, including at least one (1) Apollo Representative if there is at least one Apollo Representative on the Board of Directors, or the affirmative vote of no less than two-thirds of the stockholders entitled to vote thereon at an annual or special meeting of stockholders at which such action is proposed.

SECTION 3.9 Vacancies. Subject to applicable law, the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock and the Stockholders Agreement, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified.

SECTION 3.10 Executive and Other Committees. The Board of Directors may, by resolution adopted by a majority of the Whole Board, designate an Executive Committee to exercise, subject to applicable provisions of law, all the powers of the Board in the management of the business and affairs of the Corporation when the Board is not in session, including without limitation the power to declare dividends, to authorize the issuance of the Corporation's capital stock and to adopt a certificate of ownership and merger pursuant to Section 253 of the General Corporation Law of the State of Delaware, and may, by resolution similarly adopted, designate one or more other committees. The Executive Committee and each such other committee shall consist of two (2) or more directors of the Corporation. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, other than the Executive Committee (the powers of which are expressly provided for herein), may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board when required.

A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 3.5 of these Bylaws. The Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board.

SECTION 3.11 Records. The Board of Directors shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

ARTICLE IV

OFFICERS

SECTION 4.1 Officers. The elected officers of the Corporation shall be a Chairman of the Board, a Chief Executive Officer, one or more Presidents, a Chief Financial Officer, a Treasurer and a Secretary, all of whom shall be elected by the Board of Directors and shall hold office until their successors are duly elected and qualified. The Chairman of the Board shall be chosen from among the directors. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this ARTICLE IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. In addition, the Board or any committee thereof may from time to time elect, or the Chief Executive Officer may appoint, such other officers (including one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, and Assistant Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Any number of offices may be held by the same person. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these Bylaws or as may be prescribed by the Board or such committee or by the Chief Executive Officer, as the case may be.

SECTION 4.2 Election and Term of Office. The elected officers of the Corporation shall be elected by the Board of Directors and shall hold office until such officer's successor shall have been duly elected and qualified or until such officer's death, resignation or removal.

SECTION 4.3 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and shall have and perform such other duties as may be assigned to him or her by the Board of Directors.

SECTION 4.4 Chief Executive Officer. The Chief Executive Officer of the Corporation shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. The Chief Executive Officer shall preside at all meetings of the stockholders and, in the absence of the Chairman of the Board, at all meetings of the Board of Directors. Unless there shall have been elected one or more Presidents of the Corporation, the Chief Executive Officer shall be the President of the Corporation.

SECTION 4.5 President. Each President shall have such general powers and duties of supervision and management as shall be assigned to him or her by the Board of Directors.

SECTION 4.6 Vice-Presidents. Each Vice President, if any, shall have such powers and shall perform such duties as shall be assigned to him or her by the Board of Directors.

SECTION 4.7 Chief Financial Officer. The Chief Financial Officer shall have the custody of the Corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. He or she shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositaries as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors, the Chairman of the Board, or a President, taking proper vouchers for such disbursements. He or she shall render to the Chairman of the Board, each President and the Board of Directors at the regular meetings of the Board of Directors, or whenever they may request it, an account of all his or her transactions as Chief Financial Officer and of the financial condition of the Corporation. If required by the Board of Directors, he or she shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board of Directors shall prescribe. The Chief Executive Officer may direct the Treasurer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and the Treasurer shall perform other duties commonly incident to his or her office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

SECTION 4.8 Secretary. The Secretary shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board, the committees of the Board and the stockholders; he or she shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; he or she shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal; and he or she shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, he or she shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board, the Chairman of the Board or a President.

SECTION 4.9 Removal. Any officer elected, or agent appointed, by the Board of Directors may be removed by the affirmative vote of a majority of the Whole Board whenever, in their judgment, the best interests of the Corporation would be served thereby. Any officer or agent appointed by the Chief Executive Officer may be removed by him or her whenever, in his or her judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his or her successor or his or her death, resignation or removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

SECTION 4.10 Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board of Directors. Any vacancy in an office appointed by the Chief Executive Officer because of death, resignation, or removal may be filled by the Chief Executive Officer.

ARTICLE V

STOCK CERTIFICATES AND TRANSFERS

SECTION 5.1 Certificated and Uncertificated Stock; Transfers. The interest of each stockholder of the Corporation may be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe or be uncertificated.

The shares of the stock of the Corporation shall be transferred on the books of the Corporation, in the case of certificated shares of stock, by the holder thereof in person or by his attorney duly authorized in writing, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require; and, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney duly authorized in writing, and upon compliance with appropriate procedures for transferring shares in uncertificated form. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Notwithstanding anything to the contrary in these Bylaws, at all times that the Corporation's stock is listed on a stock exchange, the shares of the stock of the Corporation shall comply with all direct registration system eligibility requirements established by such exchange, including any requirement that shares of the Corporation's stock be eligible for issue in book-entry form. All issuances and transfers of shares of the Corporation's stock shall be entered on the books of the Corporation with all information necessary to comply with such direct registration system eligibility requirements, including the name and address of the person to whom the shares of stock are issued, the number of shares of stock issued and the date of issue. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of shares of stock of the Corporation in both the certificated and uncertificated form.

SECTION 5.2 Lost, Stolen or Destroyed Certificates. No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or his or her discretion require.

SECTION 5.3 Record Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

SECTION 5.4 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1 Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

SECTION 6.2 Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 6.3 Seal. The corporate seal shall be in such form as shall be determined by resolution of the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise imprinted upon the subject document or paper.

SECTION 6.4 Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 6.5 Audits. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be done annually.

SECTION 6.6 Resignations. Any director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board, the Chief Executive Officer or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the Chief Executive Officer or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

ARTICLE VII

CONTRACTS, PROXIES, ETC.

SECTION 7.1 Contracts. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board may determine. The Chairman of the Board, the Chief Executive Officer, each President, the Chief Financial Officer or any Vice President may execute bonds, contracts, deeds, leases and other instruments to be made or executed for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors or the Chairman of the Board, the Chief Executive Officer, each President, the Chief Financial Officer or any Vice President of the Corporation may delegate contractual powers to others under his or her jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 7.2 Proxies. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the Chief Executive Officer, each President, the Chief Financial Officer or any Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in the premises.

ARTICLE VIII

AMENDMENTS

SECTION 8.1 Amendments. Except as provided in the Stockholders Agreement, these Bylaws may be altered, amended, or repealed at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting and, in the case of a meeting of the Board of Directors, in a notice given not less than two (2) days prior to the meeting.

EXHIBIT 10.25

INCOME TAX RECEIVABLE AGREEMENT

dated as of

November 29, 2012

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This INCOME TAX RECEIVABLE AGREEMENT (as amended from time to time, this "**Agreement**"), dated as of November 29, 2012, is hereby entered into by and among Berry Plastics Group, Inc., a Delaware corporation (the "**Corporation**") and Apollo Management Fund VI, L.P., a limited partnership (the "**Existing Stockholders Representative**").

RECITALS

WHEREAS, the Existing Stockholders (as defined below), in the aggregate, held 100% of the capital stock of the Corporation, directly or indirectly prior to the IPO;

WHEREAS, the Corporation became a public company pursuant to the IPO (as defined below);

WHEREAS, after the IPO, the Corporation and its Subsidiaries (the "**Taxable Entities**" and each a "**Taxable Entity**") had net operating losses and AMT credit carryforwards (including AMT credits that arise after the IPO as a result of limitations on the use of NOLs under the AMT) (collectively, "**NOLs**") that relate to periods (or portions thereof) ending on or prior to the date of the IPO (the "**Pre-IPO NOLs**");

WHEREAS, the Pre-IPO NOLs may reduce the reported liability for Taxes (as defined below) that the Taxable Entities might otherwise be required to pay;

WHEREAS, the income, gain, loss expense and other Tax (as defined below) items of the Taxable Entities may be affected by Imputed Interest (as defined below), if any;

WHEREAS, the parties to this Agreement desire to make certain arrangements with respect to the effect of the Pre-IPO NOLs and Imputed Interest (as defined below) on the reported liability for Taxes of the Taxable Entities;

WHEREAS, on October 9, 2012, the Board declared a dividend to stockholders of record on October 9, 2012 (the "**Dividend Recipients**") and payable as of the date hereof consisting of the rights and obligations set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"**Acquired NOLs**" means any NOL of any corporation or other entity acquired by the Corporation or any of its Subsidiaries by purchase, merger, or otherwise (in each case, from a Person or Persons other than the Corporation and its Subsidiaries and, in each case, whether or not such corporation or other entity survives) after the IPO that relate to periods (or portions thereof) ending on or prior to the date of such acquisition.

"**Advisory Firm**" means (i) Ernst & Young LLP or (ii) any other law or accounting firm that is (A) nationally recognized as being expert in Tax matters and (B) that is agreed to by the Corporation and the Existing Stockholders Representative.

"**Advisory Firm Report**" shall mean (a) an attestation report from the Advisory Firm expressing an opinion on management's assertion as to whether the Tax Benefit Schedule and/or the Early Termination Schedule has been prepared, in all material respects, in accordance with the Agreement, or (b) another type of report or letter from the Advisory Firm related to whether the information in the Tax Benefit Schedule and/or the Early Termination Schedule has been prepared in a manner consistent with the terms of the Agreement.

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

"**Agreed Rate**" means LIBOR plus 300 basis points.

"**Agreement**" is defined in the preamble of this Agreement.

"**Amended Schedule**" is defined in Section 2.03(b) of this Agreement.

"**Annual Tax Payment**" is defined in Section 3.01(a) of this Agreement.

"**Award Holder**" means a holder of stock options or stock appreciation rights of the Corporation (each, a "**Stock Award**") outstanding immediately prior to October 3, 2012.

A "**Beneficial Owner**" of a security is a Person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of, such security and/or (ii) investment power, which includes the power to dispose of, or to direct the disposition of, such security. The terms "**Beneficially Own**" and "**Beneficial Ownership**" shall have correlative meanings.

"**Board**" means the board of directors of the Corporation.

"**Business Day**" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America, the State of Indiana or the State of New York shall not be regarded as a Business Day.

"**Change of Control**" means:

(i) a merger, reorganization, consolidation or similar form of business transaction directly involving the Corporation or indirectly involving the Corporation through one or more intermediaries unless, immediately following such transaction, more than 50% of the voting power of the then outstanding voting stock or other equities of the Corporation resulting from consummation of such transaction (including, without limitation, any parent or ultimate parent corporation of such Person that as a result of such transaction owns directly or indirectly the Corporation and all or substantially all of the Corporation's assets) is held by the existing Corporation equityholders or their Affiliates (determined immediately prior to such transaction and related transactions); or

(ii) a transaction in which the Corporation, directly or indirectly, sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to another Person other than an Affiliate; or

(iii) a transaction in which there is an acquisition of control of the Corporation by a Person or group of Persons (other than Existing Stockholders and their Affiliates). For purposes of this definition, the term "control" shall mean the possession, directly or indirectly, of the power to either (i) vote more than 50% of the securities having ordinary voting power for the election of directors (or comparable positions in the case of partnerships and limited liability companies), or (ii) direct or cause the direction of the management and policies of such Person whether by contract or otherwise (for the avoidance of doubt, consent rights do not constitute control for the purpose of this definition); or

(iv) a transaction in which individuals who constitute the Board of the Corporation (the "**Incumbent Directors**") cease for any reason to constitute at least a majority of the Board of the Corporation, provided that any person becoming a director subsequent to the effective date of this Agreement, whose election or nomination for election is either (A) contemplated by a written agreement among equityholders of the Corporation on the effective date of this Agreement or (B) was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Corporation in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Corporation as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall be deemed to be an Incumbent Director; or

(v) the liquidation or dissolution of the Corporation.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Combined Taxation Group**" means any consolidated, combined or unitary group or any profit and/or loss sharing, affiliated group relief, group payment or similar group or fiscal unity for Tax purposes (by election or otherwise).

"**Compensatory Payment**" means any payment hereunder made to an Award Holder in respect of any Ownership Percentage attributable to a Stock Award.

"**Compensatory Payment Settlement Date**" means the fifth anniversary of the date of this Agreement.

"**Control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"**Corporation**" is defined in the preamble of this Agreement.

"**Default Rate**" means LIBOR plus 500 basis points.

"**Determination**" shall have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of state, local and foreign tax law, as applicable, or any other event (including the execution of a Form 870-AD) that finally and conclusively establishes the amount of any liability for Tax.

"**Divestiture**" means the sale of any Taxable Entity, other than any such sale that is or is part of a Change of Control.

"**Divestiture Acceleration Payment**" is defined in Section 4.03(c) of this Agreement.

"**Dividend Recipients**" is defined in the preamble of this Agreement.

"**Early Termination Date**" means (i) in the event of a breach of this Agreement to which Section 4.01(b) applies, the date of such breach, (ii) in the event of a Change of Control, the effective date of such Change of Control and (iii) in the event of a Divestiture, the effective date of such Divestiture.

"**Early Termination Event**" means (i) a breach of this Agreement to which Section 4.01(b) applies and (ii) a Change of Control.

"**Early Termination Payment**" is defined in Section 4.03(b) of this Agreement.

"**Early Termination Rate**" means LIBOR plus 100 basis points.

"**Early Termination Schedule**" is defined in Section 4.02 of this Agreement.

"**Estimated Tax Benefit**" is defined in Section 3.01(c) of this Agreement.

"**Expert**" is defined in Section 7.09 of this Agreement.

"**Existing Stockholders**" means the Dividend Recipients (including, without limitation, the stockholders of the Corporation set forth on Exhibit A to this Agreement) and any Award Holders.

"**Existing Stockholders Representative**" is defined in the preamble of this Agreement.

"**Imputed Interest**" shall mean any interest imputed under Section 1272, 1274 or 483 or other provision of the Code and any similar provision of state, local and foreign tax law with respect to the Corporation's payment obligations under this Agreement.

"**Individual Stockholder**" means any Existing Stockholder that is an individual.

"**Individual Termination Payment**" is defined in Section 4.01(e) of this Agreement.

"**Interest Amount**" is defined in Section 3.01(a) of this Agreement.

"**IPO**" shall mean the initial public offering of Common Stock of the Corporation pursuant to the Registration Statement.

"**ITR Payment**" means any Annual Tax Payment, Early Termination Payment, Divestiture Acceleration Payment or Individual Termination Payment required to be made by the Corporation to the Existing Stockholders under this Agreement.

"**LIBOR**" means for each month (or portion thereof) during any period, an interest rate per annum equal to the rate per annum reported, on the date two days prior to the first day of such month, on the Telerate Page 3750 (or if such screen shall cease to be publicly available, as reported on Reuters Screen page "LIBO" or by any other publicly available source of such market rate) for London interbank offered rates for U.S. dollar deposits for such month (or portion thereof).

"**Material Objection Notice**" has the meaning set forth in Section 4.02.

"**NOLs**" is defined in the preamble of this Agreement.

"**Objection Notice**" has the meaning set forth in Section 2.03(a).

"**Other NOLs**" means any Post-IPO NOLs and any Acquired NOLs.

"**Ownership Percentage**" means, in the case of any Existing Stockholder, a fraction where the numerator is the sum of (a) the number of shares in the Corporation owned by such Existing Stockholder as of immediately prior to the IPO, and (b) the aggregate number of shares subject (as of immediately prior to the IPO) to Stock Awards that were held by such Existing Stockholder as of immediately prior to the IPO (provided that if the applicable Existing Stockholder forfeits a Stock Award prior to the vesting date of the applicable Stock Award, the shares subject to such Stock Award shall thereafter be disregarded for purposes of this clause (b)), and the denominator is the sum of (x) the number of shares in the Corporation outstanding as of immediately prior to the IPO, and (y) the aggregate number of shares subject (as of immediately prior to the IPO) to the Stock Awards that were held by all Existing Stockholders as of immediately prior to the IPO (provided that if an Existing Stockholder forfeits a Stock Award prior to the vesting date of the applicable Stock Award, the shares subject to such Stock Award shall be disregarded for purposes of this clause (y)).

"**Payment Date**" means any date on which a payment is required to be made pursuant to this Agreement.

"**Person**" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity.

"**Post-IPO NOLs**" means any NOL arising in a Taxable Year or portion thereof beginning after the date of the IPO.

"**Pre-IPO NOLs**" is defined in the preamble of this Agreement; provided, however, that in order to determine whether an NOL is a Pre-IPO NOL or a Post-IPO NOL, the Taxable Year of the relevant Taxable Entity that includes the effective date of the IPO (the "**Straddle Year**") shall be deemed to end as of the close of such effective date, provided, further, however, that the Chief Executive Officer of the Corporation, the Board and the Existing Stockholders Representative shall, acting reasonably, together determine the amount of any NOL arising in the Straddle Year, or any portion thereof, that is included in the amount of Pre-IPO NOLs; provided further, however, that any Transferred NOLs taken into account in calculating a Divestiture Acceleration Payment shall not be considered Pre-IPO NOLs.

"**Realized Tax Benefit**" means, for a Taxable Year, the reduction in the liability for (i) federal income Taxes of the Corporation, and (ii) state and foreign income Taxes of each Taxable Entity, in each case, for such Taxable Year resulting from the Pre-IPO NOLs and the deduction attributable to Imputed Interest, if any, under the Agreement (giving effect to the principles of Section 3.02). If all or a portion of the liability for Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Benefit unless and until there has been a Determination. For the absence of doubt, for purposes of clause (i), state and foreign NOLs that are reflected in the Pre-IPO NOLs shall be disregarded such that the calculation of federal income Taxes before the reduction resulting from the Pre-IPO NOLs reflects any deduction (or other benefit) for state or foreign income Taxes that would be available in the absence of such state and foreign NOLs.

"**Reconciliation Dispute**" has the meaning set forth in Section 7.09(a) of this Agreement.

"**Reconciliation Procedures**" shall mean those procedures set forth in Section 7.09 of this Agreement.

"**Registration Statement**" means the registration statement on Form S-1 (File No. 333-180294) of the Corporation.

"**Rollover Taxable Year**" is defined in Section 2.02 of this Agreement.

"**Schedule**" means any Tax Benefit Schedule and any Early Termination Schedule.

"**Scheduled Delivery Date**" is defined in Section 2.02 of this Agreement.

"**Specified Existing Stockholder**" is defined in Section 3.01(d) of this Agreement.

"**Specified Filing Date**" is defined in Section 2.02 of this Agreement.

"**Subject Taxable Year**" is defined in Section 2.02 of this Agreement.

"**Subsidiaries**" means, with respect to any Person, as of any date of determination, any other Person as to which such Person, owns, directly or indirectly, or otherwise controls more than 50% of the voting power or other similar interests or the sole general partner interest or managing member or similar interest of such Person.

"**Tax Benefit**" is defined in Section 3.01(b) of this Agreement.

"**Tax Benefit Schedule**" is defined in Section 2.02 of this Agreement.

"**Tax Return**" means any return, declaration, report or similar statement required to be filed with respect to Taxes (including any attached schedules), including, without limitation, any information return, claim for refund, amended return and declaration of estimated Tax.

"**Taxable Entity**" is defined in the preamble of this Agreement.

"**Taxable Entity Return**" means the federal, state or foreign Tax Return, as applicable, of a Taxable Entity filed with respect to Taxes of any Taxable Year.

"**Taxable Year**" means a taxable year as defined in Section 441(b) of the Code or comparable section of state, local or foreign tax law, as applicable, (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made) ending on or after the date of the IPO.

"**Taxes**" means any and all U.S. federal, state, local and foreign taxes, assessments or similar charges measured with respect to net income or profits and any interest related to such Tax.

"**Taxing Authority**" shall mean any domestic, foreign, federal, national, state, county or municipal or other local government, any subdivision, agency, commission or authority thereof, or any quasi-governmental body exercising any taxing authority or any other authority exercising Tax regulatory authority.

"**Transferred NOLs**" means, in the event of a Divestiture, the Pre-IPO NOLs attributable to the Taxable Entity that is sold in such Divestiture to the extent such Pre-IPO NOLs are transferred with such Taxable Entity under applicable Tax law following the Divestiture (disregarding any limitation on the use of such Pre-IPO NOLs as a result of the Divestiture) and do not remain under applicable Tax law with the Corporation or any of its Subsidiaries (other than the Taxable Entity that is sold in such Divestiture).

"**Treasury Regulations**" means the final, temporary and proposed regulations under the Code promulgated from time to time (including corresponding provisions and succeeding provisions) as in effect for the relevant taxable period.

"**Valuation Assumptions**" shall mean, as of an Early Termination Date, the assumptions that (i) in each Taxable Year ending on or after such Early Termination Date, each Taxable Entity will generate an amount of taxable income in accordance with management's preexisting projections (or, in the absence of such projections, as projected in good faith by management in a manner consistent with their projections for other purposes), (ii) the utilization of the Pre-IPO NOLs and the Imputed Interest for such Taxable Year or future Taxable Years, as applicable, will be determined based on the Tax laws in effect on the Early Termination Date and (iii) the federal income tax rates and state, local and foreign income tax rates that will be in effect for each such Taxable Year will be those specified for each such Taxable Year by the Code and other law as in effect on the Early Termination Date (or, with respect to any Taxable Year for which such federal income tax rates or state, local and foreign income tax rates are not specified by the Code and other law as in effect on the Early Termination Date, such federal income tax rates or state, local and foreign income tax rates that are in effect on the Early Termination Date). For the purposes of clause (i) of this definition, the taxable income projections made by the management of the Corporation shall be subject to the Reconciliation Procedures. Such

assumptions shall relate only to the projected income and loss of the Taxable Entities (extending the same beyond the years of projection, as applicable, at the same imputed growth rate), and shall include only the utilization of tax attributes subject to the Agreement and not any anticipated future attributes that might result from acquisitions, dispositions, recapitalizations or refinancings. For the avoidance of doubt, in the event of a Change of Control or Divestiture, such assumptions shall not take into account any changes in the relevant Taxable Entities' stand alone tax position that might result from the transaction giving rise to the Change of Control or Divestiture.

"**2013 Subject Taxable Year**" is defined in Section 3.01(d) of this Agreement.

"**2013 Preliminary Estimated Tax Benefit**" is defined in Section 3.01(d) of this Agreement.

ARTICLE II

DETERMINATION OF REALIZED TAX BENEFIT

Section 2.01. Pre-IPO NOL Utilization. The Corporation, on the one hand, and the Existing Stockholders, on the other hand, acknowledge that the Taxable Entities may utilize the Pre-IPO NOLs to reduce the amount of Taxes that the Taxable Entities would otherwise be required to pay in the future.

Section 2.02. Tax Benefit Schedule. Within ninety (90) calendar days after the filing of the U.S. federal income tax return of the Corporation for any federal Taxable Year (each such federal Taxable Year together with the state or foreign Taxable Years ending in the same calendar year as such federal Taxable Year, a "**Subject Taxable Year,**" and such ninetieth day the "**Schedule Delivery Date**"), the Corporation shall provide to the Existing Stockholders Representative a schedule showing, for the Corporation and for each Taxable Entity, in the case of any relevant Tax Return that has been filed after the IPO and prior to the Schedule Delivery Date and has not previously been the subject of this Section 2.02 (but in the case of any state or foreign Tax Return, only to the extent such Tax Return has been filed on or prior to the 60th day following the filing of the U.S. federal income tax return of the Corporation for the Subject Taxable Year (the "**Specified Filing Date**")), in reasonable detail, (i) the calculation of the Realized Tax Benefit for the Subject Taxable Year, (ii) the calculation of any payment to be made to the Existing Stockholders pursuant to Article III with respect to the Subject Taxable Year, (iii) the calculation of any Realized Tax Benefit for the Taxable Year immediately preceding the Subject Taxable Year (the "**Rollover Taxable Year**"), in the case of any relevant Tax Return that was filed following the Specified Filing Date relating to the Rollover Taxable Year, and (iv) the calculation of any payment to be made to the Existing Stockholders pursuant to Article III with respect to the Rollover Taxable Year (collectively a "**Tax Benefit Schedule**"). Concurrently the Corporation shall also deliver to the Existing Stockholders Representative all supporting information (including work papers and valuation reports) reasonably necessary to support the calculation of such payment. The Schedule will become final as provided in Section 2.03(a) and may be amended as provided in Section 2.03(b) (subject to the procedures set forth in Section 2.03(a)).

Section 2.03. Procedures, Amendments.

(a) Procedure. Whenever the Corporation delivers to the Existing Stockholders Representative an applicable Schedule under this Agreement, including any Amended Schedule delivered pursuant to Section 2.03(b), and including any Early Termination Schedule or amended Early Termination Schedule, the Corporation shall also (x) deliver to the Existing Stockholders Representative schedules, valuation reports, if any, and work papers providing reasonable detail regarding the preparation of the Schedule and an Advisory Firm Report related to such Schedule (the cost and expense of which shall be paid by the Corporation) and (y) allow the Existing Stockholders Representative reasonable access at no cost to the appropriate representatives at each of the Corporation and the Advisory Firm in connection with a review of such Schedule. The applicable Schedule shall become final and binding on all parties unless the Existing Stockholders Representative, within thirty calendar days after receiving any Schedule or amendment thereto, provides the Corporation with notice of a material objection to such Schedule ("**Objection Notice**") made in good faith or such earlier date as the Stockholders Representative provides written notice to the Corporation that it has no material objection to such Schedule. If the parties, for any reason, are unable to successfully resolve the issues raised in any notice within thirty calendar days of receipt by the Corporation of such notice, the Corporation and the Existing Stockholders Representative shall employ the reconciliation procedures described in Section 7.09 of this Agreement (the "**Reconciliation Procedures**").

(b) Amended Schedule. The applicable Schedule for any Taxable Year may be amended from time to time by the Corporation (i) in connection with a Determination affecting such Schedule, (ii) to correct material inaccuracies in the Schedule identified as a result of the receipt of additional factual information relating to a Taxable Year after the date the Schedule was provided to the Existing Stockholders Representative, (iii) to comply with the Expert's determination under the Reconciliation Procedures, or (iv) to reflect a material change (relative to the amounts in the original Schedule) in the Realized Tax Benefit for such Taxable Year attributable to an amended Tax Return filed for such Taxable Year, in each case with respect to any Taxable Entity (such amended Schedule, an "**Amended Schedule**"); provided, however, that such a change under clause (i) attributable to an audit of a Tax Return by an applicable Taxing Authority shall not be taken into account on an Amended Schedule unless and until there has been a Determination with respect to such change. The Corporation shall provide any Amended Schedule to the Existing Stockholders Representative within thirty calendar days of the occurrence of an event referred to in clauses (i) through (iv) of the preceding sentence, and any such Amended Schedule shall be subject to the approval procedures described in Section 2.03(a).

ARTICLE III

TAX BENEFIT PAYMENTS

Section 3.01. Payments.

(a) Except as provided in Section 3.03 and Section 5.02, within thirty days after the end of any U.S. federal Subject Taxable Year, the Corporation (on its own behalf and on behalf of any other Taxable Entity) shall pay to each Existing Stockholder its share (based on such Existing Stockholder's Ownership Percentage) of the Interest Amount (as defined below) and of the Annual Tax Payment for the Subject Taxable Year provided that no payment

shall be made pursuant to this Section 3.01 to any Individual Stockholder who received at any time prior to the date of such payment an Individual Termination Payment pursuant to Section 4.01(e). The "**Annual Tax Payment**" for a Subject Taxable Year means an amount, not less than zero, equal to (i) the Estimated Tax Benefit determined pursuant to Section 3.01(c) for such Subject Taxable Year, plus (ii) the excess, if any, of the Tax Benefit for a Subject Taxable Year prior to the Subject Taxable Year over the Estimated Tax Benefit for such prior Subject Taxable Year, to the extent any such excess amount was not previously taken into account pursuant to this Section 3.01(a)(ii) to increase the Annual Tax Payment for a Subject Taxable Year prior to the Subject Taxable Year, minus (iii) the excess, if any, of the Estimated Tax Benefit for a Subject Taxable Year prior to the Subject Taxable Year over the Tax Benefit for such prior Subject Taxable Year, to the extent any such excess amount was not previously taken into account pursuant to this Section 3.01(a)(iii) to reduce the Annual Tax Payment for a Subject Taxable Year prior to the Subject Taxable Year, plus (iv) the excess of the Realized Tax Benefit required to be reflected on an Amended Schedule for a Subject Taxable Year prior to the Subject Taxable Year over the Realized Tax Benefit required to be reflected on the Tax Benefit Schedule for such prior Subject Taxable Year, to the extent any such excess amount was not previously taken into account pursuant to this Section 3.01(a)(iv) to increase the Annual Tax Payment for a Subject Taxable Year prior to the Subject Taxable Year, minus (v) the excess of the Realized Tax Benefit required to be reflected on a Tax Benefit Schedule for a Subject Taxable Year prior to the Subject Taxable Year over the Realized Tax Benefit required to be reflected on an Amended Schedule for such prior Subject Taxable Year, to the extent any such excess amount was not previously taken into account pursuant to this Section 3.01(a)(v) to reduce the Annual Tax Payment for a Subject Taxable Year prior to the Subject Taxable Year. For the avoidance of doubt, no Annual Tax Payment shall be made, nor Tax Benefit determined, in respect of estimated tax payments, including, without limitation, estimated federal income tax payments. For the further avoidance of doubt, the Existing Stockholders shall not be required to return any portion of any previously made Annual Tax Payment or other ITR Payment. The "**Interest Amount**" shall equal the interest on any excess amount described in Section 3.01(a)(ii) calculated at the Agreed Rate from the Payment Date for the Annual Tax Payment in which the relevant Estimated Tax Benefit is taken into account until the Payment Date for the Annual Tax Payment in which the relevant Tax Benefit is taken into account. Each payment pursuant to this Section 3.01(a) shall be made by wire transfer of immediately available funds to a bank account of the applicable Existing Stockholder previously designated by the Existing Stockholder to the Corporation or as otherwise agreed by the Corporation and the Existing Stockholder.

(b) A "**Tax Benefit** " for a Subject Taxable Year means an amount, not less than zero, equal to 85% of: (i) the Taxable Entities' Realized Tax Benefit, if any, required to be reflected on the Tax Benefit Schedule for the Subject Taxable Year , plus (ii) the Taxable Entities' Realized Tax Benefit, if any, for the Rollover Taxable Year, if any, to the extent required to be reflected on the Tax Benefit Schedule for the Subject Taxable Year (as set forth in Section 2.02(iii)).

(c) The "**Estimated Tax Benefit**" for a Subject Taxable Year means an amount, not less than zero, equal to 85% of the Company's reasonable good faith estimate of the Taxable Entities' Realized Tax Benefit, if any, for the Subject Taxable Year.

(d) With respect solely to the Subject Taxable Year ending on September 30, 2013 (the "**2013 Subject Taxable Year**"), and except as provided in Section 5.02, the Corporation (on its own behalf and on behalf of any other Taxable Entity) shall, on or prior to January 10, 2013, pay to each Existing Stockholder listed on Exhibit A (each a "**Specified Existing Stockholder**"), other than in respect of any Stock Award, such Existing Stockholder's share (based on such Existing Stockholder's Ownership Percentage) of the 2013 Preliminary Estimated Tax Benefit Payment, provided, however, that the aggregate 2013 Preliminary Estimated Tax Benefit Payment shall not exceed $5,000,000 (and each Specified Existing Stockholder's share of the 2013 Preliminary Estimated Tax Benefit Payment shall be reduced proportionally to the extent the aggregate 2013 Preliminary Estimated Tax Benefit Payment would otherwise exceed $5,000,000), provided, further, however, that notwithstanding anything to the contrary in Section 3.01(a), (i) the Annual Tax Payment in respect of the 2013 Subject Taxable Year shall, in respect of any Specified Existing Stockholder, be reduced, but not below zero, by such Specified Existing Stockholder's share of the 2013 Preliminary Estimated Tax Benefit Payment and (ii) the Annual Tax Payment for each subsequent Subject Taxable Year shall, in respect of any Specified Existing Stockholder, be reduced by the portion of such Specified Existing Stockholder's share of the 2013 Preliminary Estimated Tax Benefit Payment not previously taken into account pursuant to this Section 3.01(d) to reduce the Annual Tax Payment for a prior Subject Taxable Year. The "**2013 Preliminary Estimated Tax Benefit Payment**" means an amount equal to 85% of the Company's reasonable good faith estimate of the Taxable Entities' Realized Tax Benefit, if any, for the 2013 Subject Taxable Year.

Section 3.02. No Duplicative Payments. It is intended that the provisions of this Agreement will not result in duplicative payment of any amount (including interest) required under this Agreement. It is also intended that the provisions of this Agreement provide that 85% of the Taxable Entities' Realized Tax Benefit for all Taxable Years be paid to the Existing Stockholders pursuant to this Agreement. Carryovers or carrybacks of any NOL or other tax item shall be considered to be subject to the rules of the Code and the Treasury Regulations or the appropriate provisions of Tax law, as applicable, governing the use, limitation and expiration of carryovers or carrybacks of the relevant type; provided, however, that Pre-IPO NOLs treated as resulting in a Realized Tax Benefit for one Taxable Year shall not be treated as resulting in a Realized Tax Benefit for any other Taxable Year, and, for purposes of determining the Realized Tax Benefit for any Taxable Year, each Taxable Entity shall be assumed (a) to utilize any item of loss, deduction or credit arising in such Taxable Year (and permitted to be utilized in such Taxable Year) before carrying back or carrying forward to such Taxable Year any NOL that is permitted to be so carried back or carried forward, (b) to utilize any available Pre-IPO NOL that is permitted (or, for the absence of doubt, that would be so permitted but for such Other NOL) to be carried back or carried forward to such Taxable Year before utilizing any Other NOL, and (c) to utilize any Pre-IPO NOL in the first Taxable Year in which such Pre-IPO NOL is permitted to be utilized; provided, further, however, that, notwithstanding any other provision, the Chief Executive Officer of the Corporation, the Board and the Existing Stockholders Representative shall, acting reasonably, together determine the extent to which a Pre-IPO NOL can be carried back or carried forward to a Straddle Year or any portion thereof. If a carryover or carryback of any Tax item includes a portion that is attributable to the Pre-IPO NOLs and another portion that is not, the Corporation shall be assumed to utilize the portion attributable to the Pre-IPO NOLs before utilizing such other portion. The provisions of this Agreement shall be construed in the appropriate manner so that such intentions are realized.

Section 3.03. Special Rule for Compensatory Payments.

(a) General Rule. Notwithstanding any other provision of this Agreement, no Compensatory Payments shall, except as provided in Section 3.03(b) and Section 3.03(c), be made under this Agreement other than on the Compensatory Payment Settlement Date. On the Compensatory Payment Settlement Date, the Corporation shall pay to each Existing Stockholder an amount equal to the sum of (x) all Compensatory Payments that, but for this Section 3.03, would have been made to such Existing Stockholder prior to the Compensatory Payment Settlement Date, plus interest (at a rate of 120% of the applicable federal long-term rate (as prescribed under Section 1274(d) of the Code)) on each such Compensatory Payment from the date such payment would have been made (absent this Section 3.03) through the Compensatory Payment Settlement Date, (y) an amount equal to the Corporation's good faith estimate of the present value, discounted at the Early Termination Rate as of the Compensatory Payment Settlement Date, of all Compensatory Payments that would have been made hereunder (absent this Section 3.03) to the applicable Existing Stockholder subsequent to the Compensatory Payment Settlement Date, and (z) the amount set forth in Section 3.03(e). No Existing Stockholder shall have a right to receive any Compensatory Payments (other than the payment contemplated by the preceding sentence) with respect to any ITR Payments made subsequent to the Compensatory Payment Settlement Date.

(b) Change of Control. Notwithstanding any provision of Section 3.03(a), in the event of a Change of Control that constitutes a "change in control event" (within the meaning of Section 409A of the Code) prior to the Compensatory Payment Settlement Date, the Compensatory Payment Settlement Date shall be deemed to be the date on which such triggering event occurs.

(c) Limited Early Cashout. The Corporation, after obtaining the prior written consent of the Existing Shareholders Representative, may deem the Compensatory Payment Settlement Date to be a date prior to the fifth anniversary of the date of this Agreement, but only to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4).

(d) Special Rules Affect Only Timing. For clarity, for purposes of determining amounts that would be payable pursuant to Article II, this Article III (other than this Section 3.03) and Article IV in respect of portions of Ownership Percentage attributable to Stock Awards, all determinations shall be made as if all Compensatory Payments that would, absent this Section 3.03, have been made prior to the date of the applicable determination had in fact been made on the dates they would have been made absent this Section 3.03.

(e) Special Forfeiture Rule. In the event that an Existing Stockholder forfeits a Stock Award prior to the vesting date of the applicable Stock Award but subsequent to the date that, but for this Section 3.03, a Compensatory Payment in respect of such Stock Award would have been made to such Existing Stockholder, such Compensatory Payment (and all interest thereon) shall be forfeited concurrently with the forfeiture of the underlying Stock Award and shall not be distributed pursuant to this Section 3.03; provided that a portion of such forfeited Compensatory Payment (and all interest thereon) shall be paid by the Corporation on the Compensatory Settlement Payment Date to each Existing Stockholder based on such Existing Stockholder's Ownership Percentage.

ARTICLE IV

TERMINATION

Section 4.01. Termination, Breach of Agreement, Change of Control.

(a) This Agreement shall terminate at the time that all Annual Tax Payments have been made to the Existing Stockholders under this Agreement.

(b) Subject to Section 3.03, in the event that the Corporation breaches any of its material obligations under this Agreement, whether as a result of failure to make any payment when due (as described below), failure to honor any other material obligation required hereunder or by operation of law as a result of the rejection of this Agreement in a case commenced under the Bankruptcy Code or otherwise, then all obligations hereunder shall be accelerated and the Corporation shall pay to the Existing Stockholders (1) the Early Termination Payment, (2) any Annual Tax Payment agreed to by the Corporation and the Existing Stockholders as due and payable but unpaid as of the Early Termination Date and (3) any Annual Tax Payment due for the Taxable Year ending prior to, with or including the date of a breach. Notwithstanding the foregoing, in the event that the Corporation breaches this Agreement, the Existing Stockholders shall be entitled to elect to receive the amounts set forth in (1), (2) and (3) above or to seek specific performance of the terms hereof. In the event of a breach of a material obligation under this Agreement, the Early Termination Payment shall be calculated utilizing the Valuation Assumptions. The parties agree that the failure to make any payment due pursuant to this Agreement within three months of the date such payment is due shall be deemed to be a breach of a material obligation under this Agreement for all purposes of this Agreement, and that it will not be considered to be a breach of a material obligation under this Agreement to make a payment due pursuant to this Agreement within three months of the date such payment is due, provided that in the event that payment is not made within three months of the date such payment is due, the Existing Stockholders (through the Existing Stockholders Representative) shall be required to give written notice to the Corporation that the Corporation has breached its material obligations and so long as such payment is made within five Business Days of the delivery of such notice to the Corporation, the Corporation shall no longer be deemed to be in material breach of its obligations under this Agreement.

(c) Change of Control. Subject to Section 3.03, in the event of a Change of Control, then all obligations hereunder shall be accelerated and the Corporation shall pay to the Existing Stockholders (1) the Early Termination Payment, (2) any Annual Tax Payment agreed to by the Corporation and the Existing Stockholders as due and payable but unpaid as of the Early Termination Date and (3) any Annual Tax Payment due for any Taxable Year ending prior to, with or including the effective date of a Change of Control. In the event of a Change of Control, the Early Termination Payment shall be calculated utilizing the Valuation Assumptions.

(d) Divestiture Acceleration Payment. Subject to Section 3.03, in the event of a Divestiture, the Corporation shall pay to the Existing Stockholders the Divestiture Acceleration Payment in respect of such Divestiture, which shall be calculated utilizing the Valuation Assumptions.

(e) Elective Individual Termination. Subject to Section 3.03, except as provided in Section 5.02, the Corporation may, as determined by the Chief Executive Officer of the Corporation, elect to terminate the rights of any Individual Stockholder under this Agreement by paying to such Individual Stockholder a termination payment (the "**Individual Termination Payment**") as reasonably determined by the Chief Executive Officer of the Corporation, provided that such election and the amount of such Individual Termination Payment shall be subject to the consent of the Board and the Existing Stockholders Representative and shall, as reasonably practical, use the Valuation Assumptions (substituting references to the date of such Individual Termination Payment for references to the Early Termination Date in the definition of Valuation Assumptions).

(f) Adjustment for 2013 Preliminary Estimated Tax Benefit Payment. Any amount required to be paid by the Corporation to any Specified Existing Stockholder pursuant to Sections 4.01(b), (c), (d) or (e) shall be reduced by the portion of such Specified Existing Stockholder's share of the 2013 Preliminary Estimated Tax Benefit Payment not previously taken into account pursuant to Section 3.01(d) to reduce an Annual Tax Payment.

Section 4.02. Early Termination Schedule. In the event of a Change of Control or a Divestiture, the Corporation shall deliver to the Existing Stockholders Representative no later than sixty calendar days prior to such Change of Control or Divestiture, as applicable a schedule (the "**Early Termination Schedule**") showing in reasonable detail the information required pursuant to the penultimate sentence of Section 2.02 and the calculation of the Early Termination Payment or the Divestiture Acceleration Payment, respectively (including the projections of the Taxable Entities' taxable income under clause (i) of the Valuation Assumptions). The Early Termination Schedule shall become final and binding on all parties unless the Existing Stockholders Representative, within fifteen calendar days after receiving the Early Termination Schedule provides the Corporation with notice of a material objection to such Schedule made in good faith ("**Material Objection Notice**"). If the parties for any reason are unable to successfully resolve the issues raised in such notice within fifteen calendar days after receipt by the Corporation of the Material Objection Notice, the Corporation and the Existing Stockholders Representative shall employ the Reconciliation Procedures as described in Section 7.09 of this Agreement.

Section 4.03. Payment upon Early Termination. (a) Subject to Section 3.03 and except as provided in Section 5.02, no later than the Early Termination Date, the Corporation shall pay to each Existing Stockholder its share (based on such Existing Stockholder's Ownership Percentage) of an amount equal to the Early Termination Payment or Divestiture Acceleration Payment and any other payment required to be made pursuant to Sections 4.01(b) and (c). Such payment shall be made by wire transfer of immediately available funds to a bank account designated by the applicable Existing Stockholders or as otherwise agreed by the Corporation and the Existing Stockholder.

(b) The "**Early Termination Payment**" as of the Early Termination Date (other than an Early Termination Date arising under clause (iii) of the definition thereof) shall equal with respect to the Existing Stockholders the present value, discounted at the Early Termination Rate as of such date, of all Annual Tax Payments that would be required to be paid by the Corporation to the Existing Stockholders beginning from the Early Termination Date assuming the Valuation Assumptions are applied, provided that in the event of a Change of Control, the Early Termination Payment shall be calculated without giving effect to any limitation on the use of the Pre-IPO NOLs resulting from the Change of Control. For purposes of calculating the present value pursuant to this Section 4.03(b) of all Annual Tax Payments that would be required to be paid, it shall be assumed that absent the Early Termination Event all Annual Tax Payments would be paid on the due date (without extensions) for filing the relevant Taxable Entity Return with respect to Taxes for each Taxable Year. The computation of the Early Termination Payment is subject to the Reconciliation Procedures as described in Section 7.09(b) of this Agreement.

(c) The "**Divestiture Acceleration Payment**" as of the date of any Divestiture shall equal with respect to the Existing Stockholders the present value, discounted at the Early Termination Rate as of such date, of the Annual Tax Payments resulting solely from the Transferred NOLs that would be required to be paid by the Corporation to the Existing Stockholders beginning from the date of such Divestiture assuming the Valuation Assumptions are applied, provided that the Divestiture Acceleration Payment shall be calculated without giving effect to any limitation on the use of the Transferred NOLs resulting from the Divesture. For purposes of calculating the present value pursuant to this Section 4.03(c) of all Annual Tax Payments that would be required to be paid, it shall be assumed that absent the Divestiture all Annual Tax Payments would be paid on the due date (without extensions) for filing the relevant Taxable Entity Return with respect to Taxes for each Taxable Year. The computation of the Divestiture Acceleration Payment is subject to the Reconciliation Procedures as described in Section 7.09(b) of this Agreement.

(d) The Early Termination Payment and the Divestiture Acceleration Payment shall be calculated without giving effect to any reduction of any Annual Tax Payment pursuant to Section 3.01(d)(i) or (ii), provided that this Section 4.03(d) shall not prevent the reduction of any Early Termination Payment or Divestiture Acceleration Payment pursuant to Section 4.01(f).

ARTICLE V

LATE PAYMENTS, ETC.

Section 5.01. Late Payments by the Corporation. The amount of all or any portion of any ITR Payment not made to the Existing Stockholders when due under the terms of this Agreement shall be payable together with any interest thereon, computed at the Default Rate and commencing from the date on which such ITR Payment was due and payable.

Section 5.02. Compliance with Indebtedness. Notwithstanding anything to the contrary provided herein, if, at the time any amounts becomes due and payable hereunder, (a) the Corporation is not permitted, pursuant to the terms its outstanding indebtedness, to pay such amounts, or (b) (i) the Corporation does not have the cash on hand to pay such amounts, and (ii) no Subsidiary of the Corporation is permitted, pursuant to the terms of its outstanding indebtedness, to pay dividends to the Company to allow it to pay such amounts, then, in each case, the Corporation shall, by notice to the Existing Stockholders Representative, be permitted to defer the payment of such amounts until the condition described in clause (a) or (b) is no longer applicable, in which case such amounts (together with accrued and unpaid interest thereon as described in the immediately following sentence) shall become due and payable immediately. If the Corporation defers the payment of any such amounts pursuant to the foregoing sentence, such amounts shall accrue interest at the Agreed Rate per annum, from the date that such amounts originally became due and owing pursuant to the terms hereof to the date that such amounts were paid. To the extent the Corporation or its Subsidiaries incur, create or assume any indebtedness after the date hereof, the Corporation shall, and shall cause its Subsidiaries to, make commercially reasonable efforts to ensure that such indebtedness permits any amounts payable hereunder to be paid.

ARTICLE VI

CONSISTENCY; COOPERATION

Section 6.01. The Existing Stockholders Representative's Participation in Corporation Tax Matters. Except as otherwise provided herein, the Corporation shall have full responsibility for, and sole discretion over, all Tax matters concerning the Corporation and each Taxable Entity including without limitation the preparation, filing or amending of any Tax Return and defending, contesting or settling any issue pertaining to Taxes, subject to a requirement that the Corporation act in good faith in connection with its control of any matter which is reasonably expected to affect any Existing Stockholder's rights and obligations under this Agreement. Notwithstanding the foregoing, the Corporation shall notify the Existing Stockholders Representative of, and keep the Existing Stockholders Representative reasonably informed with respect to, the portion of any audit of the Corporation or any Taxable Entity by a Taxing Authority the outcome of which is reasonably expected to affect any Existing Stockholder's rights and obligations under this Agreement, and shall give the Existing Stockholders Representative reasonable opportunity to provide information and participate in the applicable portion of such audit.

Section 6.02. Consistency. Except upon the written advice of an Advisory Firm, the Corporation and the Existing Stockholders Representative agree to report and cause to be reported for all purposes, including federal, state, local and foreign Tax purposes and financial reporting purposes, all Tax-related items (including without limitation the Annual Tax Payment) in a manner consistent with that specified by the Corporation in any Schedule required to be provided by or on behalf of the Corporation or any Taxable Entity under this Agreement and agreed by the Existing Stockholders Representative. Any dispute concerning such advice shall be subject to the terms of Section 7.09. In the event that an Advisory Firm is replaced with another firm acceptable to the Corporation and the Existing Stockholders Representative pursuant to the definition of Advisory Firm, such replacement Advisory Firm shall be required to perform its services under this Agreement using procedures and methodologies consistent with those used by the previous Advisory Firm, unless otherwise required by law or the Corporation and the Existing Stockholders Representative agree to the use of other procedures and methodologies.

Section 6.03. Cooperation. Each of the Corporation and the Existing Stockholders (through the Existing Stockholders Representative) shall (a) furnish to the other party in a timely manner such information, documents and other materials as the other party may reasonably request for purposes of making or approving any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (b) make itself available to the other party and its representatives to provide explanations of documents and materials and such other information as the requesting party or its representatives may reasonably request in connection with any of the matters described in clause (a) above, and (c) reasonably cooperate in connection with any such matter, and the requesting party shall reimburse the other party for any reasonable third-party costs and expenses incurred pursuant to this Section.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given and received (a) on the date of delivery if delivered personally, or by facsimile upon confirmation of transmission by the sender's fax machine if sent on a Business Day (or otherwise on the next Business Day) or (b) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

If to the Corporation, to:

Berry Plastics Group Inc.
101 Oakley Street
Evansville, IN 47710
Attention: Chief Financial Officer

with a copy to (which shall not constitute notice):

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attn: Andrew J. Nussbaum, Esq.
Fax: (212) 403-2000

If to the Existing Stockholders Representative, to:

Apollo Management VI, L.P.
9 West 57th Street
New York, New York 10019
Attn: Robert V. Seminara
Fax: (212) 515-3251

with a copy to (which shall not constitute notice):

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attn: Andrew J. Nussbaum, Esq.
Fax: (212) 403-2000

Any party may change its address or fax number by giving the other party written notice of its new address or fax number in the manner set forth above.

Section 7.02. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 7.03. Entire Agreement; Third Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns. The parties to this Agreement agree that the Existing Stockholders are expressly made third party beneficiaries to this Agreement. Other than as provided in the preceding sentence, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.04. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

Section 7.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 7.06. Successors; Assignment; Amendments; Waivers. (a) The Existing Stockholders Representative may not assign its rights and obligations in its capacity as Existing Stockholders Representative under this Agreement to any person without the prior written consent of the Corporation; provided, however that the Existing Stockholders Representative may assign its rights and obligations in its capacity as Existing Stockholders Representative under this Agreement to any of its Affiliates, as long as such transferee has executed and delivered, or, in connection with such transfer, executes and delivers, a joinder to this Agreement, in form and substance reasonably satisfactory to the Corporation agreeing to be bound by all provisions of this Agreement and acknowledging specifically the last sentence of the next paragraph.

(b) No Existing Stockholder may assign its rights under this Agreement without the prior written consent of the Existing Stockholders Representative. Any assignment of an Existing Stockholder's rights meeting the requirements of this paragraph shall be referred to herein to as a "Permitted Assignment".

(c) No provision of this Agreement may be amended unless such amendment is approved in writing by the Corporation and the Existing Stockholders (through the Existing Stockholders Representative). No provision of this Agreement may be waived unless such waiver is in writing and signed by the party against whom the waiver is to be effective.

(d) All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Corporation shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

Section 7.07. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section 7.08. Resolution of Disputes.

(a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York in accordance with the then-existing Rules of Arbitration of the International Institute for Conflict Prevention and Resolution. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty calendar days of the receipt of the request for arbitration, the International Institute for Conflict Prevention and Resolution shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the Corporation may bring an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Existing Stockholder (through the Existing Stockholders Representative) (i) expressly consents to the application of paragraph (c) of this Section 7.08 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the Corporation as its agent for service of process in connection with any such action or proceeding and agrees that service of process upon such agent, who shall promptly advise the Existing Stockholders Representative of any such service of process, shall be deemed in every respect effective service of process upon such Existing Stockholder in any such action or proceeding.

(c) (i) EACH EXISTING STOCKHOLDER (THROUGH THE EXISTING STOCKHOLDERS REPRESENTATIVE) HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK, NEW YORK FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (B) OF THIS SECTION 7.08, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the fora designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in paragraph (c) (i) of this Section 7.08 and such parties agree not to plead or claim the same.

Section 7.09. Reconciliation.

(a) In General. In the event that the Corporation and the Existing Stockholders Representative are unable to resolve a disagreement with respect to the matters governed by Sections 2.03, 4.02 and 6.02 within the relevant period designated in this Agreement (or the amount of an Early Termination Payment in the case of a breach to which Section 4.01(b) applies) ("**Reconciliation Dispute**"), the Reconciliation Dispute shall be submitted for determination to a nationally recognized expert (the "**Expert**") in the particular area of disagreement mutually acceptable to both parties. The Expert shall be a partner in a nationally recognized accounting firm or a law firm (other than the Advisory Firm), and the Expert shall not, and the firm that employs the Expert shall not, have any material relationship with the Corporation or any of the Existing Stockholders or other actual or potential conflict of interest. If the parties are unable to agree on an Expert within fifteen (15) days of receipt by the respondent(s) of written notice of a Reconciliation Dispute, the Expert shall be appointed by the International Institute for Conflict Prevention and Resolution. The Expert shall resolve any matter relating to the Early Termination Schedule or an amendment thereto within thirty calendar days and shall resolve any matter relating to a Tax Benefit Schedule or an amendment thereto within fifteen calendar days or as soon thereafter as is reasonably practicable, in each case after the matter has been submitted to the Expert for resolution. Notwithstanding the preceding sentence, if the matter is not resolved before any payment that is the subject of a disagreement is due or any Tax Return reflecting the subject of a disagreement is due, such payment shall be made on the date prescribed by this Agreement and such Tax Return may be filed as

prepared by the Corporation or the relevant Taxable Entity, subject to adjustment or amendment upon resolution. The costs and expenses relating to the engagement of such Expert or amending any Tax Return shall be borne by the Corporation, except as provided in the next sentence. Each of the Corporation and the Existing Stockholders shall bear their own costs and expenses of such proceeding. Any dispute as to whether a dispute is a Reconciliation Dispute within the meaning of this Section 7.09 shall be decided by the Expert. The Expert shall finally determine any Reconciliation Dispute and the determinations of the Expert pursuant to this Section 7.09 shall be binding on the Corporation and the Existing Stockholders and may be entered and enforced in any court having jurisdiction.

(b) Income Projections for Early Termination Payments. Notwithstanding the provisions of Section 7.09(a), solely with respect to disagreements regarding the computation of an Early Termination Payment or Divestiture Acceleration Payment that relates to the taxable income projections described in clause (i) of the definition of "Valuation Assumptions," the Corporation and the Existing Stockholders (through the Existing Stockholders Representative) shall each submit the Reconciliation Dispute for determination to an Expert in the area of valuation services. Based on the income projections of such Experts, if the higher of the resulting Early Termination Payment or Divestiture Acceleration Payment computations does not exceed 110% of the lower, then the Early Termination Payment or Divestiture Acceleration Payment shall be the average of such two amounts. If the higher of the Early Termination Payment or Divestiture Acceleration Payment computations is more than 110% of the lower, then the two Experts shall, within 20 days from such determination, select a third Expert and shall notify the Corporation and the Existing Holders of such selection. If the Early Termination Payment or Divestiture Acceleration Payment computed by the third Expert is equal to the average of the first two Early Termination Payment or Divestiture Acceleration Payment computations, then the Early Termination Payment or Divestiture Acceleration Payment shall be such average. If the third Early Termination Payment or Divestiture Acceleration Payment computation is higher than the average of the first two computations, then the Early Termination Payment or the Divestiture Acceleration Payment shall be the average of such third computation and the higher of the first two computations; provided that if such average exceeds 110% of the higher of the first two computations, then the Early Termination Payment or Divestiture Acceleration Payment shall be 110% of the higher of the first two computations. If the third Early Termination Payment or Divestiture Acceleration Payment computation is lower than the average of the first two computations, then the Early Termination Payment or Divestiture Acceleration Payment shall be the average of such third computation and the lower of the first two computations; provided that if such average is less than 90% of the lower of the first two computations, then the Early Termination Payment or Divestiture Acceleration Payment shall be 90% of the lower of the first two computations.

Section 7.10. Withholding. The Corporation shall be entitled to deduct and withhold from any payment payable pursuant to this Agreement such amounts as the Corporation is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority by the Corporation, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Existing Stockholders. The Corporation shall provide evidence of such payment to the Existing Stockholders (through the Existing Stockholders Representative) to the extent that such evidence is available.

Section 7.11. Affiliated Corporations; Admission of the Corporation into a Consolidated Group; Transfers of Corporate Assets.

(a) If the Corporation is or becomes a member of an affiliated or consolidated group of corporations that files a consolidated income tax return pursuant to Sections 1501 et seq. of the Code (other than if the Corporation becomes a member of such a group as a result of a Change of Control, in which case the provisions of Article IV shall control), then: (i) the provisions of this Agreement shall be applied with respect to the group as a whole; and (ii) Annual Tax Payments shall be computed with reference to the consolidated taxable income of the group as a whole.

(b) If any Taxable Entity is or becomes a member of a Combined Taxation Group for purposes of state or foreign income Taxes (other than if a Taxable Entity becomes a member of such a group as a result of a Change of Control or Divestiture, in which cases the provisions of Article IV shall control), then: (i) the provisions of this Agreement shall be applied with respect to the group as a whole; and (ii) Annual Tax Payments shall be computed with reference to the combined taxable income of the group as a whole.

(c) If any Person the income of which is included in the income of any Taxable Entity's Combined Taxation Group transfers one or more assets to a corporation or any Person treated as such for Tax purposes the income of which is not included in such Combined Taxation Group, for purposes of calculating the amount of any Annual Tax Payment (e.g., calculating the gross income of a Taxable Entity's Combined Taxation Group and determining the Realized Tax Benefit) due hereunder, such Person shall be treated as having disposed of such asset in a fully taxable transaction on the date of such transfer. The consideration deemed to be received by such entity shall be equal to the fair market value of the transferred asset, plus (i) the amount of debt to which such asset is subject, in the case of a transfer of an encumbered asset or (ii) the amount of debt allocated to such asset, in the case of a transfer of a partnership interest.

Section 7.12. Confidentiality. (a) Each Existing Stockholder (through the Existing Stockholders Representative) and each of its assignees acknowledges and agrees that the information of the Corporation is confidential and, except in the course of performing any duties as necessary for the Corporation and its Affiliates, as required by law or legal process or to enforce the terms of this Agreement, shall keep and retain in the strictest confidence and not disclose to any Person all confidential matters of the Corporation or the Existing Stockholders acquired pursuant to this Agreement. This Section 7.12 shall not apply to (i) any information that has been made publicly available by the Corporation or any of its Affiliates, becomes public knowledge (except as a result of an act of any Existing Stockholder in violation of this Agreement) or is generally known to the business community; and (ii) the disclosure of information to the extent necessary for any Existing Stockholder to prepare and file its Tax returns, to respond to any inquiries regarding the same from any Taxing Authority or to prosecute or defend any action, proceeding or audit by any taxing authority with respect to such returns. Notwithstanding anything to the contrary herein, each Existing Stockholder (and each employee, representative or other agent of such Existing Stockholder) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of (x) the Corporation and (y) any of its transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to such Existing Stockholder relating to such tax treatment and tax structure.

(b) If the Existing Stockholders Representative or any of its assignees commits a breach, or threatens to commit a breach, of any of the provisions of this Section 7.12, the Corporation shall have the right and remedy to have the provisions of this Section 7.12 specifically enforced by injunctive relief or otherwise by any court of competent jurisdiction without the need to post any bond or other security, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Corporation or any of its Subsidiaries and the accounts and funds managed by the Corporation and that money damages alone shall not provide an adequate remedy to such Persons. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available at law or in equity.

Section 7.13. Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 7.14. Appointment of Existing Stockholders Representative.

(a) Appointment. Without further action of any of the Corporation, the Existing Stockholders Representative or any Existing Stockholder, and as partial consideration of the benefits conferred by this Agreement, the Existing Stockholders Representative is hereby irrevocably constituted and appointed, with full power of substitution, to act in the name, place and stead of each Existing Stockholder with respect to the taking by the Existing Stockholders Representative of any and all actions and the making of any decisions required or permitted to be taken by the Existing Stockholders Representatives under this Agreement (and any potential agreement with the Corporation to terminate this Agreement earlier than such time as is provided in Section 4.01 provided that (for the absence of doubt, except in the case of a termination covered by Section 4.01(e)) any payment made by the Corporation upon such an early termination shall be paid to each Existing Stockholder based on such Existing Stockholder's Ownership Percentage). The power of attorney granted herein is coupled with an interest and is irrevocable and may be delegated by the Existing Stockholders Representatives. No bond shall be required of the Existing Stockholders Representatives, and the Existing Stockholders Representatives shall receive no compensation for its services.

(b) Expenses. If at any time the Existing Stockholders Representative shall incur out of pocket expenses in connection with the exercise of its duties hereunder, upon written notice to the Corporation from the Existing Stockholders Representative of documented costs and expenses (including fees and disbursements of counsel and accountants) incurred by the Existing Stockholders Representative in connection with the performance of its rights or obligations under this Agreement and the taking of any and all actions in connection therewith, the Corporation shall reduce any future payments (if any) due to the Existing Stockholders hereunder pro rata (based on their respective ownership percentages in the Corporation) by the amount of such expenses which it shall instead remit directly to the Existing Stockholders Representative. In connection with the performance of its rights and obligations under this Agreement and the taking of any and all actions in connection therewith, the Existing Stockholders Representative shall not be required to expend any of its own funds (though, for the avoidance of doubt, it may do so at any time and from time to time in its sole discretion).

(c) Limitation on Liability. The Existing Stockholders Representative shall not be liable to any Existing Stockholder for any act of the Existing Stockholders Representative arising out of or in connection with the acceptance or administration of its duties under this Agreement, except to the extent any liability, loss, damage, penalty, fine, cost or expense is actually incurred by such Existing Stockholder as a proximate result of the gross negligence, bad faith or willful misconduct of the Existing Stockholders Representative (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of such good faith and reasonable judgment). The Existing Stockholders Representative shall not be liable for, and shall be indemnified by the Existing Stockholders (on a several but not joint basis) for, any liability, loss, damage, penalty or fine incurred by the Existing Stockholders Representative (and any cost or expense incurred by the Existing Stockholders Representative in connection therewith and herewith and not previously reimbursed pursuant to subsection (b) above) arising out of or in connection with the acceptance or administration of its duties under this Agreement, except to the extent that any such liability, loss, damage, penalty, fine, cost or expense is the proximate result of the gross negligence, bad faith or willful misconduct of the Existing Stockholders Representative (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of such good faith and reasonable judgment); provided, however, in no event shall any Existing Stockholder be obligated to indemnify the Existing Stockholders Representative hereunder for any liability, loss, damage, penalty, fine, cost or expense to the extent (and only to the extent) that the aggregate amount of all liabilities, losses, damages, penalties, fines, costs and expenses indemnified by such Existing Stockholder hereunder is or would be in excess of the aggregate payments under this Agreement actually remitted to such Existing Stockholder. Each Existing Stockholder's receipt of any and all benefits to which such Existing Stockholder is entitled under this Agreement, if any, is conditioned upon and subject to such Existing Stockholder's acceptance of all obligations, including the obligations of this Section 7.14(c), applicable to such Existing Stockholder under this Agreement.

(d) Actions of the Existing Stockholders Representative. Any decision, act, consent or instruction of the Existing Stockholders Representative shall constitute a decision of all Existing Stockholders and shall be final, binding and conclusive upon each Existing Stockholder, and the Corporation may rely upon any decision, act, consent or instruction of the Existing Stockholders Representative as being the decision, act, consent or instruction of each Existing Stockholder. The Corporation is hereby relieved from any liability to any person for any acts done by the Corporation in accordance with any such decision, act, consent or instruction of the Existing Stockholders Representative.

[Signatures pages follow]

IN WITNESS WHEREOF, the Corporation and the Existing Stockholders Representative have duly executed this Agreement as of the date first written above.

BERRY PLASTICS GROUP INC.

By: /s/ Jonathan D. Rich
Name: Jonathan D. Rich
Title: Chairman & CEO

APOLLO MANAGEMENT FUND VI, L.P.,
as Existing Stockholders Representative

By: AIF VI Management, LLC, its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

[*Signature page to Income Tax Receivable Agreement*]

Exhibit A

Stockholders

Jimmy Alexander
Brett Bauer
Randall Becker
Curtis Begle
Harold Engh III
Scott Farmer
Michelle Forsell
Mark Freeman
Lawrence Goldstein
Rodgers Greenawalt
Randall Hobson
Dave Jochem
Jochem Family Trust No. 1 Jochem
Kurt Klodnick
James Kratochvil
Todd Mathis
John Matuscak
Mark Miles
William Norman
Joel Plaas
Jonathan Rich
Jonathan Rich
Jonathan D Rich - GRAT - BP Rich
Thomas Salmon
Edward Stratton
Jeffrey Thompson
John Ulowetz
Glenn Unfried
Robert Weilminster
Donald Abney
Eric Babillis
John Baker
Bret Baum
Keith Brechtelsbauer
Joseph Bruchman
Richard Carroll
Frank Cassidy
Michael Clark
Frits Doddema
Wendolyn Fox
Joseph Franckowiak
Greg Gard
Debra Garrison
Jeffrey Godsey
William Gross
Ronda Hale
Bill Harness
Elisabeth Heusinkveld

Mike Hill
Michael Jacklen
Thomas Johnson
Gregory Wilson Jones
Paul Kiely
Robert Kiely
Richard Kreisl
James Kveglis
Gerard Lamarre
John Landgrebe
Tim Leasure
Mary Jo Lilly
Jeffrey Mann
Henry Mariana
Joanna Marshall
Joanna Marshall IRA Charles Schwab & Co., Inc. Custodian Marshall
Janice Meissbach
Jeff Minnette
Jason Paladino
John Mark Patrick
Kevin Pennington
Edmond Phillips
Terri Pitcher
Tom Radle
Christopher Reffett
Dale Ridenour
Gerald Ruud, II
Jennye Scott
Shelton Scott
Benjamin Stilwell
Rolland Strasser
Thomas Sweeney, Jr.
Garry Teeguarden
Sam Thomas
Timothy White
John Yellig
Brian Allen
David Anderson
Darin Boots
Bobby Couick
Jennifer Dartt
Lisa Davis
Joseph Dewig
Kathie Ellsworth
Dale Finley
William Freyer
Todd Gerot
Marshall Harris
William Humphries
Kenneth Jochem

Jeffrey Kohl
Mark Kramer
Michael Lawrence
Glenn LeBlanc
Ray McAlister
Kenneth Meissbach
Suzanne Mills
Thomas Pate
Michael Putnam
Roseann Rohe
John Sabey
Robert Smith
Robert Stead, Jr.
William Truelove
Michael White
James Abate
Roy Ackerman
Greg Albertson
Patricia Argent
Garry Baker
Kenneth Bell
Gregory Bender
Donald Bender
David Berkman
Stephane Binette
Janet Bittner
Mark Bixler
Elmer Boeke
Ingrid Bogaerts
Mike Bogar
Joe Boris
Edward Boswell
Rodney Brown
Krystal Butell
James Campbell
Darlene Carr
Adam Casta
Fred Cook, Jr.
Steve Cooper
Julie Craft
Ben Cross
Nick Damico
Bob Dannen
Thomas Dawe
Edward Dehart
Elizabeth DeHaven
George Downing
Michael Eickhoff
Daniel Ensley
George Eoannou

David Faubion
Lori Faubion
Nicholas Feagley
Mike Figiel
Scott Fisher
Eric Folz
Dawn Foster
Ross Freese
Brian Fultz
John Furlano
Stewart Gallaher
Eric Garant
Glenn Garbach
Anthony Gardner
David Gerber
John Giminiani
Tammy Goodman
Garry Greene
Karen Groenhagen
William Halvorsen
Kurt Hamblin
Ed Happe
Michael Happe
David Hardin
Gary Hartley
Craig Hashagen
David Hepburn
Scott Hess
Aaron Hill
Martha Holloway
Dave Homan
Robert Humberger
Darin Hunt
Casey Hurney
David Hylander
Julie Jacobs
Gregory Wayne Jones
Paul Jones
James Kane
Brett Kaufman
Judith Keller
Matthew Kelly
David Kincade
Brooke Kitzmiller
Jeff Klone
Spiro Klosteridis
Steve Knapp
Keith Koressel
William Kroeschell
James Kujawa

James LaBrash
Russell Laucks
Alan Letterman
Nancy Levesque
Ameriprise Trust Co. FBO, Brian Lloyd IRA, Acct #60888856-6-021 Lloyd
Brian Lloyd
Robert Loftus
Clara Longo
Daniel Mahoney
Dianne Manley
Milan Maravich
Warren Marsh, Jr.
Paul Martensen
Katrien Masschelein
David Matteson
Karl Mauck
Timothy McCue
Robert McLeland
Kevin Mesker
Richard Messina
The Richard Messina Declaration of Trust Dated 10/10/2005 Messina
Michael Meyer
Frederick Middlestadt
Robin Miller
Karen Morgan
Greg Morris
Theresa Morris
Joseph Nelson
Linda Newcomb
Brian Olund
David O'Nan
Paul Palerino
Scott Pancich
William Persinger
Charles Petrie
Steve Priest
Jacqueline Redmon
Aaron Rees
Mary Reese
Joe Rieks
Alan Ross
Lisa Roth
Bruno Rudolf
Thomas Rzendzian
Christopher Sampson
Adam Schiff
Tammy Schmitt
John Schwetz
Randy Selvage
Eric Sherpy

Ed Smith
Ann Southwell
Scott Spaeth
Kelly Spurrier
John Tauber
Chris Tedford
John Thomas
Dirk Totte
Diane Tungate
Mazhar Uddin
John Vassallo
Rod Vincent
Rob Voegel
Christopher Walker
Craig Ward
Jerome Wargel
Vic Warren
Frank Watson
James Watson
Xiaokang Wei
Christopher White
Kim Wilburn
Freddy Williams
Burnice Wilson
Mitzie Wilson
Phil Wilson
Robert Wolf
Diana Wood
Miriam Wright
Paul Yeager
Gerry Yontz
Richard Zierer, Jr.
Jim Belbas
Kirk Birchler
Terrance Burns
Jackie Cargill
Patricia Cauley
Carol Chomas
Sandy Cleary
Amy Davis
Scott Franke
Michael Fuller
Rod Geiser
George Grinter
Brady Gutekunst
Sharon Hart
Mark Henderson
Amanda Holder
Hillary Johnson
Jana Johnson

Pamela Lagerstrom
Chris Lemberg
William Manning
Tarun Manroa
Kelly McKamey
Stephen McNulty
David Meguiar
Julie Merriman
Adam Meyer
Bruce Miles
Jan Miller
Lee Mosby
Paul Murphy
Tom Paulett
Richard Perkowski
Christopher Phillips
Michelle Phillips
Robert Pressley
John Scheller
Mark Schmitt
Michele Schmitt
Don Scott
Peter Sirois
Matthew Skarbek
Matthew Smythe
Deborah Strickland
Robin Thomas
Roy Thorpe
Todd Wadle
Tim Willett
Jayson Williams
Kevin Winkleman
Vickie Wittmer
Bradley Worth
Lisa Yorgason
AP Berry Holdings, LLC
Apollo Investment Fund V, LP
Apollo Investment Fund VI, L.P.
Apollo V Covalence Holdings LP
BPC Co-Investment Holdings LLC
Covalence Co-Investment Holdings LLC
Graham Berry Holdings, LP
GS Mezzanine Partners 2006 Institutional US, Ltd
GS Mezzanine Partners 2006 Offshore US, Ltd.
GS Mezzanine Partners 2006 Onshore US, Ltd.
Robert Dubner
Marv Schlanger
Timothy Kurpius
R. Brent Beeler 2012-8 Grantor Retained Annuity Trust Beeler
Douglas Bell

Ira Boots
Ira Boots Family Trust No. 1, Ira G. Boots Trustee Boots
The Fredrick A. Heseman Family Trust 2009
Fredrick Heseman
Marcia Jochem
Howard Weatherwax
Stephen Ellis
Terry Wix
Charles Allen
Timothy Beaudry
Steven Bonti
Ronald Casey, Sr.
Tony Cella
David Corey
James Farley, Jr.
Mark Fermenick
Timothy Flynn
Mark Fricke
Kenneth Fritts
Dennis Giese
Stephen Heye
James Hill
Kris Hockstedler
Armando Huicochea
Aron Jahr
Deborah Johnson
Curtis Jordan
Butch Lee
Daniel Lenhart
Kyle Lorentzen
Jon Lyons
Michael Lyons
Marshall McCombs
Terry Moege
Bryan Norman
Lisa Richey
Randall Rieger
Angela Rosenberry
Jerry Serra
Ronald Sheldon
James Whitehead
Elizabeth Wilhelmson
Alan Wyne

EXHIBIT 10.26

BERRY PLASTICS GROUP, INC.
EXECUTIVE BONUS PLAN

1. Purpose

This Executive Bonus Plan (the "*Bonus Plan*") is intended to provide an incentive for superior work and to motivate eligible executives of Berry Plastics Group, Inc. (the "*Company*") and its subsidiaries toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives. The Bonus Plan is for the benefit of Covered Executives (as defined below).

2. Administration

Subject to applicable law and regulation, the Board of Directors of the Company (the "*Board*") or a committee of the Board (the "*Committee*") shall have the sole discretion and authority to administer and interpret the Bonus Plan (the Board or Committee, as applicable, that administers and interprets the Bonus Plan, the "*Administrator*").

3. Covered Executives

From time to time, the Administrator may select certain key executives of the Company (the "*Covered Executives*") to be eligible to receive bonuses hereunder.

4. Bonus Determinations

The Company may pay bonuses to Covered Executives under the Bonus Plan based upon such terms and conditions as the Administrator may in its discretion determine.

5. Bonus Payment

The payment of a bonus to a Covered Executive with respect to a performance period shall be conditioned upon the Covered Executive's employment by the Company on the last day of the performance period; *provided*, *however*, that the Administrator may make exceptions to this requirement, in its sole discretion, including, without limitation, in the case of a Covered Executive's termination of employment, retirement, death or disability, or as may be required by or contemplated in an individual employment or similar agreement.

6. Amendment and Termination

The Board reserves the right to amend or terminate the Bonus Plan at any time in its sole discretion. Any amendments to the Bonus Plan shall require stockholder approval only to the extent required by any applicable law, rule or regulation.

7. No Employment Rights

Nothing in the Bonus Plan shall confer upon any Covered Executive the right to continue in the employ of the Company or affect any right which the Company may have to terminate such employment.

8. Stockholder Approval

No bonuses shall be paid under the Bonus Plan unless and until the Company's stockholders shall have approved the Bonus Plan. The Bonus Plan will be submitted for the approval of the Company's stockholders after the initial adoption of the Bonus Plan by the Board of Directors of the Company.

9. Required Taxes

No later than the date as of which an amount first becomes includible in the gross income of a Covered Executive for federal, state, local or foreign income or employment or other tax purposes with respect to any award under the Bonus Plan, such Covered Executive shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Bonus Plan shall be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Covered Executive.

10. Governing Law

All questions concerning the construction, interpretation and validity of the Bonus Plan shall be governed by and construed and enforced in accordance with the domestic laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware will control the interpretation and construction of this Bonus Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

11. Term of Plan

The Bonus Plan shall become effective as of October 3, 2012. The Bonus Plan shall expire on the earliest to occur of: (a) the first material modification of the Bonus Plan (as defined in Treasury Regulation Section 1.162-27(h)(1)(iii)); (b) the first meeting of the Company's stockholders at which members of the Board of Directors of the Company are to be elected that occurs after the close of the third calendar year following the calendar year in which occurred the first registration of an equity security of the Company under Section 12 of the Securities Exchange Act of 1934, as amended; or (c) such other date required by Section 162(m) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (including without limitation Treasury Regulation Section 1.162-27(f)(2)). The Bonus Plan is intended to be subject to the relief set forth in Treasury Regulation Section 1.162-27(f)(1) and shall be interpreted accordingly.

BERRY PLASTICS GROUP, INC.
2012 LONG-TERM INCENTIVE PLAN

Section 1. Purpose; Definitions

The purpose of the Plan is to further the growth and success of the Company and its Subsidiaries (as hereinafter defined) by enabling directors, employees, consultants and other service providers of the Company and/or its Subsidiaries to acquire Shares (as hereinafter defined), thereby increasing their personal interest in such growth and success, and to provide a means of rewarding outstanding performance by such persons to the Company and/or its Subsidiaries.

Certain terms used herein have definitions given to them in the first place in which they are used. In addition, for purposes of the Plan, the following terms are defined as set forth below:

(a) "*Affiliate*" means with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, such Person and/or one or more Affiliates thereof. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies (whether through the ownership of securities or any partnership or other ownership interests, by contract or otherwise) of a Person. The term "Affiliate" shall not include at any time any portfolio companies of any funds managed by Apollo Global Management, LLC, including Apollo Investment Fund VI, L.P. and Apollo Investment Fund V, L.P., along with their parallel investment funds (collectively, "*Apollo*"), as well as investment funds affiliated with or managed by Graham Partners, Inc. and investment entities affiliated with Donald C. Graham (collectively, "*Graham*"), or any of their respective Affiliates, other than the Company and its Subsidiaries.

(b) "*Applicable Exchange*" means The New York Stock Exchange, or, in the event the Common Stock is not listed on such exchange, such other national securities exchange on which the Shares are principally listed or quoted.

(c) "*Award*" means an Option, Restricted Stock, Stock Appreciation Right, Restricted Stock Unit, or other stock-based award granted pursuant to the terms of the Plan.

(d) "*Award Agreement*" means a written or electronic agreement, contract or other instrument or document evidencing the grant of an Award that has been duly authorized and approved by the Board or the Committee.

(e) "*Board*" means the Board of Directors of the Company.

(f) "*Business Combination*" has the meaning set forth in Section 9(b)(iii).

(g) "*Cause*" means, with respect to a Participant's Termination of Employment: (i) if the applicable Award Agreement defines such term, the meaning given in the Award Agreement; (ii) if the applicable Award Agreement does not define such term, in the case of a Participant whose employment is subject to the terms of an Individual Agreement that includes a definition of "Cause," the meaning set forth in such Individual Agreement during the period that such Individual Agreement remains in effect; *provided*, *however*, that notwithstanding the foregoing, to the extent the employment agreement defines "Cause" to include the commission of, indictment for, conviction of or plea of no contest to a felony or other crime, in no event shall such commission, indictment, conviction or plea constitute Cause hereunder unless the act constituted a crime that is (a) a felony (or equivalent classification) under applicable law or (b) a crime against the Company or its Subsidiaries; and (iii) in all other cases, the Participant's (a) intentional failure or refusal to perform reasonably assigned duties, (b) dishonesty, willful misconduct or gross negligence in the performance of the Participant's duties to the Company or its Subsidiaries, (c) involvement in a transaction in connection with the performance of the Participant's duties to the Company or its Subsidiaries which transaction is adverse to the interests of the Company or its Subsidiaries and which is engaged in for personal profit, (d) willful violation of any law, rule or regulation in connection with the performance of the Participant's duties to the Company or its Subsidiaries (other than misdemeanor traffic violations or similar minor offenses), (e) indictment for, conviction of or plea of no contest to any crime that is (1) a felony (or equivalent classification) under applicable law or (2) a crime against the Company or its Subsidiaries or (f) action or inaction materially adversely affecting the Company or its Subsidiaries.

(h) "*Change in Control*" has the meaning set forth in Section 9(b).

(i) "*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto. Reference to any specific section of the Code shall be deemed to include such regulations and guidance issued in respect thereof, as well as any successor provision of the Code.

(j) "*Commission*" means the Securities and Exchange Commission or any successor agency.

(k) "*Committee*" has the meaning set forth in Section 2(a).

(l) "*Common Stock*" means common stock, par value $0.01 per share, of the Company.

(m) "*Company*" means Berry Plastics Group, Inc., a Delaware corporation.

(n) "*Corporate Transaction*" has the meaning set forth in Section 3(c).

(o) "*Disability*" means, with respect to a Participant: (i) if the applicable Award Agreement defines such term, the meaning given in the Award Agreement; (ii) if the applicable Award Agreement does not define such term, in the case of a Participant whose employment is subject to the terms of an Individual Agreement that includes a definition of "Disability," the meaning set forth in such Individual Agreement during the

period that such Individual Agreement remains in effect; and (iii) in all other cases, a physical or mental infirmity that impairs the Participant's ability to perform substantially his or her duties for a period of ninety (90) days in any 365-day period. Notwithstanding the above, with respect to an Incentive Stock Option, Disability shall mean Permanent and Total Disability as defined in Section 22(e)(3) of the Code, and, with respect to each Award that constitutes a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code, the foregoing definition shall apply for purposes of provisions relating to vesting of such Award, provided that such Award shall not be settled until the earliest of: (1) the Participant's "disability" within the meaning of Section 409A of the Code, (2) the Participant's "separation from service" within the meaning of Section 409A of the Code, and (3) the date such Award otherwise would be settled pursuant to the terms of the Award Agreement.

(p) "*Disaffiliation*" of a Subsidiary or Affiliate of the Company means the Subsidiary's or Affiliate's ceasing to be a Subsidiary or Affiliate of the Company for any reason (including, without limitation, as a result of a public offering, or a spinoff or sale by the Company, of the stock of the Subsidiary or Affiliate) or a sale of a division of the Company and its Affiliates.

(q) "*Effective Date*" shall have the meaning set forth in Section 13(o).

(r) "*Eligible Individuals*" means directors, employees, consultants and other service providers of the Company or any of its Subsidiaries or Affiliates on the date of the grant.

(s) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(t) "*Fair Market Value*" means the closing price of a share of the Common Stock on the Applicable Exchange on the date of measurement, or if Shares were not traded on the Applicable Exchange on such measurement date, then on the next preceding date on which Shares were traded on the Applicable Exchange, all as reported by such source as the Committee may select. If the Common Stock is not listed on a national securities exchange, but is listed on another established securities market on the date of measurement and the Common Stock is readably tradable, Fair Market Value shall be the closing price of a share of the Common Stock on the established securities market on the date of measurement, or if Shares were not traded on the established securities market on such measurement date, then on the next preceding date on which Shares were traded on the established securities market, all as reported by such source as the Committee may select. If the Common Stock is not listed on a national securities exchange or another established securities market on which the Shares are readily tradable, Fair Market Value shall be determined by the Committee in its good faith discretion, taking into account, to the extent appropriate, the requirements of Section 409A of the Code.

(u) "*Free-Standing SAR*" has the meaning set forth in Section 5(b).

(v) "*Grant Date*" means (i) the date on which the Committee by resolution selects an Eligible Individual to receive a grant of an Award and determines the number of Shares to be subject to such Award or the formula for earning a number of shares or cash amount, or (ii) such later date as the Committee shall provide in such resolution.

(w) "*Incentive Stock Option*" means any Option designated as, and qualified as, an "incentive stock option" within the meaning of Section 422 of the Code.

(x) "*Individual Agreement*" means an employment, consulting, severance or similar written agreement between a Participant and the Company or one of its Subsidiaries or Affiliates.

(y) "*IPO*" means the initial underwriting offering of the Shares pursuant to a registration statement (other than a Form S-8 or any successor form) declared effective with the Commission.

(z) "*Investors*" means any Person who owned Shares immediately following the "Closing" (as such term is defined in the Agreement and Plan of Merger, dated as of June 28, 2006, by and between BPC Holding Corporation, BPC Acquisition Corp., and the Company).

(aa) "*Merger*" shall have the meaning set forth in Section 9(b)(ii).

(bb) "*Non-Control Transaction*" shall have the meaning set forth in Section 9(b)(ii).

(cc) "*Non-Qualified Stock Option*" means any Option that is not an Incentive Stock Option.

(dd) "*Option*" means an Award granted under Section 5.

(ee) "*Outstanding Voting Securities*" shall have the meaning set forth in Section 9(b)(i).

(ff) "*Parent*" has the definition set forth in Section 424(e) of the Code.

(gg) "*Parent Corporation*" shall have the meaning set forth in Section 9(b)(ii).

(hh) "*Participant*" shall have the meaning set forth in Section 4.

(ii) "*Person*" shall have the meaning set forth in Section 9(b)(i).

(jj) "*Plan*" means the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan, as set forth herein and as hereinafter amended from time to time.

(kk) "*Redundancy*" means the termination of the employment of a Participant within six months following a material acquisition or disposition by the Company or any Subsidiary or Affiliate of the Company, provided that the Committee determines in good faith that such acquisition or disposition resulted in the elimination of, or a redundancy in, the Participant's position.

(ll) "*Related Entity*" shall have the meaning set forth in Section 9(b)(i).

(mm) "*Restricted Stock*" means an Award granted under Section 6.

(nn) "*Restricted Stock Units*" means an Award granted under Section 7.

(oo) "*Retirement*" means retirement from active employment with the Company or a Subsidiary or Affiliate of the Company at or after the Participant's attainment of age 60 and ten years of service with the Company or a Subsidiary or Affiliate of the Company.

(pp) "*Rule 16b-3*" means Rule 16b-3, as promulgated by the Commission under Section 16(b) of the Exchange Act, as amended from time to time.

(qq) "*Section 409A*" means Section 409A of the Code and any guidance or regulations with respect thereto.

(rr) "*Share Change*" has the meaning set forth in Section 3(c).

(ss) "*Shares*" means shares of Common Stock.

(tt) "*Stock Appreciation Right*" means an Award granted under Section 5.

(uu) "*Subsidiary*" means, with respect to any Person, any corporation or other entity of which the Person owns securities or interests having a majority, directly or indirectly, of the ordinary voting power in electing the board of directors, managers, general partners or similar governing Persons thereof, *provided* that with respect to Incentive Stock Options, Subsidiary has the same meaning as set forth in Section 424(f) of the Code.

(vv) "*Surviving Corporation*" shall have the meaning set forth in Section 9(b)(ii).

(ww) "*Tandem SAR*" has the meaning set forth in Section 5(b).

(xx) "*Term*" means the maximum period during which an Option or Stock Appreciation Right may remain outstanding, subject to earlier termination upon Termination of Employment or otherwise, as specified in the applicable Award Agreement.

(yy) "*Termination Date*" shall have the meaning set forth in Section 11(a).

(zz) "*Termination of Employment*" means the termination of the applicable Participant's employment with, or performance of services for, the Company and any of its Subsidiaries or Affiliates. Unless

otherwise determined by the Committee, if a Participant's employment with, or membership on a board of directors of the Company and its Affiliates terminates but such Participant continues to provide services to the Company and its Affiliates in a non-employee director capacity or as an employee, as applicable, such change in status shall not be deemed a Termination of Employment. A Participant employed by, or performing services for, a Subsidiary, Affiliate or division of the Company and its Affiliates shall be deemed to incur a Termination of Employment if, as a result of a Disaffiliation, such Subsidiary, Affiliate, or division ceases to be a Subsidiary, Affiliate or division, as the case may be, of the Company, and the Participant does not immediately thereafter become an employee of (or service provider for), or member of the board of directors of, the Company or another Subsidiary or Affiliate of the Company. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries and Affiliates shall not be considered Terminations of Employment. Notwithstanding the foregoing, with respect to any Award that constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code, "Termination of Employment" shall mean a "separation from service" as defined under Section 409A of the Code.

(aaa) "*Voting Securities*" shall have the meaning set forth in Section 9(b)(i).

Section 2. Administration

(a) The Plan shall be administered by the Board or the Compensation Committee of the Board or such other committee of the Board as the Board may from time to time designate (the "*Committee*"), which shall be appointed by and serve at the pleasure of the Board. Unless otherwise provided by the Board, the Committee shall be composed of not less than two (2) directors (or such greater number as may be required by applicable law or the rules of an Applicable Exchange), each of whom shall be a "non-employee director" within the meaning of Rule 16b-3 or any successor rule of similar import and, to the extent required by an Applicable Exchange, an "independent director" within the meaning of such Applicable Exchange. The Committee shall have plenary authority to grant Awards pursuant to the terms of the Plan to Eligible Individuals. Among other things, the Committee shall have the authority, subject to the terms and conditions of the Plan:

(i) to select the Eligible Individuals to whom Awards may from time to time be granted;

(ii) to determine whether and to what extent Incentive Stock Options, Nonqualified Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, other stock-based awards, or any combination thereof, are to be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to determine the terms and conditions of each Award granted hereunder, based on such factors as the Committee shall determine;

(v) subject to Section 11, to modify, amend or adjust the terms and conditions of any Award;

(vi) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable;

(vii) to accelerate the vesting or lapse of restrictions of any outstanding Award, based in each case on such considerations as the Committee in its sole discretion determines;

(viii) to increase or to reduce the exercise price of any or all outstanding Options or Stock Appreciation Rights, provided such increase or reduction does not violate Section 409A of the Code;

(ix) to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto) and to make any determinations of fact required in connection with interpreting the terms and provisions of the Plan or any Award;

(x) to establish any "blackout" period that the Committee in its sole discretion deems necessary or advisable;

(xi) to determine whether, to what extent, and under what circumstances cash, Shares, and other property and other amounts payable with respect to an Award under this Plan shall be deferred either automatically or at the election of the Participant;

(xii) to decide all other matters that must be determined in connection with an Award; and

(xiii) to otherwise administer the Plan.

(b) *Procedures*.

(i) The Committee may act only by a majority of its members then in office, except that the Committee may, except to the extent prohibited by applicable law or the listing standards of the Applicable Exchange and subject to Section 13(j), allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it.

(ii) Any authority granted to the Committee may also be exercised by the full Board. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

(c) *Discretion of Committee*. Any determination made by the Committee or by an appropriately delegated officer pursuant to delegated authority under the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Committee or such delegate at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company, Participants, and Eligible Individuals.

(d) *Award Agreements*. The terms and conditions of each Award, as determined by the Committee, shall be set forth in an Award Agreement, which shall be delivered to the Participant receiving such Award upon, or as promptly as is reasonably practicable following, the grant of such Award. The effectiveness of an Award shall not be subject to the Award Agreement's being signed by the Company and/or the Participant receiving the Award unless specifically so provided herein or in the Award Agreement. Award Agreements may be amended only in accordance with Section 11 hereof.

Section 3. Common Stock Subject to Plan

(a) *Plan Maximums*. The maximum number of Shares that may be delivered to Participants and their beneficiaries under the Plan shall be 9,297,750. The maximum number of Shares that may be delivered pursuant to Options intended to be Incentive Stock Options shall be 929,775 Shares. The limits set forth in this Section 3(a) shall be subject to the provisions of Sections 3(b) and 3(c).

(b) *Rules for Calculating Shares Delivered*.

(i) To the extent that any Award is forfeited, or any Option and the related Tandem SAR (if any) or Free-Standing SAR terminates, expires or lapses without being exercised, or any Award is settled for cash, the Shares subject to such Awards not delivered as a result thereof shall again be available for Awards under the Plan.

(ii) If the exercise price of any Option and/or the tax withholding obligations relating to any Award are satisfied by delivering Shares to the Company (by either actual delivery or by attestation), only the number of Shares issued net of the Shares delivered or attested to shall be deemed delivered for purposes of the limits set forth in Section 3(a). To the extent any Shares subject to an Award are withheld to satisfy the exercise price (in the case of an Option) and/or the tax withholding obligations relating to such Award, such Shares shall not be deemed to have been delivered for purposes of the limits set forth in Section 3(a).

(c) *Adjustment Provision*. In the event of a merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, Disaffiliation, or similar event affecting the Company or any of its Subsidiaries (each, a "*Corporate Transaction*"), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to (i) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan, (ii) the various maximum limitations set forth in Section 3(a) upon certain types of Awards, (iii) the number and kind of Shares or other securities subject to outstanding Awards, and (iv) the exercise price of outstanding Options and Stock Appreciation Rights. In the event of a stock dividend, stock split, reverse stock split, separation, spin-off, reorganization, extraordinary dividend of cash or other property, share combination, or recapitalization or similar event affecting the capital structure of the Company (each, a "*Share Change*"), the Committee or the Board shall make such substitutions or adjustments as it deems appropriate and equitable to (i) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan, (ii) the various maximum limitations set forth in Section 3(a) upon certain types of Awards, (iii) the number and kind of

Shares or other securities subject to outstanding Awards, and (iv) the exercise price of outstanding Options and Stock Appreciation Rights. In the case of Corporate Transactions, such adjustments may include, without limitation, (1) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion (it being understood that in the case of a Corporate Transaction with respect to which stockholders of Common Stock receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option or Stock Appreciation Right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each Share pursuant to such Corporate Transaction over the exercise price of such Option or Stock Appreciation Right conclusively shall be deemed valid), (2) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the Shares subject to outstanding Awards, and (3) in connection with any Disaffiliation, arranging for the assumption of Awards, or replacement of Awards with new awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary, Affiliate, or division or by the entity that controls such Subsidiary, Affiliate, or division following such Disaffiliation (as well as any corresponding adjustments to Awards that remain based upon Company securities). Any adjustment under this Section 3(c) need not be the same for all Participants.

(d) *Section 409A*. Notwithstanding anything in this Section 3 to the contrary: (i) any adjustments made pursuant to this Section 3 to Awards that constitute a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code, and (ii) any adjustments made pursuant to this Section 3 to Awards that do not constitute a "nonqualified deferred compensation plan" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) comply with the requirements of Section 409A of the Code.

Section 4. Eligibility

Awards may be granted under the Plan to Eligible Individuals. Each such person to whom an Award is granted under the Plan is referred to herein as a "*Participant*."

Section 5. Options and Stock Appreciation Rights

(a) *Types of Options*. Options may be of two types: Incentive Stock Options and Non-Qualified Options. The Award Agreement for an Option shall indicate whether the Option is intended to be an Incentive Stock Option or a Non-Qualified Option.

(b) *Types and Nature of Stock Appreciation Rights*. Stock Appreciation Rights may be "*Tandem SARs*," which are granted in conjunction with an Option, or "*Free-Standing SARs*," which are not granted in conjunction with an Option. Upon the exercise of a Stock Appreciation Right, the Participant shall be entitled to receive an amount in cash, Shares, or both, in value equal to the product of (i) the excess of the Fair Market Value of one Share over the exercise price of the applicable Stock Appreciation Right, multiplied by (ii) the number of Shares in respect of which the Stock Appreciation Right has been exercised. The applicable Award Agreement shall specify whether such payment is to be made in cash or Common Stock or both, or shall reserve to the Committee the right to make that determination prior to or upon the exercise of the Stock Appreciation Right.

(c) *Tandem SARs*. A Tandem SAR may be granted at the Grant Date of the related Option. A Tandem SAR shall be exercisable only at such time or times and to the extent that the related Option is exercisable in accordance with the provisions of this Section 5, and shall have the same exercise price as the related Option. A Tandem SAR shall terminate or be forfeited upon the exercise or forfeiture of the related Option, and the related Option shall terminate or be forfeited upon the exercise or forfeiture of the Tandem SAR.

(d) *Exercise Price*. The exercise price per Share subject to an Option or Free-Standing SAR shall be determined by the Committee and set forth in the applicable Award Agreement, and shall not be less than the Fair Market Value of a share of the Common Stock on the applicable Grant Date, or in the event of any change in the exercise price of such Option or Free-Standing SAR, on the date the repricing becomes effective.

(e) *Exchange and Buyout of Options or Free-Standing SARs*. The Committee may, at any time or from time to time, authorize the grant of new Options or Free-Standing SARs under this Plan in exchange for the surrender and cancellation of any or all outstanding Options or Free-Standing SARs. The Committee may at any time buy from a Participant an Option or Free-Standing SAR previously granted with payment in cash, securities of the Company or other consideration, based on such terms and conditions as the Committee and the Participant may agree.

(f) *Term*. The Term of each Option and each Free-Standing SAR shall be fixed by the Committee, but shall not exceed ten years from the Grant Date.

(g) *Vesting and Exercisability*. Except as otherwise provided herein, Options and Free-Standing SARs shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. If the Committee provides that any Option or Free-Standing SAR will become exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. In addition, the Committee may at any time accelerate the exercisability of any Option or Free-Standing SAR.

(h) *Method of Exercise*. Subject to the provisions of this Section 5, Options and Free-Standing SARs may be exercised, in whole or in part, at any time during the applicable Term by giving written notice of exercise to the Company or through the procedures established with the Company's appointed third-party Option administrator specifying the number of Shares as to which the Option or Free-Standing SAR is being exercised; *provided*, *however*, that, unless otherwise permitted by the Committee, any such exercise must be with respect to a portion of the applicable Option or Free-Standing SAR relating to no less than the lesser of the number of Shares then subject to such Option or Free-Standing SAR or 50 Shares. In the case of the exercise of an Option, such notice shall be accompanied by payment in full of the purchase price (which shall equal the product of such number of Shares multiplied by the applicable exercise price) by certified or bank check or such other instrument as the Company may accept. If approved by the Committee, payment, in full or in part, may also be made as follows:

(i) Payments may be made in the form of unrestricted Shares (by delivery of such Shares or by attestation) based on the Fair Market Value of the Common Stock on the date the Option is exercised; *provided, however,* that, in the case of an Incentive Stock Option, the right to make a payment in the form of already owned Shares may be authorized only at the time the Option is granted.

(ii) To the extent permitted by applicable law, payment may be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the purchase price, and, if requested, the amount of any federal, state, local or foreign withholding taxes. To facilitate the foregoing, the Company may, to the extent permitted by applicable law, enter into agreements for coordinated procedures with one or more brokerage firms. To the extent permitted by applicable law, the Committee may also provide for Company loans to be made for purposes of the exercise of Options.

(iii) Payment may be made by instructing the Company to withhold a number of Shares having a Fair Market Value (based on the Fair Market Value of the Common Stock on the date the applicable Option is exercised) equal to the product of (A) the exercise price multiplied by (B) the number of Shares in respect of which the Option shall have been exercised.

(i) *Delivery; Rights of Stockholders*. No Shares shall be delivered pursuant to the exercise of an Option until the exercise price therefor has been fully paid and applicable taxes have been withheld. The applicable Participant shall have all of the rights of a stockholder of the Company holding the class or series of Common Stock that is subject to the Option or Stock Appreciation Right (including, if applicable, the right to vote the applicable Shares and the right to receive dividends), when the Participant (i) has given written notice of exercise, (ii) if requested, has given the representation described in Section 13(a), and (iii) in the case of an Option, has paid in full for such Shares.

(j) *Terminations of Employment*. A Participant's Options and Stock Appreciation Rights shall be forfeited upon such Participant's Termination of Employment, except as set forth below:

(i) Upon a Participant's Termination of Employment for Cause, any Option or Stock Appreciation Right held by the Participant shall be forfeited, effective as of such Termination of Employment; and

(ii) Upon a Participant's Termination of Employment for any reason other than for Cause, any Option or Stock Appreciation Right held by the Participant that was exercisable immediately before the Termination of Employment may be exercised at any time until the earlier of (A) the 90th day following such Termination of Employment, and (B) expiration of the Term of such Option or Stock Appreciation Right.

Notwithstanding the foregoing, the Committee shall have the power, in its discretion, to apply different rules concerning the consequences of a Termination of Employment; *provided, however*, that if such rules are less favorable to the Participant than those set forth above, such rules are set forth in the applicable Award Agreement. If an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Option will thereafter be treated as a Non-Qualified Option.

(k) *Nontransferability of Options and Stock Appreciation Rights*. No Option or Free-Standing SAR shall be transferable by a Participant other than (i) by will or by the laws of descent and distribution, or (ii) in the case of a Non-Qualified Option or Free-Standing SAR, pursuant to a qualified domestic relations order or as otherwise expressly permitted by the Committee including, if so permitted, pursuant to a transfer to the Participant's family members or to a charitable organization, whether directly or indirectly or by means of a trust or partnership or otherwise. For purposes of this Plan, unless otherwise determined by the Committee, "family member" shall have the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto. A Tandem SAR shall be transferable only with the related Option as permitted by the preceding sentence. Any Option or Stock Appreciation Right shall be exercisable, subject to the terms of this Plan, only by the applicable Participant, the guardian or legal representative of such Participant, or any person to whom such Option or Stock Appreciation Right is permissibly transferred pursuant to this Section 5(k), it being understood that the term "Participant" includes such guardian, legal representative and other transferee; *provided, however*, that the term "Termination of Employment" shall continue to refer to the Termination of Employment of the original Participant.

Section 6. Restricted Stock

(a) *Awards and Certificates*. Shares of Restricted Stock are actual shares issued to a Participant, and shall be evidenced by an Award Agreement and in such other manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of shares of Restricted Stock shall be registered in the name of such Participant and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Award, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms, conditions, and restrictions (including forfeiture) set forth in the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan (the "*Plan*") and the applicable Award Agreement, if applicable. Copies of such Plan and Agreement are on file at the offices of the Company."

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the Participant shall have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Award.

(b) *Terms and Conditions*. Shares of Restricted Stock shall be subject to the following terms and conditions:

(i) The Committee shall, prior to or at the time of grant, condition the vesting or transferability of an Award of Restricted Stock upon the continued service of the applicable Participant or the attainment of performance goals, or the attainment of performance goals and the continued service of the applicable Participant. The conditions for grant, vesting, or transferability and the other provisions of Restricted Stock Awards (including without limitation any applicable performance goals) need not be the same with respect to each Participant.

(ii) Subject to the provisions of the Plan and the applicable Award Agreement, during the period, if any, set by the Committee, commencing with the Grant Date of such Restricted Stock Award and until the date of satisfaction of all applicable vesting conditions (such period, the "*Restriction Period*"), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of Restricted Stock.

(iii) Except as provided in this Section 6 and in the applicable Award Agreement, the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a stockholder of the Company holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the shares and the right to receive any cash dividends. If so determined by the Committee in the applicable Award Agreement and subject to Section 13(e) of the Plan, (A) cash dividends on the class or series of Common Stock that is the subject of the Restricted Stock Award automatically shall be reinvested in additional Restricted Stock, held subject to the vesting of the underlying Restricted Stock, and (B) subject to any adjustment pursuant to Section 3(c), dividends payable in Common Stock shall be paid in the form of Restricted Stock, held subject to the vesting of the underlying Restricted Stock.

(iv) Except to the extent otherwise provided in the applicable Award Agreement, upon a Participant's Termination of Employment for any reason during the Restriction Period, all shares still subject to restriction shall be forfeited by the Participant; *provided, however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions with respect to any or all of such Participant's shares of Restricted Stock.

(v) If and when any applicable performance goals are satisfied and the Restriction Period expires without a prior forfeiture of the Restricted Stock for which legended certificates have been issued, unlegended certificates for such shares shall be delivered to the Participant upon surrender of the legended certificates.

Section 7. Restricted Stock Units

(a) *Nature of Award*. Restricted Stock Units are Awards denominated in Shares that will be settled, subject to the terms and conditions of the Restricted Stock Units, either by delivery of Shares to the Participant or by the payment of cash based upon the Fair Market Value of a specified number of Shares.

(b) *Terms and Conditions*. Restricted Stock Units shall be subject to the following terms and conditions:

(i) The Committee shall, prior to or at the time of grant, condition the grant, vesting, or transferability of Restricted Stock Units upon the continued service of the applicable Participant or the attainment of performance goals, or the attainment of performance goals and the continued service of the applicable Participant. The conditions for grant, vesting or transferability and the other provisions of Restricted Stock Units (including without limitation any applicable performance goals) need not be the same with respect to each Participant.

(ii) Subject to the provisions of the Plan and the applicable Award Agreement, during the period, if any, set by the Committee, commencing with the Grant Date of such Restricted Stock Units and until the date of satisfaction of all applicable vesting conditions (the "*Restriction Period*"), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Restricted Stock Units.

(iii) The Award Agreement for Restricted Stock Units shall specify whether, to what extent and on what terms and conditions the applicable Participant shall be entitled to receive current or deferred payments of cash, Common Stock or other property corresponding to the dividends payable on the Common Stock (subject to Section 13(e)).

(iv) Except as otherwise set forth in the applicable Award Agreement, upon a Participant's Termination of Employment for any reason during the Restriction Period, all Restricted Stock Units still subject to restriction shall be forfeited by such Participant; *provided, however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions with respect to any or all of such Participant's Restricted Stock Units.

(v) Except to the extent otherwise provided in the applicable Award Agreement, an award of Restricted Stock Units shall be settled as and when the Restricted Stock Units vest (but in no event later than two and a half months after the end of the fiscal year in which the Restricted Stock Units vest).

Section 8. Other Stock-Based Awards

Other Awards of Common Stock and other Awards that are valued in whole or in part by reference to, or are otherwise based upon, Common Stock, including (without limitation) unrestricted stock, performance units, dividend equivalents and convertible debentures, may be granted either alone or in conjunction with other Awards granted under the Plan.

Section 9. Change in Control Provisions

(a) *Impact of Event*. The Committee may, in its discretion, provide for the acceleration of vesting or exercisability of Awards either (i) upon a Change in Control, (ii) upon a specified date following a Change in Control, or (iii) upon specified Terminations of Employment following a Change in Control. The foregoing sentence shall not be construed to require that the Committee make any such provision. The Committee may provide for such treatment as a term of the Award or may provide for such treatment following the granting of the Award.

(b) *Definition of Change in Control*. For purposes of the Plan, unless otherwise provided in the applicable Award Agreement, a "*Change in Control*" shall mean the happening of any of the following events:

(i) An acquisition of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has (A) "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than fifty percent (50%) of the then-outstanding Shares or the combined voting power of the Company's then-outstanding Voting Securities or (B) the power to elect a majority of the Board without the vote of any of the Investors; *provided*, *however*, that in determining whether a Change in Control has occurred pursuant to this Section 9(b)(i), an acquisition of Shares or Voting Securities by (x) the Company or any corporation or other Person of which a majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company (a "*Related Entity*") or (y), any Investors or any Affiliates of any Investors, shall not constitute a Change in Control; or

(ii) The consummation of a merger, consolidation or reorganization of, with or into the Company or in which securities of the Company are issued (a "*Merger*"), unless such Merger is a "Non-Control Transaction." A "*Non-Control Transaction*" shall mean a Merger where immediately following the Merger the Investors or any Affiliates of the Investors own, directly or indirectly, fifty percent (50%) or more of the combined voting power of the outstanding voting securities of (A) the corporation resulting from the Merger (the "*Surviving Corporation*") if fifty percent (50%) or more of the combined voting power of the then-outstanding voting securities of the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person or (B) if more than fifty percent (50%) of the combined voting power of the then-outstanding voting securities of the Surviving Corporation is Beneficially Owned, directly or indirectly, by another Person (a "*Parent Corporation*"), the ultimate Parent Corporation or (C) an IPO; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company, BPC Holding Corporation or Berry Plastics Corporation to any Person, other than (A) a transfer to a Related Entity or under conditions that would constitute a Non-Control Transaction if the disposition of assets is regarded as a Merger for this purpose or (B) the distribution to the Company's stockholders of the stock of a Related Entity or any other assets.

Section 10. Forfeiture of Awards

Notwithstanding anything in the Plan to the contrary, the Committee shall have the authority under the Plan to provide in any Award Agreement (or to require a Participant to agree by separate written instrument) that in the event of serious misconduct by a Participant (including, without limitation, any misconduct prejudicial to or in conflict with the Company or its Subsidiaries or Affiliates, or any Termination of Employment for Cause), or any activity of a Participant in competition with the business of the Company or any Subsidiary or Affiliate of the Company, (a) any outstanding Options or Stock Appreciation Rights, both vested and unvested, granted to a Participant shall be cancelled, (b) all Awards with respect to which restrictions have not lapsed shall be forfeited, (c) any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt or exercise of the Award, must be paid to the Company and (d) any portion of an Award that has been deferred, whether or not vested, shall be forfeited. The determination of whether a Participant has engaged in serious misconduct or any activity in competition with the business of the Company or any Subsidiary or Affiliate of the Company shall be determined by the Committee in good faith and in its sole discretion.

Section 11. Term, Amendment and Termination

(a) *Termination Date*. The Plan will terminate on the tenth (10th) anniversary (the "*Termination Date*") of the Effective Date. No Awards may be granted after such Termination Date. Under the Plan, any Awards outstanding as of such date of termination of the Plan shall not be affected or impaired by the termination of the Plan and such outstanding Awards shall remain in effect and the terms of the Plan will apply until such Awards terminate as provided in the applicable Award Agreement.

(b) *Amendment of Plan*. The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would materially impair the rights of the Participant with respect to a previously granted Award without such Participant's consent, except such an amendment made to comply with applicable law, including without limitation Section 409A of the Code, stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by applicable law or the listing standards of the Applicable Exchange.

(c) *Amendment of Awards*. Subject to Section 5(d), the Committee may unilaterally amend the terms of any Award theretofore granted, but no such amendment shall without the Participant's consent materially impair the rights of any Participant with respect to an Award, except such an amendment made to cause the Plan or Award to comply with applicable law, stock exchange rules or accounting rules.

Section 12. Unfunded Status of Plan

The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary or Affiliate of the Company.

Section 13. General Provisions

(a) *Representation*. The Committee may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer. Notwithstanding any other provision of the Plan or any Award Agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to fulfillment of all of the following conditions:

(i) Listing or approval for listing upon notice of issuance, of such shares on The New York Stock Exchange, or such other securities exchange as may at the time be the principal market for the Common Stock;

(ii) Any registration or other qualification of such shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and

(iii) Obtaining any other consent, approval or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

(b) *No Limit of Other Arrangements*. Nothing contained in the Plan shall prevent the Company or any Subsidiary or Affiliate of the Company from adopting other or additional compensation arrangements for its employees.

(c) *No Contract of Employment*. Nothing contained in the Plan or in any Award Agreement shall confer upon any Participant any right with respect to the continuation of his or her employment by or service with the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any such Subsidiary, in its sole discretion, at any time to terminate such employment or service or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Award.

(d) *Required Taxes*. No later than the date as of which an amount first becomes includible in the gross income of a Participant for federal, state, local or foreign income or employment or other tax purposes with respect to any Award under the Plan, such Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. If determined by the Company, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.

(e) *Dividends*. Reinvestment of dividends in additional Restricted Stock at the time of any dividend payment, and the payment of Shares with respect to dividends to Participants holding Awards of Restricted Stock Units, shall only be permissible if sufficient Shares are available under Section 3 for such reinvestment or payment (taking into account then outstanding Awards). In the event that sufficient Shares are not available for such reinvestment or payment, such reinvestment or payment shall be made in the form of a grant of Restricted Stock Units equal in number to the Shares that would have been obtained by such payment or reinvestment, the terms of which Restricted Stock Units shall provide for settlement in cash and for dividend equivalent reinvestment in further Restricted Stock Units on the terms contemplated by this Section 13(e).

(f) *Death Beneficiary*. The Committee shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of the Participant's death are to be paid or by whom any rights of the Participant, after the Participant's death, may be exercised.

(g) *Subsidiary Employees*. In the case of a grant of an Award to any employee of a Subsidiary of the Company, the Company may, if the Committee so directs, issue or transfer the Shares, if any, covered by the Award to the Subsidiary, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Subsidiary will transfer the Shares to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. All Shares underlying Awards that are forfeited or canceled shall revert to the Company.

(h) *Governing Law*. All questions concerning the construction, interpretation and validity of the Plan and the instruments evidencing the Awards granted hereunder shall be governed by and construed and enforced in accordance with the domestic laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware will control the interpretation and construction of this Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(i) *Nontransferability*. Unless otherwise provided by the Committee, no Award granted under this Plan shall be assignable or otherwise transferable by the Participant, except by designation of a beneficiary, by will or by the laws of descent and distribution.

(j) *Section 16 Compliance*. The provisions of this Plan are intended to ensure that no transaction under the Plan is subject to (and not exempt from) the short-swing recovery rules of Section 16(b) of the Exchange Act ("*Section 16(b)*"). Accordingly, the composition of the Committee shall be subject to such limitations as the Board deems appropriate to permit transactions pursuant to this Plan to be exempt (pursuant to Rule 16b-3) from Section 16(b), and no delegation of authority by the Committee shall be permitted if such delegation would cause any such transaction to be subject to (and not exempt from) Section 16(b).

(k) *Section 409A of the Code*. It is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A of the Code, unless and to the extent that the Committee specifically determines otherwise as provided in the immediately following sentence, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for elective or mandatory deferral of the delivery of cash or Shares pursuant thereto and any rules regarding treatment of such Awards in the event of a Change in Control, shall be set forth in the applicable Award Agreement, and shall comply in all respects with Section 409A of the Code. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that constitutes a "nonqualified deferred compensation plan" subject to Section 409A of the Code, any payments (whether in cash, Shares or other property) to be made with respect to the Award upon the Participant's Termination of Employment shall be delayed until the first day of the seventh month following the Participant's Termination of Employment if the Participant is a "specified employee" within the meaning of Section 409A of the Code.

(l) *Foreign Employees and Foreign Law Considerations*. The Committee may grant Awards to Eligible Individuals who are foreign nationals, who are located outside the United States or who are not compensated from a payroll maintained in the United States, or who are otherwise subject to (or could cause the Company to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, or sub-plans as may be necessary or advisable to comply with such legal or regulatory provisions.

(m) *No Restriction of Corporate Action*. Nothing contained in the Plan or in any Award Agreement will be construed to prevent the Company or any Subsidiary or Affiliate of the Company from taking any corporate action which is deemed by the Company or by its Subsidiaries and Affiliates to be appropriate or in its best interest, whether such action would have an adverse effect on the Plan or any Award made under the Plan. No Participant or beneficiary of a Participant will have any claim against the Company or any Affiliate as a result of any corporate action.

(n) *No Right to an Award or Grant*. Neither the adoption of the Plan nor any action of the Board or the Committee shall be deemed to give an employee, director or consultant any right to be granted an Option to purchase Common Stock or receive an Award under the Plan except as may be evidenced by an Award Agreement duly executed on behalf of the Company, and then only to the extent of and on the terms and conditions expressly set forth in the Award Agreement.

(o) *Effective Date of Plan*. The Plan shall be effective as of the date (the "*Effective Date*") it is adopted by the Board, provided that it has been approved or is thereafter approved by the stockholders of the Company in accordance with all applicable laws, regulations and stock exchange rules and listing standards.

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As adopted by the Board, effective October 3, 2012.

EXHIBIT 10.28

AMENDMENT NO. 1 (the "AMENDMENT"), dated as of October 2, 2012 to **AMENDED AND RESTATED STOCKHOLDERS AGREEMENT**, dated as of April 3, 2007, by and among BERRY PLASTICS GROUP, INC., a Delaware corporation (the "CORPORATION"), and those stockholders of the Corporation listed on Schedule A thereto (the "AGREEMENT").

WHEREAS, Section 19 of the Agreement provides the Agreement may be amended, modified or supplemented by a written instrument duly executed by the Corporation, the Apollo Entities and the holder of the majority shares of Stock owned by the Stockholders; and

WHEREAS, the Apollo Entities (in their capacity as the Apollo Entities), the Corporation and the Apollo Entities and Graham Entities (together, in their capacity as holders of a majority of shares of Stock of the Corporation) wish to amend the Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual consents and obligations hereinafter set forth, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Agreement.

SECTION 2. REGISTRATION RIGHTS. Section 7 of the Agreement is hereby amended by adding the following as a new Section 7(i):

> "Notwithstanding anything to the contrary set forth in this Agreement, in connection with an IPO, the Corporation shall have no obligation to offer Stockholders the right to participate in such offering or any obligation to provide notice thereof."

SECTION 3. PREEMPTIVE RIGHTS. Section 10 of the Agreement is hereby amended by adding the following as a new Section 10(g):

> "Notwithstanding anything to the contrary set forth in this Agreement, in connection with an IPO, no Stockholder shall be entitled to any rights under this Section 10, including any notice hereunder."

SECTION 4. AMENDED AND RESTATED AGREEMENT. Upon the consummation of an IPO, the Agreement, shall, without any further action on the part of any party hereto or thereto, be amended and restated in its entirety as set forth as Exhibit A hereto.

SECTION 5. NO ADDITIONAL MODIFICATIONS. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Agreement, all of which shall continue to be in full force and effect.

SECTION 6. ADDITIONAL PROVISIONS. Sections 15 through 21 of the Agreement are incorporated herein by reference as if fully set forth herein, but with all references therein to "Agreement" replaced with "Amendment."

* * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

BERRY PLASTICS GROUP, INC.

By: /s/ Jonathan D. Rich
Name: Jonathan D. Rich
Title: Chairman & CEO

APOLLO INVESTMENT FUND VI, L.P.

By: Apollo Advisors VI, L.P.,
its general partner

By: Apollo Capital Management VI, LLC,
its general partner
By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

AP BERRY HOLDINGS, LLC

By: Apollo Management VI, L.P.,
its manager

By: AIF VI Management, LLC,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

BPC CO-INVESTMENT HOLDINGS LLC

By: Apollo Management VI, L.P.,
its manager

By: AIF VI Management, LLC,
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO INVESTMENT FUND V, L.P.

By: Apollo Advisors V, L.P.,
its general partner

By: Apollo Capital Management V, Inc.,
its general partner
By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

APOLLO V COVALENCE HOLDINGS, L.P.

By: Apollo V Covalence Holdings, LLC,
its general partner

By: Apollo Management V, L.P.,
its manager

By: AIF V Management, LLC
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

COVALENCE CO-INVESTMENT HOLDINGS LLC

By: Apollo Management V, L.P.,
its manager

By: AIF V Management, LLC
its general partner

By: /s/ Laurie Medley
Name: Laurie Medley
Title: Vice President

GRAHAM BERRY HOLDINGS, LP

By: Graham Berry Holdings GP, LLC
its general partner

By: /s/ Christopher Lawler
Name: Christopher Lawler

Title: President

EXHIBIT A

AMENDED AND RESTATED STOCKHOLDERS AGREEMENT (this "Agreement"), dated as of [●], 2012, by and among BERRY PLASTICS GROUP, INC., a Delaware corporation (the "Corporation"), and those stockholders of the Corporation listed on Schedule A hereto.

WHEREAS, the Corporation and certain stockholders of the Corporation are party to that certain Amended and Restated Stockholders Agreement (the "Second Stockholders Agreement"), dated as of April 3, 2007, by and among the Corporation and the stockholders of the Corporation party thereto;

WHEREAS, the Second Stockholders Agreement amended and restated that certain stockholders agreement (the "First Stockholders Agreement"), dated as of September 20, 2006, by and among the Corporation and the stockholders of the Corporation party thereto;

WHEREAS, Section 19 of the Second Stockholders Agreement provides that the Second Stockholders Agreement may be amended, modified or supplemented by a written instrument duly executed by the Corporation, the Apollo Entities (as defined in the Second Stockholders Agreement) and the holder of the majority shares of Stock (as defined in the Second Stockholders Agreement) owned by the stockholders of the Corporation party thereto; and

WHEREAS, the Corporation, the Apollo Entities and the Apollo Stockholders, as the holders of the majority shares of Stock (as defined in the Second Stockholders Agreement) owned by the stockholders of the Corporation party to the Second Stockholders Agreement wish to amend and restate the Second Stockholders Agreement in accordance with the terms set forth herein.

NOW, THEREFORE, in consideration of the promises and of the mutual consents and obligations hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. Definitions; Interpretation.

(a) Definitions. As used herein, the following terms shall have the following respective meanings:

"Adoption" has the meaning set forth in Exhibit A.

"Affiliate" means (a) as to any Person, other than an individual, any other Person or entity who directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person and (b) as to any individual, in addition to any Person in clause (a), (i) any member of the immediate family of an individual Stockholder, including parents, siblings, spouse and children (including those by adoption), the parents, siblings, spouse, or children (including those by adoption) of such immediate family member, and, in any such case, any trust whose primary beneficiary is such individual Stockholder or one or more members of such immediate family and/or such Stockholder's lineal descendants, (ii) the legal representative or guardian of such individual Stockholder or of any such immediate family member in the event such individual Stockholder or any such immediate family member becomes mentally incompetent and (iii) any Person controlling, controlled by or under common control with a Stockholder; provided that the term "Affiliate" shall not include at any time any portfolio companies of Apollo or portfolio companies of any Graham Entity. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

"Agreement" has the meaning set forth in the Preamble.

"Apollo" means, collectively, Apollo Investment Fund VI, L.P. and Apollo Investment Fund V, L.P.

"Apollo Entities" means Apollo, Apollo Overseas Partners VI, L.P., Apollo Overseas Partners (Delaware) VI, L.P., Apollo Overseas Partners (Delaware 892) VI, L.P., Apollo Overseas Partners (Germany) VI, L.P., BPC Co-Investment Holdings LLC, Apollo V Covalence Holdings LLC, Apollo V Covalence Holdings, L.P., Covalence Co-Investment Holdings LLC, AP Berry Holdings, L.P. and each of their respective Affiliates.

"Apollo Registration Demand" has the meaning set forth in Section 4(a).

"Apollo Repurchase Notice" has the meaning set forth in Section 8(c).

"Apollo Stockholder" means any Apollo Entity that owns any shares of Stock in the Corporation.

"Applicable Employee Stockholder" has the meaning set forth in Section 8(a).

"Bankruptcy Event" means, with respect to any Employee Stockholder, if: (a) such Employee Stockholder shall voluntarily be adjudicated as bankrupt or insolvent, (b) such Employee Stockholder shall consent to or not contest the appointment of a receiver or trustee for himself, herself or itself, or for all or any part of his, her or its property, (c) such Employee Stockholder shall file a petition seeking relief under the bankruptcy, rearrangement, reorganization or other debtor relief laws of the United States or any state or any other competent jurisdiction, (d) such holder shall make a general assignment for the benefit of his, her or its creditors, (e) a petition shall have been filed against such Employee Stockholder seeking relief under the bankruptcy, rearrangement, reorganization or other debtor relief laws of the United States or any state or other competent jurisdiction or (f) a court of competent jurisdiction shall have entered an order, judgment or decree appointing a receiver or trustee for such Employee Stockholder, or for any part of his, her or its property, and such petition, order, judgment or decree shall not be and remain discharged or stayed within a period of sixty (60) days after its entry.

"Board" means the board of directors of the Corporation.

"Breach Date" means the date on which the Corporation or any of its Subsidiaries first becomes aware of the breach giving rise to the repurchase right in Section 8(a)(ii).

"Business Day" means a day that is not a Saturday, Sunday or day on which banking institutions in the city to which the notice or communication is to be sent are not required to be open.

"Cause" means:

(a) in the case of an Employee Stockholder whose employment with the Corporation or its Subsidiaries is subject to the terms of an employment agreement between such Employee Stockholder and the Corporation or any of its Subsidiaries, which employment agreement includes a definition of "Cause" or any similar term, the meaning set forth in such employment agreement during the period that such employment agreement remains in effect, which shall be deemed to be "Cause" under this Agreement; provided, however, that notwithstanding the foregoing, to the extent that such employment agreement defines "Cause" to include the commission of, indictment for, conviction of or plea of no contest to a felony or other crime, in no event shall such commission, indictment, conviction or plea constitute Cause hereunder unless the act constituted a crime that is (i) a serious felony (or equivalent classification) under applicable law or (ii) a crime against the Corporation or its Subsidiaries; and

(b) in all other cases, the Employee Stockholder's (i) intentional failure or refusal to perform reasonably assigned duties, (ii) dishonesty, willful misconduct or gross negligence in the performance of the Employee Stockholder's duties to the Corporation or its Subsidiaries, (iii) involvement in a transaction in connection with the performance of the Employee Stockholder's duties to the Corporation or its Subsidiaries, which transaction is adverse to the interests of the Corporation or its Subsidiaries and which is engaged in for personal profit, (iv) willful violation of any law, rule or regulation in connection with the performance of the Employee Stockholder's duties to the Corporation or its Subsidiaries (other than misdemeanor traffic violations or similar minor offenses), (v) indictment for, conviction of or plea of no contest to any crime that is (A) a serious felony (or equivalent classification) under applicable law or (B) a crime against the Corporation or its Subsidiaries or (vi) action or inaction materially adversely affecting the Corporation or its Subsidiaries.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" means the common stock, par value $0.01 per share, of the Corporation and any stock into which such Stock may hereafter be changed or for which such Common Stock may be exchanged, and shall also include any Common Stock of the Corporation of any class hereafter authorized.

"Control Disposition" means a Disposition by the Apollo Entities that would have the effect of transferring to a Person or Group that is not an Affiliate of the Apollo Entities or a portfolio company of one or more Apollo Entities or Affiliates thereof a number of shares of Common Stock or common stock of Berry Plastics Corporation such that, following the consummation of such Disposition, such Person or Group possesses the voting power to elect a majority of the Board or a majority of the board of directors of Berry Plastics Corporation, as applicable (whether by merger, consolidation, sale or transfer of Common Stock or otherwise), or a majority of the board of directors (or similar body) of any successor entity.

"Corporation" has the meaning set forth in the Preamble.

"Corporation Registration" has the meaning set forth in Section 5(a).

"Corporation Repurchase Notice" has the meaning set forth in Section 8(b).

"Corporation Securities" has the meaning set forth in Section 5(c)(i).

"Demand Notice" has the meaning set forth in Section 4(a).

"Disposition" (including, with correlative meaning, the term "Dispose") means (a) any direct or indirect transfer, assignment, sale, gift, pledge, hypothecation or other encumbrance, or any other disposition, of Common Stock (or any interest therein or right thereto) or of all or part of the voting power (other than the granting of a revocable proxy) associated with the Common Stock (or any interest therein) whatsoever, or any other transfer of beneficial ownership of Common Stock, whether voluntary or involuntary, including, without limitation, (i) as a part of any liquidation of a Selected Stockholder's assets or (ii) as a part of any reorganization of a Selected Stockholder pursuant to the United States, state, foreign or other bankruptcy law or other similar debtor relief laws, and (b) the entry into any agreement to do any of the foregoing.

"Employee Stockholder" means each of the Stockholders who executed the First Stockholders Agreement or Second Stockholders Agreement or is executing this Agreement, who was or is at the time of such execution an employee of, or who served or serves at the time of such execution as a consultant to or director of, the Corporation or its Subsidiaries or Affiliates; provided, however, that the no Graham Entity shall be considered an Employee Stockholder.

"Equity Agreement" means any stock option agreement between the Corporation and a Selected Stockholder entered into pursuant to an Equity Plan.

"Equity Plans" means any plan providing for the grant to employees of equity compensation and awards by the Company, including the 2006 Incentive Plan, the 2012 Incentive Plan and any other equity plan approved by the Corporation.

"Fair Value Per Share" means (a) the fair value of each share of Common Stock of the Corporation held by the Stockholders, as determined by the Board in good faith (as required by Section 422(c)(1) of the Code, which may be based on the advice of an independent investment banker or appraiser recognized to be an expert in making such valuations, and will take into consideration the factors listed in 26 C.F.R. § 20.2031-2, but will not take into

account any reduction in value of the Common Stock because the Common Stock (A) represents a minority position, (B) is subject to restrictions on transfer and resale or (C) lacks liquidity), (b) provided that (i) notwithstanding anything to the contrary in clause (a) or clause (b)(ii), with respect to each share of Common Stock held by an Employee Stockholder that is party to any agreement with the Corporation that defines such term, the meaning given to such term in such agreement shall apply, and (ii) notwithstanding anything to the contrary in clause (a) but subject to clause (b)(i), if any securities of the Corporation are publicly traded or quoted at the time of determination, then such term shall mean the most recent closing trading price, during regular trading hours, of such securities on the Business Day immediately prior to the date of determination as determined by the Board in good faith. At any time as of which the Board is permitted to determine the Fair Value Per Share of any security in accordance with clause (a) above, neither the Corporation nor any director, officer, employee or agent of the Corporation shall have any liability with respect to the valuation of such securities that are bought or sold at such Fair Value Per Share even though the Fair Value Per Share, as so determined, may be more or less than the actual fair market value. Each of the Corporation and its officers, directors, employees and agents shall be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any Person as to matters that the Corporation or such director, officer, employee or agent reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation in determining such Fair Value Per Share.

"First Stockholders Agreement" has the meaning set forth in the Recitals.

"Good Reason" means the voluntary resignation of an Employee Stockholder's employment: (a) if the Employee Stockholder is at the time of resignation a party to an employment agreement with the Corporation or any of its Subsidiaries that defines such term or a similar term, the meaning given to such term or similar term in the employment agreement, (b) otherwise if the Employee Stockholder is at the time of resignation a party to an award agreement pursuant to an Equity Plan that defines such term or similar term, the meaning given to such term or similar term in such award agreement, and (c) in all other cases, a resignation by the Employee Stockholder within thirty (30) days after (i) a reduction of greater than 10% in the Employee Stockholder's annual base salary or target bonus, unless such reduction is applied to all other similarly situated employees, directors or consultants of the Corporation or the applicable Subsidiary, or (ii) any material adverse change in the Employee Stockholder's title, authority, duties or responsibilities or the assignment to the Employee Stockholder of any duties or responsibilities inconsistent in any material respect with those customarily associated with the position of the Employee Stockholder.

"Graham Entity" means Graham Partners II, L.P., and Graham Berry Holdings, L.P., and each of their respective Affiliates, and Donald C. Graham and Steven C. Graham.

"Graham Registration Demand" has the meaning set forth in Section 4(b).

"Graham Stockholder" means any Graham Entity that owns any shares of Stock in the Corporation.

"Group" has the meaning set forth in Section 13(d)(3) of the Securities Exchange Act.

"Indebtedness" means, with respect to any Person: (a) all indebtedness of such Person for borrowed money, whether current or funded, or secured or unsecured, (b) all indebtedness of such Person for the deferred purchase price of property or services represented by a note, bond, debenture or similar instrument and any other obligation or liability represented by a note, bond, debenture or similar instrument, (c) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (d) all indebtedness of such Person secured by a purchase money mortgage or other lien to secure all or part of the purchase price of the property subject to such mortgage or lien, (e) all obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under generally accepted accounting principles in the United States of America ("GAAP") and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP, (f) all unpaid reimbursement obligations of such Person with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of such Person, (g) all obligations of such Person under any forward contract, futures contract, swap, option or other financing agreement or arrangement (including caps, floors, collars and similar agreements), the value of which is dependent upon interest rates, currency exchange rates, commodities or other indices, (h) all interest, fees and other expenses owed with respect to the indebtedness referred to above (and any prepayment penalties or fees or similar breakage costs or other fees and costs required to be paid in order for such Indebtedness to be satisfied and discharged in full) and (i) all indebtedness referred to above that is directly or indirectly guaranteed by such Person or that such Person has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which it has otherwise assured a creditor against loss.

"Indemnified Party" has the meaning set forth in Section 6(c).

"Indemnifying Party" has the meaning set forth in Section 6(c).

"IPO" means an initial public offering of the shares of Common Stock in a firm commitment underwriting effected by the Corporation pursuant to a Registration Statement.

"Losses" has the meaning set forth in Section 6(a).

"Merger" means the merger of the Corporation with and into Covalence Specialty Materials Holding Corp. ("CSMHC") pursuant to that certain Agreement and Plan of Merger and Corporate Reorganization, dated as of March 9, 2007 (the "Merger Agreement"), pursuant to which, at the Effective Time (as defined in the Merger Agreement) the separate existence of Corpration ceased and CSMHC continued its corporate existence under Delaware law as the Surviving Corporation (as defined in the Merger Agreement) and was renamed "Berry Plastics Group, Inc."

"Options" means options to purchase shares of Common Stock granted pursuant to the Equity Agreements.

"Original Cost" means the price per share paid by such Employee Stockholder for such share of Stock (in the case of any Option, the per-share exercise price of such Option), subject to appropriate adjustment by the Board for stock splits, stock dividends or other distributions, combinations and similar transactions.

"Original Issue Date" means, with respect to any share of Stock issued to an Employee Stockholder, the date of issuance of such share of Stock to such Employee Stockholder.

"Person" means any natural person, corporation, partnership, limited liability company, firm, association, trust, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

"Purchase Price" means: (a) in the case where an Employee Stockholder (i) experiences a Bankruptcy Event, (ii) resigns as an employee of the Corporation or any of its Subsidiaries other than for Good Reason during the twelve (12) month period commencing on the Original Issue Date or (iii) is terminated for Cause, the lower of the Original Cost or the Fair Value Per Share, and (b) in all other cases, the Fair Value Per Share.

"Registrable Securities" means shares of Common Stock and any shares of Common Stock which were acquired by a Stockholder upon consummation of the Merger and, in the case of a Selected Stockholder, awarded pursuant to, or acquired upon exercise of, the Options granted under any Equity Plan, and any other securities issued or issuable with respect to such Stock by way of a share dividend or share split or in connection with a combination of shares, recapitalization, merger, consolidation or reorganization; provided that any Registrable Security will cease to be a Registrable Security when (a) a Registration Statement covering such Registrable Security has been declared effective by the SEC and such Registrable Security has been disposed of pursuant to such effective Registration Statement, (b) it is sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met or it is eligible for sale under such Rule 144, not taking into account any volume limitations or (c) it shall have been otherwise transferred and a new certificate for it not bearing a legend restricting further transfer under the Securities Act shall have been delivered by the Corporation; provided, further, that any security that has ceased to be a Registrable Security shall not thereafter become a Registrable Security and any security that is issued or distributed in respect of securities that have ceased to be Registrable Securities is not a Registrable Security.

"Registration Expenses" means all expenses incurred by the Corporation in complying with Section 5, including, without limitation, all registration and filing fees, printing expenses, road show expenses, fees and disbursements of counsel and independent public accountants for the Corporation, fees and expenses (including counsel fees) incurred in connection with complying with state securities or "blue sky" laws, fees of the Financial Industry Regulatory Authority, Inc., transfer taxes, fees of transfer agents and registrars, and the reasonable fees and disbursements of one counsel for the selling holders of Registrable Securities, but excluding any underwriting discounts and selling commissions only to the extent applicable on a per share basis to Registrable Securities of the selling holders.

"Registration Statement" means any registration statement of the Corporation filed or to be filed with the SEC under the rules and regulations promulgated under the Securities Act, including the related prospectus, amendments and supplements to such registration statement, and including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Representative" has the meaning set forth in Section 11(a).

"Repurchase Notice" means an Apollo Repurchase Notice or a Corporation Repurchase Notice, as applicable.

"SEC" means the Securities and Exchange Commission or any successor governmental agency.

"Second Stockholders Agreement" has the meaning set forth in the Recitals.

"Section 5(c) Sale Number" has the meaning set forth in Section 5(c).

"Section 5(d) Sale Number" has the meaning set forth in Section 5(d).

"Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time.

"Selected Stockholder" means any Employee Stockholder or any Graham Stockholder.

"Senior Management" has the meaning set forth in Section 12(a).

"Stock" means (i) the outstanding shares of Common Stock of the Corporation, (ii) any additional shares of Common Stock of the Corporation that may be issued in the future and (iii) any shares of capital stock of the Corporation into which such shares may be converted or for which they may be exchanged.

"Stockholder Registration" has the meaning set forth in Section 5(a).

"Stockholders" means those Persons identified on the signature pages hereto as the Stockholders and shall include any other Person who agrees in writing with the parties hereto to be bound by and to comply with all the provisions of this Agreement applicable to a Stockholder, including any Person who becomes a party to this Agreement by executing an Adoption Agreement substantially in the form of Exhibit A or in such other form as is reasonably satisfactory to the Corporation.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, joint venture or other legal entity of which such Person (either above or through or together with any other Subsidiary) owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"Termination Date" means the effective date of any termination of employment or services of any Employee Stockholder.

"Underwritten Offering" means a sale of shares of Common Stock to an underwriter for reoffering to the public.

"2006 Incentive Plan" means the Berry Plastics Group, Inc. 2006 Equity Incentive Plan as amended, supplemented, restated or otherwise modified from time to time.

"2012 Incentive Plan" means the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan, as amended, supplemented, restated or otherwise modified from time to time.

Any capitalized term used in any Section of this Agreement that is not defined in this Section 1 shall have the meaning ascribed to it in such other Section.

(b) Rules of Construction. For all purposes of this Agreement, unless otherwise expressly provided:

(i) "own," "ownership," "held" and "holding" refer to ownership or holding as record holder or record owner;

(ii) the headings and captions of this Agreement are for convenience of reference only and shall not define, limit or otherwise affect any of the terms hereof; and

(iii) whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural.

Section 2. Options. The parties agree that the Disposition of Options, and other terms and conditions with respect to the Options, shall be governed by the Equity Agreements and the Equity Plans. Upon exercise of Options for shares of Stock of the Corporation, such shares of Stock shall be governed by this Agreement and the Equity Agreements.

Section 3. Securities Restrictions; Apollo Transfers.

(a) Securities Restrictions.

(i) Notwithstanding any other provision of this Agreement, no shares of Common Stock covered by this Agreement shall be transferable except upon the conditions specified in this Section 3(a), which conditions are intended to insure compliance with the provisions of the Securities Act.

(ii) Each certificate or book-entry notation representing shares of Common Stock covered by this Agreement shall (unless otherwise permitted by the provisions of paragraph (iv) of this Section 3(a)) be stamped or otherwise imprinted with a legend in substantially the form provided in Section 14.

(iii) The holder of any shares of Common Stock covered by this Agreement agrees, prior to any transfer of any such shares, to give written notice to the Corporation of such holder's intention to effect such transfer and to comply in all other respects with the provisions of this Section 3(a). Each such notice shall describe the manner and circumstances of the proposed transfer. Upon request by the Corporation, the holder delivering such notice shall deliver a written opinion, addressed to the Corporation, of counsel for the holder of such shares, stating that in the opinion of such counsel (which opinion and counsel shall be reasonably satisfactory to the Corporation) such proposed transfer does not involve a transaction requiring registration or qualification of such shares under the Securities Act. Such holder of such shares shall be entitled to transfer such shares in accordance with the terms of the notice delivered to the Corporation, if the Corporation does not reasonably object to such transfer and request such opinion within fifteen (15) Business Days after delivery of such notice, or, if it requests such opinion, does not reasonably object to such transfer within fifteen (15) Business Days after delivery of such opinion. Subject to paragraph (iv) of this Section 3(a), each certificate or other instrument evidencing any such transferred shares of Common Stock shall bear the legend required by paragraph (ii) of this Section 3(a) unless (A) such opinion of counsel to the holder of such shares (which opinion and counsel shall be reasonably acceptable to the Corporation) states that registration of any future transfer is not required by the applicable provisions of the Securities Act or (B) the Corporation shall have waived the requirement of such legend, which waiver may or may not be given in the Corporation's absolute discretion.

(iv) Notwithstanding the foregoing provisions of this Section 3(a), the restrictions imposed by this Section 3(a) upon the transferability of any shares of Common Stock covered by this Agreement shall cease and terminate when (A) any such shares are sold or otherwise disposed of pursuant to an effective Registration Statement under the Securities Act or (B) the holder of such shares has met the requirements for transfer of such shares pursuant to Rule 144 under the Securities Act. Whenever the restrictions imposed by this Section 3(a) shall terminate, the holder of any shares as to which such restrictions have terminated shall be entitled to receive from the Corporation, without expense, a new certificate (or book-entry notation) not bearing the restrictive legend set forth in Section 14 and not containing any other reference to the restrictions imposed by this Section 3(a).

(b) Apollo and Graham Transfers. In the event that (i) any Person that is an Affiliate of the Apollo Entities acquires shares of Common Stock from the Apollo Stockholders or any other Affiliate of the Apollo Entities or (ii) any Person that is an Affiliate of the Graham Entities acquires shares of Common Stock from the Graham Stockholders or any other Affiliate of the Graham Entities, such Person shall be subject to and have the benefit of any and all rights, obligations and restrictions of the Apollo Entities or Graham Entities, as the case may be, hereunder, as if such Person were an Apollo Entity or Graham Entity, as the case may be.

Section 4. Demand Registration Rights.

(a) Apollo Registration Rights. Subject to the provisions of this Section 4, at any time and from time to time after the date of this Agreement, Apollo may make one or more written demands (each, an "Apollo Registration Demand") to the Corporation requiring the Corporation to register, under and in accordance with the provisions of the Securities Act, all or part of the Apollo Stockholders' shares of Common Stock. All Apollo Registration Demands made pursuant to this Section 4 will specify the aggregate amount of shares of Common Stock to be registered, the intended methods of disposition thereof (including whether the offering is to be an Underwritten Offering) and the registration procedures to be undertaken by the Corporation in connection therewith (a "Demand Notice"). Subject to Section 4(c), promptly upon receipt of any such Demand Notice, the Corporation will file the applicable Registration Statement as soon as reasonably practicable and will use its best efforts to, in accordance with the terms set forth in the Demand Notice, effect within one hundred eighty (180) days of the filing of such Registration Statement the registration under the Securities Act (including, without limitation, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with the applicable regulations promulgated under the Securities Act) of the shares of Common Stock that the Corporation has been so required to register.

(b) Graham Stockholder Registration Rights. Subject to the provisions of this Section 4, at any time and from time to time after the date of this Agreement, so long as the Graham Stockholders collectively own at least 1% of outstanding Stock of the Corporation, the Graham Stockholders may, collectively, make up to 3 written demands, but no more than one such demand in any one hundred eighty (180)-day period (each, a "Graham Registration Demand") to the Corporation requiring the Corporation to register, under and in accordance with the provisions of the Securities Act, all or part of the Graham Stockholders' shares of Common Stock. All Graham Registration Demands

made pursuant to this Section 4 will be pursuant to a Demand Notice. Subject to Section 4(c), promptly upon receipt of any such Demand Notice, the Corporation will file the applicable Registration Statement as soon as reasonably practicable and will use its best efforts to, in accordance with the terms set forth in the Demand Notice, effect within one hundred eighty (180) days of the filing of such Registration Statement the registration under the Securities Act (including, without limitation, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with the applicable regulations promulgated under the Securities Act) of the shares of Common Stock that the Corporation has been so required to register. Notwithstanding the first sentence of this Section 4(b), in the event that the Graham Stockholders withdraw a Graham Registration Demand prior to (i) in the case of a registration on a Form S-3 Registration Statement or any similar short form registration statement available for use under the Securities Act, the filing of the preliminary prospectus in respect of such offering, or (ii) in the case of a registration on any other form available for use under the Securities Act, including a Form S-1 Registration Statement, prior to the filing of the initial registration statement in respect of such offering, then, in each case, upon such withdrawal, such request for registration shall not be considered a Graham Registration Demand and shall not reduce the number of Graham Registration Demands available to the Graham Stockholders. No request for inclusion in a Corporation Registration or a Stockholder Registration under Section 5(a) shall be considered a Graham Registration Demand.

(c) Registration Obligations and Procedures.

(i) If the Corporation receives an Apollo Registration Demand or Graham Registration Demand and the Corporation furnishes to Apollo or the Graham Stockholder making such demand, respectively, a copy of a resolution of the Board certified by the secretary of the Corporation stating that in the good faith judgment of the Board it would be materially adverse to the Corporation for a Registration Statement to be filed on or before the date such filing would otherwise be required hereunder, the Corporation shall have the right to defer such filing for a period of not more than sixty (60) days after receipt of the demand for such registration from Apollo or the Graham Stockholder, respectively. The Corporation shall not be permitted to provide such notice more than twice in any three hundred sixty (360) day period. If the Corporation shall so postpone the filing of a Registration Statement, Apollo or the Graham Stockholder may withdraw the Apollo Registration Demand or Graham Registration Demand, respectively, by so advising the Corporation in writing within thirty (30) days after receipt of the notice of postponement. In addition, if the Corporation receives an Apollo Registration Demand or Graham Registration Demand and the Corporation is then in the process of preparing to engage in a public offering, the Corporation shall inform Apollo or the Graham Stockholder, respectively, of the Corporation's intent to engage in a public offering and may require Apollo or the Graham Stockholder, respectively, to withdraw such Apollo Registration Demand or Graham Registration Demand, respectively, for a period of up to one hundred twenty (120) days so that the Corporation may complete its public offering. In the event that the Corporation ceases to pursue such public offering, it shall promptly inform Apollo or the Graham Stockholder, as applicable, and Apollo or the Graham Stockholder, respectively, shall be permitted to submit a new Apollo Registration Demand or Graham Registration Demand, respectively. For the avoidance of doubt, Apollo shall have the right to participate in the Corporation's public offering as provided in Section 5.

(ii) Registrations under this Section 4 shall be on such appropriate registration form of the SEC (A) as shall be selected by the Corporation and as shall be reasonably acceptable to Apollo or the Graham Stockholder, as applicable, and (B) as shall permit the disposition of such shares in accordance with the intended method or methods of disposition specified in the Demand Notice. If, in connection with any registration under this Section 4 that is proposed by the Corporation to be on Form S-3 or any successor form, the managing underwriter, if any, shall advise the Corporation in writing that in its opinion the use of another permitted form is of material importance to the success of the offering, then such registration shall be on such other permitted form.

(iii) The Corporation shall use its best efforts to keep any Registration Statement filed in response to an Apollo Registration Demand or Graham Registration Demand effective for as long as is necessary for the Apollo Stockholders or Graham Stockholders, respectively, to dispose of the covered securities.

(iv) In the case of an Underwritten Offering in connection with an Apollo Registration Demand, Apollo shall select the underwriters, provided that the managing underwriter shall be a nationally recognized investment banking firm. Apollo shall determine the pricing of the Registrable Securities offered pursuant to any such Registration Statement in connection with an Apollo Registration Demand, the applicable underwriting discount and other financial terms (including the material terms of the applicable underwriting agreement) and determine the timing of any such registration and sale, subject to Section 4(c), and Apollo shall be solely responsible for all such discounts and fees payable to such underwriters in such Underwritten Offering.

(v) In the case of an Underwritten Offering in connection with a Graham Registration Demand, Graham shall select the underwriters, which shall be reasonably acceptable to Apollo and the Company, provided that the managing underwriter shall be a nationally recognized investment banking firm. Graham, with the reasonable approval of Apollo and the Company, shall determine the pricing of the Registrable Securities offered pursuant to any such Registration Statement in connection with a Graham Registration Demand, the applicable underwriting discount and other financial terms (including the material terms of the applicable underwriting agreement) and determine the timing of any such registration and sale, subject to Section 4(c), and Graham shall be solely responsible for all such discounts and fees payable to such underwriters in such Underwritten Offering.

(d) No Inconsistent Agreements. The Corporation represents and warrants that it has not granted and is not a party to any proxy, voting trust or other agreement that is inconsistent with or conflicts with this Section 4. The Corporation shall not hereafter enter into any agreement with respect to its securities that is inconsistent with or conflicts with the rights granted under this Section 4.

Section 5. Piggyback Registration Rights.

(a) Piggyback Rights. Subject to Section 5(c), and except in connection with the IPO (for which this Section 5(a) shall not apply), if the Corporation at any time proposes to register any Stock for its own account (a "Corporation Registration") or for the account of any Stockholder possessing demand rights (including, for the avoidance of doubt, in connection with an Apollo Registration Demand or Graham Registration Demand) (a "Stockholder Registration") under the Securities Act by registration on Form S-1 or Form S-3 or any successor or similar form(s) (except registrations on any such Form or similar form(s) solely for registration of securities in connection with an employee benefit plan, a dividend reinvestment plan or a merger or consolidation, or incidental to an issuance of securities under Rule 144A under the Securities Act), it will at such time give prompt written notice to the Stockholders of its intention to do so, including the anticipated filing date of the Registration Statement and, if known, the number of shares of Stock that are proposed to be included in such Registration Statement, and of the Stockholders' rights under this Section 5. Upon the written request of a Stockholder (which request shall specify the maximum number of Registrable Securities intended to be disposed of by such Stockholder and such other information as is reasonably required to effect the registration of such shares of Stock), made as promptly as practicable and in any event within fifteen (15) Business Days after the receipt of any such notice (five (5) Business Days if the Corporation states in such written notice or gives telephonic notice to such Stockholder, with written confirmation to follow promptly thereafter, stating that (i) such registration will be on Form S-3 and (ii) such shorter period of time is required because of a planned filing date), the Corporation, subject to Section 5(c), shall use its commercially reasonable efforts to effect the registration under the Securities Act of all Registrable Securities which the Corporation has been so requested to register by the Stockholders; provided, however, that if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the Registration Statement filed in connection with such registration, the Corporation shall determine for any reason not to register or to delay registration of such securities, the Corporation shall give written notice of such determination to the Stockholders requesting registration under this Section 5 (which such Stockholders will hold in strict confidence) and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from any obligation of the Corporation to pay the Registration Expenses in connection therewith), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registering such other securities.

(b) Stockholder Withdrawal. Each Stockholder shall have the right to withdraw its request for inclusion of its Registrable Securities in any Registration Statement pursuant to this Section 5 at any time prior to the execution of an underwriting agreement with respect thereto by giving written notice to the Corporation of its request to withdraw.

(c) Corporation Registration Underwriters' Cutback. In the case of a Corporation Registration, if the managing underwriter of any underwritten offering shall inform the Corporation by letter of its belief that the

number of Registrable Securities requested to be included in such registration pursuant to this Section 5, when added to the number of other securities to be offered in such registration by the Corporation, would materially adversely affect such offering, then the Corporation shall include in such registration, to the extent of the total number of securities which the Corporation is so advised can be sold in (or during the time of) such offering without so materially adversely affecting such offering (the "Section 5(c) Sale Number"), securities in the following priority:

(i) First, all Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock that the Corporation proposes to register for its own account (the "Corporation Securities"); and

(ii) Second, to the extent that the number of Corporation Securities to be included is less than the Section 5(c) Sale Number, the Registrable Securities requested to be included by the Stockholders; the securities requested to be included pursuant to this Section 5(c)(ii) shall be included on a pro rata basis based on the number of Registrable Securities subject to registration rights owned by each holder requesting inclusion in relation to the number of Registrable Securities then owned by all holders requesting inclusion, provided that the number of Registrable Securities owned by such Stockholders shall not include shares underlying any unvested options that do not have exercise prices lower than the then Fair Value Per Share.

(d) Stockholder Registration Underwriters' Cutback. In the case of a Stockholder Registration, if the managing underwriter of any underwritten offering shall inform the Corporation by letter of its belief that the number of shares of Common Stock and Registrable Securities requested to be included in such registration would materially adversely affect such offering, then the Corporation shall include in such registration, to the extent of the total number of securities which the Corporation is so advised can be sold in (or during the time of) such offering without so materially adversely affecting such offering (subject to the last paragraph of this Section 5(d), the "Section 5(d) Sale Number"), securities in the following priority:

(i) First, the Registrable Securities requested to be included by the Persons exercising demand rights in connection with such Stockholder Registration; and

(ii) Second, to the extent that the number of securities to be included in the registration pursuant to Section 5(d)(i) is less than the Section 5(d) Sale Number, the Registrable Securities requested to be included by the Stockholders exercising piggyback rights pursuant to this Section 5; the securities requested to be included pursuant to this Section 5(d)(ii) shall be included on a pro rata basis based on the number of Registrable Securities subject to registration rights owned by each holder requesting inclusion in relation to the number of Registrable Securities then owned by all holders requesting inclusion, provided that the number of Registrable Securities owned by such Stockholders shall not include any shares underlying options that do not have exercise prices lower than the then Fair Value Per Share.

Notwithstanding anything to the contrary set forth in this Section 5(d), in connection with a Stockholder Registration pursuant to an Apollo Registration Demand, Apollo shall be entitled to determine, in its sole discretion, the Section 5(d) Sale Number applicable to such registration.

(e) Participation in Underwritten Offerings.

(i) Any participation by the Stockholders in a registration by the Corporation shall be in accordance with the plan of distribution of the Corporation (subject, in the case of a Stockholder Registration pursuant to an Apollo Registration Demand or Graham Registration Demand, to the rights of Apollo or Graham, respectively, in Section 4(b)). Except as provided in Section 4(c), in all Underwritten Offerings, the Corporation shall have sole discretion to select the underwriters.

(ii) If the Corporation at any time shall register shares of Stock for its own account under the Securities Act for sale to the public, no Selected Stockholder shall sell publicly, make any short sale of, grant any option for the purchase of or otherwise dispose publicly of any capital stock of the Corporation without the prior written consent of the Corporation for the period of time in which the Apollo Stockholders have similarly agreed not to sell publicly, make any short sale of, grant any option for the purchase of or otherwise dispose publicly of any capital stock of the Corporation.

(iii) In connection with any proposed registered offering of securities of the Corporation in which any Stockholder has the right to include Registrable Securities pursuant to this Section 5, such Stockholder agrees (A) to supply any information reasonably requested by the Corporation in connection with the preparation of a Registration Statement and/or any other documents relating to such registered offering and (B) to execute and deliver any agreements and instruments being executed by all holders on substantially the same terms reasonably requested by the Corporation to effectuate such registered offering, including, without limitation, underwriting agreements, custody agreements, lock-ups, “hold back” agreements pursuant to which such Stockholder agrees not to sell or purchase any securities of the Corporation for the same period of time following the registered offering as is agreed to by the other participating holders, powers of attorney and questionnaires.

(iv) If the Corporation requests that the Stockholders take any of the actions referred to in paragraph (iii) of this Section 5(e), the Stockholders shall take such action promptly but in any event within three (3) Business Days following the date of such request. Furthermore, the Corporation agrees that it shall use commercially reasonably efforts to obtain any waivers to the restrictive sale and purchase provisions of any “hold back” agreement that are reasonably requested by a Stockholder.

(f) Copies of Registration Statements. The Corporation will, if requested, prior to filing any Registration Statement pursuant to this Section 5 or any amendment or supplement thereto, furnish to the Stockholders, and thereafter furnish to the Stockholders, such number of copies of such Registration Statement, amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein) and the prospectus included in such Registration Statement (including each preliminary prospectus) as the Stockholders may reasonably request in order to facilitate the sale of the Registrable Securities by the Stockholders.

(g) Expenses. The Corporation shall pay all Registration Expenses in connection with a Corporation Registration or any Stockholder Registration, provided that each Stockholder shall pay all applicable underwriting fees, discounts and similar charges.

Section 6. Indemnification and Contribution.

(a) The Corporation agrees to indemnify and hold harmless, to the fullest extent permitted by law, each Stockholder, its officers, directors, employees, controlling persons, fiduciaries, stockholders, and general or limited partners (and the officers, directors, employees and stockholders or general or limited partners thereof) and representatives from and against any and all losses, claims, damages, liabilities, costs and expenses (including attorneys' fees) ("Losses") caused by, arising out of, resulting from or related to (i) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Corporation shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, provided, however, that such indemnity shall not apply to that portion of such Losses caused by, or arising out of, any untrue statement, or alleged untrue statement or any such omission or alleged omission, to the extent such statement or omission was made in reliance upon and in conformity with information furnished in writing to the Corporation by or on behalf of such Stockholder expressly for use therein, and (ii) any violation by the Corporation of any federal, state or common law rule, regulation or law applicable to the Corporation and relating to action required of or inaction by the Corporation in connection with any registration or offering of securities. Notwithstanding the preceding sentence, the Corporation shall not be liable in any such case to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission (x) made in any preliminary prospectus if (A) such selling Stockholder failed to deliver or cause to be delivered a copy of the prospectus to the Person asserting such Loss after the Corporation has furnished such selling Stockholder with a sufficient number of copies of the same and (B) the prospectus completely corrected in a timely manner such untrue statement or omission, or (y) in the prospectus, if such untrue statement or alleged untrue statement or omission or alleged omission is completely corrected in an amendment or supplement to the prospectus and the selling Stockholder thereafter fails to deliver such prospectus as so amended or supplemented prior to or concurrently with the sale of the securities to the Person asserting such Loss after the Corporation had furnished such selling Stockholder with a sufficient number of copies of the same. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Stockholder or representative of such Stockholder and shall survive the transfer of securities by such Stockholder.

(b) Each Stockholder agrees to indemnify and hold harmless the Corporation, its officers and directors and each Person (if any) that controls the Corporation within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all Losses caused by, arising out of, resulting from or related to any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or prospectus relating to Registrable Securities (as amended or supplemented if the Corporation shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, only to the extent such statement or omission (i) was made in reliance upon and in conformity with information furnished in writing by or on behalf of such Stockholder expressly for use in any Registration Statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus and (ii) has not been corrected in a subsequent writing prior to or concurrently with the sale of the securities to the Person asserting such Loss. The selling Stockholders also will indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Corporation, its officers and directors and each Person (if any) that controls the Corporation, if requested. The Corporation and the selling Stockholders shall be entitled to receive indemnities from underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, to the same extent as provided above with respect to information so furnished in writing by such Persons specifically for inclusion in any prospectus or Registration Statement.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 6(a) or Section 6(b), such Person (the "Indemnified Party") shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing (provided that the failure of the Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 6, except to the extent the Indemnifying Party is actually prejudiced by such failure to give notice), and the Indemnifying Party shall be entitled to participate in such proceeding and, unless in the reasonable opinion of outside counsel to the Indemnified Party a conflict of interest between the Indemnified Party and Indemnifying Party may exist in respect of such claim, to assume the defense thereof jointly with any other Indemnifying Party similarly notified, to the extent that it chooses, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party that it so chooses, the Indemnifying Party shall not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that (i) if the Indemnifying Party fails to take reasonable steps necessary to defend diligently the action or proceeding within twenty (20) days after receiving notice from such Indemnified Party that the Indemnified Party believes it has failed to do so, (ii) if such Indemnified Party who is a defendant in any action or proceeding which is also brought against the Indemnifying Party reasonably shall have concluded that there may be one or more legal defenses available to such Indemnified Party which are not available to the Indemnifying Party or (iii) if representation of both parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct, then, in any such case, the Indemnified Party shall have the right to assume or continue its own defense as set forth above (but with no more than one firm of counsel for all Indemnified Parties in each jurisdiction, except to the extent any Indemnified Party or Parties reasonably shall have concluded that there may be legal defenses available to such party or parties which are not available to the other Indemnified Parties or to the extent representation of all Indemnified Parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct) and the Indemnifying Party shall be liable for any expenses therefor. No Indemnifying Party shall, without the written consent of the Indemnified Party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (A) includes an unconditional release of the Indemnified Party from all liability arising out of such action or claim and (B) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any Indemnified Party.

(d) If the indemnification provided for in this Section 6 is unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities in respect of which indemnity is to be provided hereunder, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall to the fullest extent permitted by law contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of such party in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Corporation (on the one hand) and a Stockholder (on the other hand) shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Corporation and each Stockholder agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 6(d). The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in Section 6(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, no Stockholder shall be liable for indemnification or contribution pursuant to this Section 6 for any amount in excess of the net proceeds of the offering received by such Stockholder, less the amount of any damages which such Stockholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Section 7. Rule 144. The Corporation covenants that so long as the Common Stock is registered pursuant to Section 12(b), Section 12(g) or Section 15(d) of the Securities Exchange Act, it will file any and all reports required to be filed by it under the Securities Act and the Securities Exchange Act (or, if the Corporation is not required to file such reports, it will make publicly available such necessary information for so long as necessary to permit sales pursuant to Rule 144, Rule 144A or Regulation S under the Securities Act) and that it will take such further action as the Stockholders may reasonably request, all to the extent required from time to time to enable the Stockholders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144, Rule 144A or Regulation S under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC. Upon the written request of any Stockholder, the Corporation will deliver to such Stockholder a written statement as to whether it has complied with such requirements.

Section 8. Right to Repurchase Stock of Employee Stockholders.

(a) Repurchase Right. In the event (i) of a termination of the employer-employee relationship between the Corporation and/or any of its Affiliates and any Employee Stockholder for any reason whatsoever, (ii) that an Employee Stockholder materially breaches the terms of this Agreement or, in the case of an Employee Stockholder that is an Employee Stockholder, any employment or similar agreement between the Employee Stockholder and the Corporation or any of its Subsidiaries, any Equity Agreement or any subscription agreement between the Employee Stockholder and the Corporation, or (iii) of a Bankruptcy Event with respect to any Employee Stockholder (such Employee Stockholder in clauses (i), (ii) or (iii), an "Applicable Employee Stockholder"), the Corporation or its designee shall have the right (but not the obligation) to repurchase from such Applicable Employee Stockholder all or part of any Stock owned by him, at such time, including any Stock that was acquired upon the exercise of any stock options granted pursuant to the Equity Plans (and any shares of Stock issued in respect thereof or in exchange therefor).

(b) Corporation Repurchase Notice. The repurchase right of the Corporation or its designee under this Section 8 may be exercised by written notice (a "Corporation Repurchase Notice") specifying the number of shares of Stock to be repurchased and given to the Applicable Employee Stockholder within ninety (90) days after the later of the Termination Date (in the case of a repurchase right pursuant to Section 8(a)(i)), the Breach Date (in the case of a repurchase right pursuant to Section 8(a)(ii)) or the date of the Bankruptcy Event (in the case of a repurchase right pursuant to Section 8(a)(iii)) (or, if the Corporation shall be legally prevented from making such repurchase during such ninety (90) day period (other than through assignment of its rights under this Section 8), then such Repurchase Notice may be delivered by the Corporation within ninety (90) days after the date on which it shall be legally permitted or not so prevented to make such repurchase; provided, however, that such right to repurchase shall (i) expire upon the second anniversary of the later of the (A) Termination Date in the case of a repurchase right pursuant to Section 8(a)(i), (B) Breach Date in the case of a repurchase right pursuant to Section 8(a)(ii) or (C) the date of the Bankruptcy Event in the case of a repurchase right pursuant to Section 8(a)(iii)), a copy of which shall also be delivered to Apollo and (ii) in no way prohibit any Applicable Employee Stockholder from otherwise disposing of its shares of Stock in a manner otherwise permitted by this agreement prior to the delivery to such Applicable Employee Stockholder of a Corporation Repurchase Notice. If the Corporation or its designee determines not to exercise its repurchase right under this Section 8, it shall give written notice to Apollo stating that it shall not exercise such repurchase right within the earlier of five (5) days following such determination and the day upon which the Corporation would have been required to give a Corporation Repurchase Notice pursuant to the first sentence of this Section 8(b) if it had determined to exercise such repurchase right.

(c) Apollo Repurchase Notice. If the notice given to Apollo pursuant to Section 8(b) states that the Corporation or its designee will not exercise its repurchase right for all or part of the Stock then subject thereto, the Apollo Entities shall have the right (but not the obligation) to repurchase all or part of such shares of Stock not purchased by the Corporation or its designee on the same terms and conditions as the Corporation or its designee, which such right may be exercised by written notice (an "Apollo Repurchase Notice") within thirty (30) days of the later of (i) receipt of the notice given to Apollo pursuant to Section 8(b) and (ii) the repurchase date, in the case of a repurchase pursuant to Section 8(a)(ii).

(d) Repurchase Price. Upon the delivery of a Repurchase Notice to the Applicable Employee Stockholder, the Applicable Employee Stockholder shall be obligated to sell to the Corporation or its designee the Stock specified in such Repurchase Notice. The price per share of Stock to be paid under this Section 8 shall be the Purchase Price. The determination date for purposes of determining the Fair Value Per Share, if applicable, shall be the closing date of the purchase of the applicable shares of Stock.

(e) Repurchase Procedure. Repurchases of Stock under the terms of this Section 8 shall be made at the offices of the Corporation or its designee on a mutually satisfactory Business Day within fifteen (15) days after delivery of the Repurchase Notice, provided that the closing will be deferred until such time as the Applicable Employee Stockholder has held the shares of Stock for a period of at least six (6) months and one (1) day. Delivery of certificates or other instruments evidencing such Stock duly endorsed for transfer and free and clear of all liens, claims and other encumbrances (other than those encumbrances hereunder) shall be made on such date against payment of the purchase price therefor. The Corporation shall have the right to record such repurchases of Stock on its books and records without the consent of the Applicable Employee Stockholder, so long as such transactions are consistent with the terms of this Agreement.

(f) Section 409A. If any repurchase pursuant to the terms of this Section 8 would subject an Applicable Employee Stockholder to tax under Section 409A of the Code, the Corporation and/or the Apollo Entities, as applicable, shall, to the extent reasonably practicable, and subject to the provisions of this Section 8, modify the terms of any repurchase in the least restrictive manner necessary in order to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without any material diminution in the value of the payments to the affected Applicable Employee Stockholder.

(g) Limitations. Notwithstanding anything to the contrary contained in this Agreement, all purchases of shares of Stock by the Corporation, its designee or the Apollo Entities shall be subject to applicable restrictions contained in federal, state and non-U.S. law. Notwithstanding anything to the contrary contained in this Agreement, if any such restrictions prohibit or otherwise delay any purchase of shares of Stock that the Corporation, its designee or the Apollo Entities are otherwise entitled or required to make pursuant to this Section 8, then the Corporation, its designee or the Apollo Entities, as applicable, shall have the option to make such purchases pursuant to this Section 8 within thirty (30) days of the date that it or they are first permitted to make such purchase under the laws and/or agreements containing such restrictions. Notwithstanding anything to the contrary contained in this Agreement, the Corporation and its Subsidiaries shall not be obligated to effectuate any transaction contemplated by this Section 8 if such transaction would violate the terms of any restrictions imposed by agreements evidencing the Corporation's or any of its Subsidiaries' Indebtedness. In the event that any shares of Stock are sold by a Employee Stockholder pursuant to this Section 8, the Employee Stockholder, and such Employee Stockholder's successors, assigns or representatives, will take all reasonable steps necessary and desirable to obtain all required third-party, governmental and regulatory consents and approvals with respect to such Employee Stockholder and take all other actions necessary and desirable to facilitate consummation of such sale in a timely manner.

(h) Withholding. The Corporation may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation, or may permit a Employee Stockholder to elect to pay the Corporation any such required withholding taxes. If such Employee Stockholder so elects, the payment by such Employee Stockholder of such taxes shall be a condition to the receipt of amounts payable to such Employee Stockholder under this Agreement. The Corporation shall, to the extent permitted or required by law, have the right to deduct any such taxes from any payment otherwise due to such Employee Stockholder.

Section 9. Board of Directors.

(a) Nomination of Directors. The Apollo Entities shall have the right to nominate for election to the Board:

(i) no fewer than that number of directors that would constitute a majority of the number of directors that the Corporation would have if there were no vacancies on the Board, so long as the Apollo Entities collectively beneficially own at least 50% of the outstanding Stock of the Corporation; provided that nothing in this paragraph (i) of this Section 9(a) shall be construed to limit the right of the Apollo Entities to nominate directors to a number of such directors that is less than the number directors the Apollo Entities would be entitled to nominate pursuant to applicable law and the Corporation's certificate of incorporation and bylaws;

(ii) up to five (5) directors, so long as the Apollo Entities collectively beneficially own at least 30% of the outstanding Stock of the Corporation but less than 50% of the outstanding Stock of the Corporation;

(iii) up to four (4) directors, so long as the Apollo Entities collectively beneficially own at least 20% of the outstanding Stock of the Corporation but less than 30% of the outstanding Stock of the Corporation; and

(iv) up to three (3) directors, so long as the Apollo Entities collectively beneficially own at least 10% of the outstanding Stock of the Corporation but less than 20% of the outstanding Stock of the Corporation.

In the event the size of the Board is increased or decreased at any time, the Apollo Entities' nomination rights under this Section 9(a) shall be proportionately increased or decreased, respectively, rounded up to the nearest whole number. Furthermore, in the event that within one hundred eighty (180) days of the date of this Agreement, the Board increases its size, the Apollo Entities shall have the right to nominate for election to the Board directors to fill such newly created directorships, and if the Apollo Entities exercise such right, the Corporation shall appoint such nominees to the Board.

(b) Election of Directors. The Corporation shall take all action within its power to cause all nominees nominated pursuant to Section 9(a) to be included in the slate of nominees recommended by the Board to the Corporation's stockholders for election as directors at each annual meeting of the stockholders of the Corporation (and/or in connection with any election by written consent) and the Corporation shall use all reasonable best efforts to cause the election of each such nominee, including soliciting proxies in favor of the election of such nominees.

(c) Replacement of Directors. In the event that a vacancy is created at any time by the death, disability, retirement, resignation or removal (with or without cause) of a director nominated pursuant to Section 9(a) or designated pursuant to this Section 9(c), or in the event of the failure of any such nominee to be elected, the Apollo Entities shall have the right to designate a replacement to fill such vacancy. The Corporation shall take all action within its power to cause such vacancy to be filled by the replacement so designated, and the Board shall promptly elect such designee to the Board. Upon the written request of the Apollo Entities, the Corporation shall take all actions necessary to remove, with or without cause, any director previously nominated pursuant to Section 9(a) or designated pursuant to this Section 9(c), and to elect any replacement director designated by the Apollo Entities as provided in the first sentence of this Section 9(c).

(d) Committees. So long as the Apollo Entities collectively beneficially own at least 15% of the outstanding Stock of the Corporation, the Corporation shall take all action within its power to cause any committee of the Board to include in its membership at least one of the Apollo Entities' nominees, except to the extent that such membership would violate applicable securities laws or stock exchange or stock market rules.

(e) No Limitation. The provisions of this Section 9 are intended to provide the Apollo Entities with the minimum Board representation rights set forth herein. Nothing in this Agreement shall prevent the Corporation from having a greater number of nominees or designees of the Apollo Entities on the Board than otherwise provided herein.

(f) Laws and Regulations. Nothing in this Section 9 shall be deemed to require that any party hereto, or any Affiliate thereof, act or be in violation of any applicable provision of law, regulation, legal duty or requirement or stock exchange or stock market rule.

Section 10. Directors' and Officers' Insurance. The Corporation shall maintain directors' and officers' liability insurance (including Side A coverage) covering the Corporation's and its Subsidiaries' directors and officers and issued by reputable insurers, with appropriate policy limits, terms and conditions (including "tail" insurance if necessary or appropriate). The provisions of this Section 10 are intended to be for the benefit of, and will be enforceable by, each indemnified party, his or her heirs and his or her representatives and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise.

Section 11. Information. For so long as the Apollo Entities collectively own 10% or greater of the outstanding Common Stock or any other equity securities of the Corporation, Apollo will be entitled to the following contractual management rights with respect to the Corporation and its Subsidiaries:

(a) Apollo shall be entitled to routinely consult with and advise senior management of the Corporation (defined as the Corporation's Executive Vice Presidents and above and, collectively, "Senior Management") with respect to the Corporation's business and financial matters, including management's proposed annual operating plans, and, upon request, members of Senior Management will meet regularly (on a quarterly basis) during each year with representatives of Apollo (each such representative, a "Representative") at the Corporation's and/or its Subsidiaries' facilities (or such other locations as the Corporation may designate) at mutually agreeable times for such consultation and advice, including to review progress in achieving said plans. The Corporation agrees to give due consideration to the advice given and any proposals made by Apollo;

(b) Apollo may inspect all books and records and facilities and properties of the Corporation at reasonable times and intervals. The Corporation shall furnish Apollo with such available financial and operating data and other information with respect to the business and properties of the Corporation and its Subsidiaries as Apollo may reasonably request and at Apollo's expense. The Corporation shall permit the Representatives to discuss the affairs, finances and accounts of the Corporation and its Subsidiaries with, and to make proposals and furnish advice to, Senior Management; and

(c) The Corporation shall, after receiving notice from Apollo as to the identity of any Representative: (i) permit such Representative to attend all meetings of the Board as an observer, (ii) provide such Representative advance notice of each such meeting, including such meeting's time and place, at the same time and in the same manner as such notice is provided to the members of the Board, (iii) provide, with Apollo's consent, the Representative with copies of all materials, including notices, minutes, consents and regularly compiled financial and operating data distributed to the members of the Board at the same time as such materials are distributed to such Board, and shall permit the Representative to have the same access to information concerning the business and operations of the Corporation, and (iv) permit the Representative to discuss the affairs, finances and accounts of the Corporation with, and to make proposals and furnish advice with respect thereto to, the Board, without voting, and the Board and the Corporation's officers shall give due consideration thereto (recognizing that the ultimate discretion with respect to all such matters shall be retained by the Board).

The Corporation agrees to consider, in good faith, the recommendations of Apollo in connection with the matters on which it is consulted as described above, recognizing that the ultimate discretion with respect to all such matters shall be retained by the Corporation.

Section 12. Certain Actions.

(a) Subject to the provisions of Section 12(b), without the approval of a majority the Board as provided for in the bylaws of the Company, which must include the approval of a majority of the directors nominated by Apollo Stockholders voting on such matter, the Corporation shall not, and (to the extent applicable) shall not permit any subsidiary of the Corporation to:

(i) amend, modify or repeal any provision of the certificate of incorporation and bylaws or similar organizational documents of the Corporation in a manner that adversely affects the Apollo Entities;

(ii) issue additional shares of any class of capital stock of the Corporation (other than any award under any stockholder approved equity compensation plan or any intra-company issuance among the Corporation and subsidiaries of the Corporation);

(iii) merge or consolidate with or into any other entity, or transfer (by lease, assignment, sale or otherwise) all or substantially all of the Corporation's and its subsidiaries' assets, taken as a whole, to another entity, or enter into or agree to undertake any transaction that would constitute a "Change of Control" as defined in the Corporation's or its subsidiaries' principal credit facilities or note indentures;

(iv) consummate any acquisition of the stock or assets of any other entity (other than a subsidiary of the Corporation), in a single transaction or a series of related transactions, involving consideration in excess of $75.0 million in the aggregate, or enter into any joint venture requiring a capital contribution in excess of $75.0 million;

(v) incur indebtedness, in a single transaction or a series of related transactions, aggregating to more than $75.0 million, except for borrowings under a revolving credit facility that has previously been approved or is in existence (with no increase in maximum availability) on the date of closing of the Corporation's IPO;

(vi) make a single or series of related capital expenditures in excess of $25.0 million in any fiscal year;

(vii) declare any dividends or other distributions (other than intra-company dividends or distributions of any subsidiary of the Corporation);

(viii) terminate the Chief Executive Officer or designate a new Chief Executive Officer of the Corporation;

(ix) change the size of the Board; or

(x) create any non-wholly owned subsidiary of the Corporation or any of its subsidiaries.

(b) The approval rights set forth in Section 12(a) shall terminate at such time as the Apollo Stockholders no longer collectively beneficially own at least 25% of the total number of shares of Common Stock outstanding at any time.

Section 13. Limitations. Anything contained herein to the contrary notwithstanding, the Corporation's obligations hereunder shall in all respects be subject to the terms and provisions of any lending or financing agreements to which the Corporation is a party with third persons who are not Affiliates of the Corporation or the Apollo Entities, provided that such terms and provisions apply ratably to all Stockholders.

Section 14. Legend on Stock Certificates. Each certificate or book-entry notation representing shares of Stock owned by the Stockholders shall bear the following legend as and to the extent required under Section 3:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES OR BLUE SKY LAWS. THESE SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT OR LAWS. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO A STOCKHOLDERS AGREEMENT DATED AS OF SEPTEMBER 20, 2006, AS AMENDED AND RESTATED ON APRIL 3, 2007 AND FURTHER AMENDED ON OCTOBER 2, 2012, AMONG THE ISSUER OF SUCH SECURITIES AND THE OTHER PARTIES NAMED THEREIN. THE TERMS OF SUCH STOCKHOLDERS AGREEMENT INCLUDE, AMONG OTHER THINGS, RESTRICTIONS ON TRANSFER. A COPY OF SUCH AGREEMENT MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF BERRY PLASTICS GROUP, INC.

Section 15. Duration of Agreement. This Agreement shall terminate automatically upon: (i) the dissolution of the Corporation (unless the Corporation continues to exist after such dissolution as a limited liability company or in another form, whether incorporated in Delaware or another jurisdiction) or (ii) the consummation of a Control Disposition; provided, however, that (A) for so long as the Apollo Stockholders collectively own any Registrable Securities, Sections 4 and 5 may not be terminated without the prior written consent of Apollo, (B) for so long as the Apollo Stockholders collectively own at least 10% of the outstanding Common Stock, Section 9 may not be terminated without the prior written consent of Apollo, (C) the indemnification provisions of Section 6 and the covenants in Section 11 shall survive any termination, (D) for so long as the Apollo Stockholders collectively own at least 10% of the outstanding Common Stock, Section 11 shall survive any termination and (E) for so long as the Apollo Stockholders collectively own at least 25% of the outstanding Common Stock, Section 12 may not be terminated without the prior written consent of Apollo. Any Stockholder who disposes of all of his, her or its Common Stock in conformity with the terms of this Agreement shall cease to be a party to this Agreement and shall have no further rights hereunder.

Section 16. Severability. If any provision of this Agreement shall be determined to be illegal and unenforceable by any court of law, the remaining provisions shall be severable and enforceable in accordance with their terms.

Section 17. Governing Law; Jurisdiction.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to its choice or conflict of law provisions or rules.

(b) The parties to this Agreement agree that jurisdiction and venue in any action brought by any party hereto pursuant to this Agreement shall exclusively and properly lie in the federal courts of the United States of America located in the City and County of New York, Borough of Manhattan, or the courts of the State of New York located in the City and County of New York, Borough of Manhattan. By execution and delivery of this Agreement each party hereto irrevocably submits to the jurisdiction of such courts for himself and in respect of his property with respect to such action. The parties hereto irrevocably agree that venue for such action would be proper in such court and hereby waive any objection that such court is an improper or inconvenient forum for the resolution of such action. The parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court shall constitute valid and lawful service of process against them, without necessity for service by any other means provided by statute or rule of court.

Section 18. JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND/OR ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO ENFORCE OR DEFEND ANY RIGHT OR REMEDIES UNDER THIS AGREEMENT OR ANY DOCUMENTS ENTERED INTO IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREIN.

Section 19. Stock Dividends, Etc. The provisions of this Agreement shall apply to any and all shares of capital stock of the Corporation or any successor or assignee of the Corporation (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution for the shares of Stock, by reason of any stock dividend, split, reverse split, combination, recapitalization, reclassification, merger, consolidation or otherwise in such a manner and with such appropriate adjustments as to reflect the intent and meaning of the provisions hereof and so that the rights, privileges, duties and obligations hereunder shall continue with respect to the capital stock of the Corporation as so changed.

Section 20. Benefits of Agreement. This Agreement shall be binding upon and inure to the benefit of the Corporation and its successors and assigns and each Stockholder and any spouse of each individual Selected Stockholder and their permitted assigns, legal representatives, heirs and beneficiaries. Notwithstanding anything to the contrary contained herein, but subject to Section 3(b), the Apollo Entities may assign their rights or obligations, in whole or in part, under this Agreement to one or more of their Affiliates and may assign their registration rights and obligations under Sections 4 and 5, in whole or in part, to any party to whom they transfer any shares of Stock and Graham Entities may assign their rights or obligations, in whole or in part, under this Agreement to one or more of their Affiliates. Except as otherwise expressly provided herein, no Person not a party to this Agreement, as a third-party beneficiary or otherwise, shall be entitled to enforce any rights or remedies under this Agreement.

Section 21. Notices. All notices or other communications which are required or permitted hereunder shall be in writing and shall be deemed to have been given if (a) personally delivered or sent by telecopier, (b) sent by nationally recognized overnight courier or (c) sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

(i) If to the Corporation, to:

Berry Plastics Group, Inc.
101 Oakley Street
Evansville, Indiana 47710
Attention: Jeff Thompson
Telecopier: (812) 434-9472

with copies to:

Berry Plastics Group, Inc.
c/o Apollo Management VI, L.P.
9 West 57th Street
New York, New York 10019
Attn: Robert V. Seminara
Fax: (212) 515-3251

and:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attn: Andrew J. Nussbaum, Esq.
Fax: (212) 403-2000

(i) If to Apollo, to:

Apollo Management VI, L.P. &
Apollo Management V, L.P.
9 West 57th Street
New York, New York 10019
Attn: Robert V. Seminara
Fax: (212) 515-3251

with copies to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attn: Andrew J. Nussbaum, Esq.
Fax: (212) 403-2000

(ii) If to the Stockholders, to their respective addresses set forth on Schedule A or to such other address as the party to whom notice is to be given may have furnished to such other party in writing in accordance herewith. Any such communication shall be deemed to have been received (a) when delivered, if personally delivered or sent by telecopier, (b) the next Business Day after delivery, if sent by nationally recognized, overnight courier and (c) on the third (3rd) Business Day following the date on which the piece of mail containing such communication is posted, if sent by first-class mail.

Section 22. Modification; Waiver. This Agreement may be amended, modified or supplemented only by a written instrument duly executed by (a) the Corporation and (b) (i) for so long as the Apollo Entities collectively own at least 10% of the Stock, the vote of the shares of Stock owned by the Apollo Entities, and (ii) only for matters that adversely affect the rights or obligations of the Selected Stockholders under this Agreement, a majority of the shares of Stock owned by the Selected Stockholders as of the date the vote is taken; provided that (A) for so long as the Apollo Stockholders own any Registrable Securities, Sections 4, 5 and 23 may not be amended without the prior written consent of Apollo, (B) Section 10 may not be amended without the prior written consent of Apollo, (iii) for so long as the Apollo Stockholders collectively own at least 10% of the outstanding Common Stock, Sections 9 and 11 may not be amended without the prior written consent of Apollo, and (iv) for so long as the Apollo Stockholders own at least 25% of the outstanding Common Stock, Section 12 may not be amended without the prior written consent of Apollo. No amendment that materially adversely affects the obligations of the Graham Stockholders, and so long as the Graham Stockholders collectively own at least 33⅓% of the shares of Stock they own immediately following the IPO, no amendment that reduces or eliminates in any material respect the rights of Graham Stockholders, may be effected without the consent of Graham Stockholders holding a majority of the Stock owned by Graham Stockholders as of the date the vote is taken; provided, however, that with respect to an amendment that reduces or eliminates in any material respect the rights of Graham Stockholders to Graham Registration Demands pursuant to Section 4(b), no minimum ownership threshold shall apply to such required consent. No course of dealing between the Corporation or its Subsidiaries and the Stockholders (or any of them) or any delay in exercising any rights hereunder will operate as a waiver of any rights of any party to this Agreement. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

Section 23. Entire Agreement. Except as otherwise expressly provided herein, this Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith, including, without limitation, the First Stockholders Agreement and the Second Stockholders Agreement, from and after the completion of the IPO. Unless otherwise provided herein, any consent required by the Corporation may be withheld by the Corporation in its sole discretion.

Section 24. Inconsistent Arrangements and Dispositions. No Stockholder shall enter into any stockholder agreements or arrangements of any kind with any Person with respect to any Stock on terms inconsistent with the provisions of this Agreement (whether or not such agreements or arrangements are with other Stockholders or with Persons that are not parties to this Agreement), including agreements or arrangements with respect to the acquisition or disposition of any Stock in a manner inconsistent with this Agreement. Any Disposition or attempted Disposition in breach of this Agreement shall be void ab initio and of no effect. In connection with any attempted Disposition in breach of this Agreement, the Corporation may hold and refuse to transfer any Stock or any certificate therefor, in addition to and without prejudice to any and all other rights or remedies which may be available to it or the Stockholders. Each party to this Agreement acknowledges that a remedy at law for any breach or attempted breach of this Agreement will be inadequate, agrees that each other party to this Agreement shall be entitled to specific performance and injunctive and other equitable relief in case of any such breach or attempted breach, and further agrees to waive (to the extent legally permissible) any legal conditions required to be met for the obtaining of any such injunctive or other equitable relief (including posting any bond in order to obtain equitable relief).

Section 25. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts taken together shall constitute but one agreement. The failure of any Stockholder to execute this Agreement does not make it invalid as against any other Stockholder.

Section 26. Further Assurances. Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments and other documents as any other party hereto reasonably may request in order to carry out the provisions of this Agreement and the consummation of the transactions contemplated hereby.

Section 27. Director and Officer Actions. No director or officer of the Corporation shall be personally liable to the Corporation or any Stockholder as a result of any acts or omissions taken under this Agreement in good faith.

Section 28. Certain Certificates. Each Stockholder that is an entity that was formed for the sole purpose of acquiring shares of Stock or that has no substantial assets other than shares of Stock or interests in shares of Stock agrees that (i) certificates of shares of its common stock or other instruments reflecting equity interests in such entity (and the certificates for shares of common stock or other equity interests in any similar entities controlling such entity) will note the restrictions contained in this Agreement on the transfer of Stock as if such common stock or other equity interests were shares of Stock and (ii) no such shares of common stock or other equity interests may be transferred to any Person other than in accordance with the terms and provisions of this Agreement as if such shares or equity interests were shares of Stock.

Section 29. Apollo Stockholder Parties. In the event that any Apollo Entity that is not an Apollo Stockholder as of the time this Agreement becomes effective thereafter becomes an Apollo Stockholder, such Apollo Entity shall automatically become party to this Agreement and this Agreement shall be amended and restated to provide that the Apollo Entities or a designee of the Apollo Entities shall have all of the rights and obligations of the Apollo Entities hereunder.

Section 30. Certain Other Persons. Each individual Selected Stockholder represents and warrants to each and every other party to this Agreement that his or her spouse, if any, is fully aware of, understands and fully

consents to the provisions of this Agreement, its binding effect upon any community property interests or similar marital property interests in the Stock that such spouse may now or hereafter own, and that the termination of such spouse's marital relationship with such Selected Stockholder for any reason shall not have the effect of removing any Stock of the Corporation otherwise subject to this Agreement from the coverage of this Agreement. Furthermore, each individual Selected Stockholder agrees to cause his or her spouse (and any subsequent spouse) to execute and deliver, upon the request of the Corporation, a counterpart of this Agreement or an Adoption Agreement substantially in the form of Exhibit A or in such other form as is reasonably satisfactory to the Corporation.

* * * *

EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement ("Adoption") is executed pursuant to the terms of the Amended and Restated Stockholders Rights Agreement, dated as of [●], 2012 (as amended from time to time, the "Stockholders Agreement"), by the transferee ("Transferee") executing this Adoption. By the execution of this Adoption, the Transferee agrees as follows (terms used but not defined in this Adoption have the meanings set forth in the Stockholders Agreement):

1. Acknowledgement. Transferee acknowledges that Transferee is acquiring certain shares of Common Stock of the Corporation, subject to the terms and conditions of Stockholders Agreement, among the Corporation and the Stockholders party thereto.

2. Agreement. Transferee (i) agrees that the shares of Common Stock acquired by Transferee, and certain other shares of Common Stock that may be acquired by Transferee in the future, shall be bound by and subject to the terms of the Stockholders Agreement, pursuant to the terms thereof, and (ii) hereby adopts the Stockholders Agreement with the same force and effect as if he, she or it were originally a party thereto.

3. Notice. Any notice required as permitted by the Stockholders Agreement shall be given to Transferee at the address listed beside Transferee's signature below.

4. Joinder. The spouse of the undersigned Transferee, if applicable, executes this Adoption to acknowledge its fairness and that it is in such spouse's best interest, and to bind such spouse's community interest, if any, in the shares of Common Stock and other securities referred to above and in the Stockholders Agreement, to the terms of the Stockholders Agreement.

Signature: _____

_____

_____

Address: _____

_____

_____

Schedule A

Stockholders

Jimmy Alexander
Brett Bauer
Randall Becker
Curtis Begle
Harold Engh III
Scott Farmer
Michelle Forsell
Mark Freeman
Lawrence Goldstein
Rodgers Greenawalt
Randall Hobson
Dave Jochem
Jochem Family Trust No. 1
Dave Jochem
Kurt Klodnick
James Kratochvil
Todd Mathis
John Matuscak
Mark Miles
William Norman
Joel Plaas
Jonathan Rich
Jonathan Rich
Jonathan D Rich - GRAT - BP Rich
Thomas Salmon
Edward Stratton
Kenneth Swanson
Jeffrey Thompson
John Ulowetz
Glenn Unfried
Robert Weilminster
Donald Abney
Gary Abraham
Eric Babillis
John Baker
Bradley Bastion
Bret Baum
Jeff Bennett
Michael Bly
Tom Boyle
Keith Brechtelsbauer
Joseph Bruchman
Richard Carroll
Frank Cassidy
Michael Clark
Frits Doddema
Ryan Ehlert
Wendolyn Fox
Joseph Franckowiak

Greg Gard
Debra Garrison
Jeffrey Godsey
Jason Greene
William Gross
Ronda Hale
Bill Harness
Elisabeth Heusinkveld
Mike Hill
Michael Jacklen
Brian Jacobi
Robin John
Thomas Johnson
Gregory Wilson Jones
Paul Kiely
Robert Kiely
Richard Kreisl
Stefan Krieken
James Kveglis
Gerard Lamarre
John Landgrebe
Tim Leasure
Mary Jo Lilly
Kevin Lorang
James Macare
Robert Maltarich
Abboud Mamish
Jeffrey Mann
Henry Mariana
Joanna Marshall
Joanna Marshall IRA Charles Schwab & Co., Inc. Custodian Marshall
Janice Meissbach
Jeff Minnette
Jason Paladino
John Mark Patrick
Kevin Pennington
Edmond Phillips
Terri Pitcher
Tom Radle
Christopher Reffett
Dale Ridenour
Donovan Russell
Gerald Ruud, II
Scott Sanner
Jennye Scott
Shelton Scott
Steven Shuder
Benjamin Stilwell
Rolland Strasser
Thomas Sweeney, Jr.

Garry Teeguarden
Sam Thomas
Jim Till
Timothy White
John Yellig
Brian Allen
David Anderson
Darin Boots
Bobby Couick
Thomas Crosson
Jennifer Dartt
Lisa Davis
Joseph Dewig
Gabrielle Ditsch
Kathie Ellsworth
Dale Finley
William Freyer
Todd Gerot
Marshall Harris
William Humphries
Kenneth Jochem
Jeffrey Kohl
Mark Kramer
Michael Lawrence
Glenn LeBlanc
Ray McAlister
Kenneth Meissbach
Suzanne Mills
Thomas Pate
Michael Putnam
Roseann Rohe
John Sabey
Robert Smith
Robert Stead, Jr.
Fredy Steng
William Truelove
Michael White
Paul Wolak
James Abate
Roy Ackerman
Greg Albertson
Anthony Allegro
Jon Allie
Alex Arce
Patricia Argent
Terrance Arth
Garry Baker
Bo Becker
Kenneth Bell
Gregory Bender

Donald Bender
David Berkman
Stephane Binette
Janet Bittner
Mark Bixler
Daniel Bloom
Elmer Boeke
Ingrid Bogaerts
Mike Bogar
Joe Boris
Edward Boswell
Robert Bridewell
Rodney Brown
Shawn Burns
Krystal Butell
James Campbell
Darlene Carr
Adam Casta
Humberto Castilla
Ana Cervantes
Mike Chartrand
Michael Clark
Daniel Collins
Fred Cook, Jr.
Steve Cooper
Julie Craft
Ben Cross
Nick Damico
Bob Dannen
Thomas Dawe
Mark Dawson
Edward Dehart
Elizabeth DeHaven
Andrew Deutschman
John Dintaman
Chris Dorsogna
George Downing
William Duane
Rex Eaton
Michael Eickhoff
Daniel Ensley
George Eoannou
Patrick Fairchild
David Faubion
Lori Faubion
Nicholas Feagley
Mike Figiel
Craig Finley
Scott Fisher
William Fitzwater

Eric Folz
David Foster
Dawn Foster
Ross Freese
Brian Fultz
John Furlano
Christopher Gallaher
Stewart Gallaher
Eric Garant
Glenn Garbach
Anthony Gardner
Kent Gearhart
David Gerber
Cathy Gill
John Giminiani
Tammy Goodman
Garry Greene
Karen Groenhagen
Robert Guthrie
William Halvorsen
Kurt Hamblin
Craig Hanson
Ed Happe
Michael Happe
David Hardin
Gary Hartley
Craig Hashagen
Lupe Hawk
Christopher Hayes
David Hepburn
Scott Hess
Aaron Hill
Martha Holloway
Dave Homan
Jason Howell
Robert Humberger
Jason Humphrey
Brian Hunt
Darin Hunt
Casey Hurney
David Hylander
Julie Jacobs
Stephen Johnston
Gregory Wayne Jones
Paul Jones
James Kane
Brett Kaufman
Judith Keller
Matthew Kelly
Paul Kelly

David Kincade
Brooke Kitzmiller
Jeff Klone
Spiro Klosteridis
Steve Knapp
Robert Kolakowski
Keith Koressel
William Kroeschell
James Kujawa
James LaBrash
Mark Lashway
Russell Laucks
Matthew Lemere
Alan Letterman
Nancy Levesque
Ameriprise Trust Co. FBO, Brian Lloyd IRA, Acct #60888856-6-021 Lloyd
Brian Lloyd
Daniel Loescher
Robert Loftus
Clara Longo
Daniel Mahoney
Dianne Manley
Milan Maravich
Warren Marsh, Jr.
Paul Martensen
Alejandro Martinez
Katrien Masschelein
John Mathews
David Matteson
Karl Mauck
Sam McCain
Timothy McCue
Robert McLeland
Adria McPherson
Joshua Meador
Rod Merrill
Kevin Mesker
Michael Mesnard
Richard Messina
The Richard Messina Declaration of Trust Dated 10/10/2005 Messina
Michael Meyer
Frederick Middlestadt
Jeffrey Middlesworth
Robin Miller
Todd Missbach
Karen Morgan
Greg Morris
Theresa Morris
Michael Morrison
John Mosteller

Jay Mulhern
Joseph Nelson
Cathy Nestrick
Linda Newcomb
Brian Olund
David O'Nan
Martin Origuel
Paul Palerino
Scott Pancich
Gary Perry
William Persinger
Charles Petrie
Thomas Plaskon
Jeffrey Porter
Steve Priest
George Puckett
Francisco Ramirez
Ian Rayner
Jacqueline Redmon
Aaron Rees
Mary Reese
Chad Rice
Joe Rieks
Brian Rose
Alan Ross
Lisa Roth
Bruno Rudolf
Rob Ruppe
Thomas Rzendzian
Randall Salley
Christopher Sampson
Scott Sanner
Vince Santoro
Michael Schaefer
Adam Schiff
Tammy Schmitt
John Schwetz
Randy Selvage
Ketan Shah
William Shankland
Eric Sherpy
Ed Smith
Jeffrey Smith
Rick Smith
Ann Southwell
Scott Spaeth
Kelly Spurrier
John Staats
Phil Stolz
Kenneth Sweet

John Tauber
Chris Tedford
Michael Terracciano
John Thomas
Dirk Totte
Armando Tovar
Diane Tungate
Mazhar Uddin
Terry Vankoughnet
Rebecca Varathungarajan
John Vassallo
Rod Vincent
Rob Voegel
David Wagoner
Christopher Walker
Craig Ward
Jerome Wargel
Vic Warren
Frank Watson
James Watson
Xiaokang Wei
John Weibert
Michael West
Christopher White
Kim Wilburn
Freddy Williams
Mitchell Williams
Todd Wilmont
Burnice Wilson
Joey Wilson
Kevin L. Wilson
Michelle Wilson
Mitzie Wilson
Phil Wilson
Robert Wolf
Diana Wood
Miriam Wright
Paul Yeager
Gerry Yontz
Daniel Zakashefski
Richard Zierer, Jr.
Mike Allen
Jimmy Austria
Bradley Begle
Jim Belbas
Susan Bellard-Pickens
Kirk Birchler
Gary Britigan
Michelle Brown
Terrance Burns

Coy Campbell
Jackie Cargill
Patricia Cauley
Carol Chomas
Sandy Cleary
Bill Custance
Amy Davis
Bradley Ehlers
Debra Eoannou
Sheila Falco
Scott Franke
Stephen Fritz
Michael Fuller
Rod Geiser
Leonard Gomez
George Grinter
Christopher Gunn
Brady Gutekunst
Sharon Hart
Shay Helfrich
Mark Henderson
Amanda Holder
Jon Jackson
Hillary Johnson
Jana Johnson
Neil Kassenbrock
Steven Kincade
Michael Kubera
Pamela Lagerstrom
Chris Lemberg
Cheryl Litsey
Maria Madda
William Manning
Tarun Manroa
Mandy McCain
Kelly McKamey
Stephen McNulty
David Meguiar
Julie Merriman
Adam Meyer
Bruce Miles
Jan Miller
James Mlsna
Jeffrey Moore
Lee Mosby
Paul Murphy
David Okon
Sheeree Oney
Tom Paulett
Gary Pelletier

Richard Perkowski
Christopher Phillips
Michelle Phillips
Ed Pietraniec
Robert Pressley
Juan Ruiz
Beth Salerno
John Scheller
Mark Schmitt
Michele Schmitt
Don Scott
Mark Shafer
Gary Shapker
Peter Sirois
Scott Sitzman
Matthew Skarbek
James Smith
Matthew Smythe
Deborah Strickland
Jessie Talley
Robin Thomas
Roy Thorpe Bill
Ventresca
Todd Wadle
Tina Wagnon
Jon Wicker
Tim Willett
Jayson Williams
Kevin Winkleman
Vickie Wittmer
Bradley Worth
Lisa Yorgason
Matt Adamore
Larry Baker
Jacquiline Barber
Judy Blanchard
Randy Bowlds
Karen Boyer
Tony Burke
Matt Chase
Grant Cheney
Svetlana Contrada
Ryan Dewig
Phil Driskill
Andy Drotleff
John Euler
Cheryl Fireline
Jordan French
Karen Gail
Luc Geukens

Bryan Gillespie
Jerry Gordon
Carl Graf
Jill Greene
Bill Hames
Christine Hanson
Marty Hoenigmann
Wendy Hornich
Ron Hugo
Brian Johnson
Martha Johnson
Cory Keich
Constance Kimball
Mike Kinnan
Albert Koch
Raymond Lewis
Chuck Longino
Michael Maldonado
Chris Marposon
Marcia Navarro
Cindy Newman
Wes Porter
Randall Rieger
Greg Roth
Hugo Salinas
Don Scates
Eva Schmitz
John M. Shearin
Allen Sliwa
Tracy Soderling
Ty Staples
Joshua Steele
Brad Stensland
Dustin Stilwell
Dexter Sullivan
Fred Thomas
Christopher Thompson
Carly Trimpe
Keith Tungate
Rajan Varadarajan
Paul Watson
Alan Welch
Si Nam Won
Donald Young
AP Berry Holdings, LLC
Apollo Investment Fund V, LP
Apollo Investment Fund VI, L.P.
Apollo V Covalence Holdings LP
BPC Co-Investment Holdings LLC
Covalence Co-Investment Holdings LLC

Graham Berry Holdings, LP
GS Mezzanine Partners 2006 Institutional US, Ltd
GS Mezzanine Partners 2006 Offshore US, Ltd.
GS Mezzanine Partners 2006 Onshore US, Ltd.
Evan Bayh
Anthony Civale
Joshua Harris
Robert Seminara
Graham Capital Company Graham Partners, Inc.
Robert Dubner
Marv Schlanger
Timothy Kurpius
R. Brent Beeler 2012-8 Grantor Retained Annuity Trust Beeler
Douglas Bell
Ira Boots
Ira Boots Family Trust No. 1, Ira G. Boots Trustee Boots
The Fredrick A. Heseman Family Trust 2009
Fredrick Heseman
Marcia Jochem
Howard Weatherwax
Martin Branham
Stephen Ellis
James Handberg
Keith Lawrence
Terry Sullivan
Terry Wix
Charles Allen
Timothy Beaudry
Steven Bonti
Ronald Casey, Sr.
Tony Cella
David Corey
James Farley, Jr.
Mark Fermenick
Timothy Flynn
Mark Fricke
Kenneth Fritts
Dennis Giese
Stephen Heyer
James Hill
Kris Hockstedler
Armando Huicochea
Aron Jahr
Deborah Johnson
Curtis Jordan
Butch Lee
Daniel Lenhart
Kyle Lorentzen
Jon Lyons
Michael Lyons

Marshall McCombs
Terry Moege
Bryan Norman
Lisa Richey
Randall Rieger
Angela Rosenberry
Jerry Serra
Ronald Sheldon
James Whitehead
Elizabeth Wilhelmson
Alan Wyne

EXHIBIT 12.1

Earnings to Fixed Charges

	2008	2009	2010	2011	2012
Earnings:					
Income (loss) before taxes	-210	255	-162	-346	4
Interest	321	304	313	327	328
Interest portion of rental expense	19	19	19	19	20
	130	578	170	0	352
Fixed Charges:					
Interest	321	304	313	327	328
Interest capitalized	2	2	2	3	5
Interest portion of rental expense	19	19	19	19	20
	342	325	334	349	353
Ratio	0.4	1.8	0.5	0.0	1.0
Shortfall (overage)	212	-253	164	349	1

EXHIBIT 21.1

BERRY PLASTICS GROUP, INC.
LIST OF SUBSIDIARIES

Aerocon, LLC
Berry Iowa, LLC
Berry Plastics Design, LLC
Berry Plastics Technical Services, Inc.
Berry Sterling Corporation
CPI Holding Corporation
Knight Plastics, LLC
Packerware, LLC
Pescor, Inc.
Poly-Seal, LLC
Venture Packaging, Inc.
Venture Packaging Midwest, Inc.
Berry Plastics Opco, Inc.
Berry Plastics Acquisition Corporation V
Berry Plastics Acquisition Corporation IX
Berry Plastics Acquisition Corporation X
Berry Plastics Acquisition Corporation XI
Berry Plastics Acquisition Corporation XII
Berry Plastics Acquisition Corporation XIII
Berry Plastics Acquisition Corporation XV, LLC
Kerr Group, LLC
Saffron Acquisition, LLC
Setco, LLC
Sun Coast Industries, LLC
Cardinal Packaging, Inc.
Covalence Specialty Adhesives LLC
Covalence Specialty Coatings LLC
Caplas LLC
Caplas Neptune, LLC
Captive Plastics Holding, LLC
Captive Plastics, LLC
Grafco Industries Limited Partnership
Rollpak Corporation
Pliant, LLC
Pliant Corporation International
Uniplast Holdings, LLC
Uniplast U.S., Inc.
Berry Plastics SP, Inc.
Berry Plastics Filmco, Inc.
BPRex Closure Systems, LLC
BPRex Closures, LLC
BPRex Delta, Inc.
BPRex Closures Kentucky, Inc.
Berry Plastics Corporation

EXHIBIT 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Jonathan D. Rich, Chairman and Chief Executive Officer of Berry Plastics Group, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Berry Plastics Group, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: December 13, 2012 /s/ Jonathan D. Rich

Jonathan D. Rich

Chairman and Chief Executive Officer

EXHIBIT 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, James M. Kratochvil, Chief Financial Officer of Berry Plastics Group, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Berry Plastics Group, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: December 13, 2012 /s/ James M. Kratochvil

James M. Kratochvil

Chief Financial Officer *(Principal Financial and Accounting Officer)*

EXHIBIT 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Berry Plastics Group, Inc. (the "Registrant") on Form 10-K for the fiscal year ended September 29, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan D. Rich, Chairman and Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Jonathan D. Rich
Jonathan D. Rich
Chairman and Chief Executive Officer

Date: December 13, 2012

EXHIBIT 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Berry Plastics Group, Inc. (the "Registrant") on Form 10-K for the fiscal year ended September 29, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James M. Kratochvil, the Executive Vice-President, Chief Financial Officer, Treasurer and Secretary of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ James M. Kratochvil
James M. Kratochvil
Chief Financial Officer *(Principal Financial and Accounting Officer)*

Date: December 13, 2012

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-184522) pertaining to the Berry Plastics Group, Inc. 2006 Equity Incentive Plan and the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan of our report dated December 17, 2012, with respect to the consolidated financial statements of Berry Plastics Group, Inc. included in this Annual Report (Form 10-K) for the year ended September 29, 2012.

/s/ Ernst & Young LLP

Indianapolis, IN

December 17, 2012