

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended December 27, 2014

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934



Commission File Number 001-35672

BERRY PLASTICS GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)
101 Oakley Street
Evansville, Indiana
(Address of principal executive offices)

20-5234618
(IRS employer
identification number)

47710
(Zip code)

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

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

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 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 No

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 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

<u>Class</u>	<u>Outstanding at January 30, 2015</u>
Common Stock, \$.01 par value per share	118.9 million shares

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Form 10-Q includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. The forward-looking statements include, in particular, statements about our plans, strategies and prospects under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations". You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “would,” “could,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “outlook,” “anticipates” or “looking forward” 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-Q.

Readers should carefully review the factors discussed in our most recent Form 10-K in the section titled “Risk Factors” and other risk factors identified from time to time in our periodic filings with the Securities and Exchange Commission.

Berry Plastics Group, Inc.
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For Quarterly Period Ended December 27, 2014

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Part I. Financial Information**Item 1. Financial Statements**

Berry Plastics Group, Inc.
Consolidated Statements of Income
(Unaudited)
(in millions of dollars, except per share amounts)

	Quarterly Period Ended	
	December 27, 2014	December 28, 2013
Net sales	\$ 1,220	\$ 1,140
Costs and expenses:		
Cost of goods sold	1,037	964
Selling, general and administrative	86	77
Amortization of intangibles	25	26
Restructuring and impairment charges	4	10
Operating income	68	63
Other income, net	(1)	(1)
Interest expense, net	53	55
Income before income taxes	16	9
Income tax expense	3	3
Net income	\$ 13	\$ 6
Net income per share:		
Basic	\$ 0.11	\$ 0.05
Diluted	0.11	0.05
Outstanding weighted-average shares:		
Basic	118.2	115.9
Diluted	122.9	120.5

Berry Plastics Group, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(in millions of dollars)

	Quarterly Period Ended	
	December 27, 2014	December 28, 2013
Net income	\$ 13	\$ 6
Currency translation	(14)	(1)
Interest rate hedges	(7)	—
Provision for income taxes related to other comprehensive income items	2	—
Comprehensive income (loss)	\$ (6)	\$ 5

See notes to consolidated financial statements.

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

	December 27, 2014	September 27, 2014
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 53	\$ 129
Accounts receivable (less allowance of \$3 at December 27, 2014 and \$3 at September 27, 2014)	442	491
Inventories:		
Finished goods	362	353
Raw materials and supplies	257	251
	<u>619</u>	<u>604</u>
Deferred income taxes	249	166
Prepaid expenses and other current assets	39	42
Total current assets	1,402	1,432
Property, plant, and equipment, net	1,331	1,364
Goodwill, intangible assets and deferred costs, net	2,442	2,471
Other assets	1	1
Total assets	<u>\$ 5,176</u>	<u>\$ 5,268</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 352	\$ 395
Accrued expenses and other current liabilities	334	314
Current portion of long-term debt	56	58
Total current liabilities	<u>742</u>	<u>767</u>
Long-term debt, less current portion	3,756	3,860
Deferred income taxes	469	386
Other long-term liabilities	302	356
Total liabilities	5,269	5,369
Redeemable non-controlling interest	13	13
Stockholders' equity (deficit)		
Common stock (118.8 and 118.0 shares issued, respectively)	1	1
Additional paid-in capital	381	367
Non-controlling interest	3	3
Accumulated deficit	(429)	(442)
Accumulated other comprehensive loss	(62)	(43)
Total stockholders' equity (deficit)	<u>(106)</u>	<u>(114)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 5,176</u>	<u>\$ 5,268</u>

See notes to consolidated financial statements.

Berry Plastics Group, Inc.
Consolidated Statement of Changes in Stockholders' Equity (Deficit)
For the Quarterly Period Ended December 27, 2014 and December 28, 2013
(Unaudited)
(in millions of dollars)

	Common Stock	Additional Paid-in Capital	Non- controlling Interest	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at September 28, 2013	\$ 1	\$ 322	\$ 3	\$ (18)	\$ (504)	\$ (196)
Proceeds from issuance of common stock	—	3	—	—	—	3
Stock compensation expense	—	5	—	—	—	5
Net income	—	—	—	—	6	6
Currency translation	—	—	—	(1)	—	(1)
Balance at December 28, 2013	<u>\$ 1</u>	<u>\$ 330</u>	<u>\$ 3</u>	<u>\$ (19)</u>	<u>\$ (498)</u>	<u>\$ (183)</u>
Balance at September 27, 2014	\$ 1	\$ 367	\$ 3	\$ (43)	\$ (442)	\$ (114)
Proceeds from issuance of common stock	—	7	—	—	—	7
Stock compensation expense	—	7	—	—	—	7
Net income	—	—	—	—	13	13
Interest rate hedge, net of tax	—	—	—	(5)	—	(5)
Currency translation	—	—	—	(14)	—	(14)
Balance at December 27, 2014	<u>\$ 1</u>	<u>\$ 381</u>	<u>\$ 3</u>	<u>\$ (62)</u>	<u>\$ (429)</u>	<u>\$ (106)</u>

See notes to consolidated financial statements.

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

	Quarterly Period Ended	
	December 27, 2014	December 28, 2013
Cash Flows from Operating Activities:		
Net income	\$ 13	\$ 6
Adjustments to reconcile net cash provided by operating activities:		
Depreciation	66	59
Amortization of intangibles	25	26
Non-cash interest expense	2	2
Deferred income tax	3	4
Stock compensation expense	7	5
Impairment of long-lived assets	2	2
Other non-cash items	(2)	1
Changes in operating assets and liabilities:		
Accounts receivable, net	45	51
Inventories	(18)	14
Prepaid expenses and other assets	(5)	(4)
Accounts payable and other liabilities	(38)	6
Net cash from operating activities	<u>100</u>	<u>172</u>
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(35)	(47)
Proceeds from sale of assets	10	1
Acquisition of business, net of cash acquired	—	(67)
Net cash from investing activities	<u>(25)</u>	<u>(113)</u>
Cash Flows from Financing Activities:		
Proceeds from long-term borrowings	—	3
Repayments on long-term borrowings	(116)	(13)
Proceeds from issuance of common stock	7	3
Payment of tax receivable agreement	(39)	(32)
Net cash from financing activities	<u>(148)</u>	<u>(39)</u>
Effect of exchange rate changes on cash	(3)	—
Net change in cash	<u>(76)</u>	<u>20</u>
Cash and cash equivalents at beginning of period	129	142
Cash and cash equivalents at end of period	<u>\$ 53</u>	<u>\$ 162</u>

See notes to consolidated financial statements.

Berry Plastics Group, Inc.
Notes to Consolidated Financial Statements
(Unaudited)
(tables in millions of dollars, except per share data)

1. Basis of Presentation

The accompanying unaudited Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included, and all subsequent events up to the time of the filing have been evaluated. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company’s most recent Form 10-K filed with the Securities and Exchange Commission.

2. Recently Issued Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued a final standard on revenue recognition. Under the new standard, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In order to do so, an entity would follow the five-step process for in-scope transactions: 1) identify the contract with a customer, 2) identify the separate performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the separate performance obligations in the contract, and 5) recognize revenue when (or as) the entity satisfies a performance obligation. For public entities, the provisions of the new standard are effective for annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. An entity can apply the new revenue standard retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application in retained earnings. The Company is currently assessing the impact to the consolidated financial statements.

3. Acquisitions

Rexam Healthcare Containers and Closures

In June 2014, the Company acquired Rexam’s Healthcare Containers and Closures business (“C&C”) for a purchase price of \$130 million, net of cash acquired. The C&C business produces bottles, closures and specialty products for pharmaceutical and over-the-counter healthcare applications. The C&C 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 acquired assets and assumed liabilities consisted of working capital of \$30 million, property and equipment of \$84 million, non-current deferred tax benefit of \$4 million, intangible assets of \$9 million, and goodwill of \$6 million and other long-term liabilities of \$3 million. The Company has not finalized the purchase price allocation to the fair values of fixed assets, intangibles, or deferred income taxes and is reviewing the working capital acquired.

4. Restructuring and Impairment Charges

The Company incurred restructuring costs related to severance, asset impairment and facility exit costs of \$4 million and \$10 million for the quarterly period ended December 27, 2014 and December 28, 2013, respectively. The tables below set forth the significant components of the restructuring charges recognized, by segment:

	Quarterly Period Ended	
	December 27, 2014	December 28, 2013
	Rigid Open Top	\$ —
Rigid Closed Top	1	—
Engineered Materials	—	3
Flexible Packaging	3	6
Consolidated	<u>\$ 4</u>	<u>\$ 10</u>

The table below sets forth the activity with respect to the restructuring accrual at December 27, 2014:

	Severance and termination benefits	Facilities exit costs and other	Non-cash	Total
Balance at September 27, 2014	\$ 5	\$ 8	\$ —	\$ 13
Charges	1	1	2	4
Non-cash asset impairment	—	—	(2)	(2)
Cash payments	(3)	(1)	—	(4)
Balance at December 27, 2014	<u>\$ 3</u>	<u>\$ 8</u>	<u>\$ —</u>	<u>\$ 11</u>

5. 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 on the Consolidated Balance Sheets:

	December 27, 2014	September 27, 2014
Employee compensation, payroll and other taxes	\$ 86	\$ 99
Interest	55	44
Rebates	57	50
Tax receivable agreement obligation	60	39
Other	76	82
	<u>\$ 334</u>	<u>\$ 314</u>

The following table sets forth the totals included in Other long-term liabilities on the Consolidated Balance Sheets:

	December 27, 2014	September 27, 2014
Lease retirement obligation	\$ 31	\$ 31
Sale-lease back deferred gain	29	30
Pension liability	44	45
Tax receivable agreement obligation	174	234
Other	24	16
	<u>\$ 302</u>	<u>\$ 356</u>

The Company made \$39 million of payments related to the income tax receivable agreement ("TRA") in the first fiscal quarter of 2015, of which Apollo Global Management, LLC received \$33 million. The TRA provides for the payment to TRA holders 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that are actually realized as a result of the utilization of our net operating losses attributable to periods prior to the initial public offering.

6. Long-Term Debt

Long-term debt consists of the following:

	Maturity Date	December 27, 2014	September 27, 2014
Term loan	February 2020	\$ 1,379	\$ 1,383
Term loan	January 2021	1,019	1,122
Revolving line of credit	June 2016	—	—
9¾% Second Priority Senior Secured Notes	January 2021	800	800
5½% Second Priority Senior Secured Notes	May 2022	500	500
Capital leases and other	Various	114	113
		3,812	3,918
Less current portion of long-term debt		(56)	(58)
		\$ 3,756	\$ 3,860

The Company's senior secured credit facilities consist of \$2.4 billion of term loans and a \$650 million asset based revolving line of credit. The Company was in compliance with all covenants as of December 27, 2014.

In October 2014, the Company elected to make a voluntary one-time \$100 million principal payment on the outstanding term loan using existing liquidity.

7. 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 the fair value of the derivatives are offset by changes in the fair value of the related hedged item and 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. The categorization of the framework used to price these derivative instruments is considered a Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value.

In February 2013, the Company entered into an interest rate swap transaction to manage cash flow variability associated with \$1 billion of outstanding variable rate term loan debt. The agreement swapped the greater of a three-month variable LIBOR contract or 1.00% for a fixed three-year rate of 2.355%, with an effective date in May 2016 and expiration in May 2019. In June 2013, the Company elected to settle this derivative instrument and received \$16 million as a result of this settlement. The offset is included in Accumulated other comprehensive income and will be amortized to Interest expense from May 2016 through May 2019, the original term of the swap agreement.

In March 2014, the Company entered into an interest rate swap transaction to manage cash flow variability associated with \$1 billion of outstanding variable rate term loan debt. The agreement swaps the greater of a three-month variable LIBOR contract or 1.00% for a fixed three-year rate of 2.59%, with an effective date in February 2016 and expiration in February 2019. The Company records changes in fair value in Accumulated other comprehensive income and Deferred income taxes.

Derivatives instruments	Balance Sheet Location	December 27, 2014	September 27, 2014
Interest rate swap	Other long-term liabilities	\$ 10	\$ 3

Non-recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis when impairment indicators are present. 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 Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value. These assets include primarily our definite lived and indefinite lived intangible assets, including Goodwill and our property plant and equipment. The Company reviews Goodwill and other indefinite lived assets for impairment as of the first day of the fourth fiscal quarter each year, and more frequently if impairment indicators exist. The Company determined Goodwill and other indefinite lived assets were not impaired in our annual fiscal 2014 assessment and no impairment indicators existed in the current quarter.

Included in the following table are the major categories of assets measured at fair value on a non-recurring basis as of December 27, 2014 and September 27, 2014, along with the impairment loss recognized on the fair value measurement during the period:

	As of December 27, 2014				
	Level 1	Level 2	Level 3	Total	Impairment
Indefinite-lived trademarks	\$ —	\$ —	\$ 207	\$ 207	\$ —
Goodwill	—	—	1,657	1,657	—
Definite lived intangible assets	—	—	559	559	—
Property, plant, and equipment	—	—	1,331	1,331	2
Total	\$ —	\$ —	\$ 3,754	\$ 3,754	\$ 2

	As of September 27, 2014				
	Level 1	Level 2	Level 3	Total	Impairment
Indefinite-lived trademarks	\$ —	\$ —	\$ 207	\$ 207	\$ —
Goodwill	—	—	1,659	1,659	—
Definite lived intangible assets	—	—	585	585	—
Property, plant, and equipment	—	—	1,364	1,364	7
Total	\$ —	\$ —	\$ 3,815	\$ 3,815	\$ 7

The Company's financial instruments consist primarily of cash and cash equivalents, long-term debt and capital lease obligations. The fair value of our long-term indebtedness exceeded book value by \$29 million as of December 27, 2014. The Company's long-term debt fair values were determined using Level 2 inputs as other significant observable inputs were not available.

8. Income Taxes

The Company's effective tax rate was 21% and 29% for the quarterly period ended December 27, 2014 and December 28, 2013, respectively. The primary reason the expense was lower than our statutory rate was the extension of the research and development tax credit through the end of calendar 2014. A reconciliation of Income tax expense, computed at the federal statutory rate, to Income tax expense, as provided for in the financial statements, is as follows:

	Quarterly Period Ended	
	December 27, 2014	December 28, 2013
Income tax expense computed at statutory rate	\$ 6	\$ 3
Research and development credits	(3)	—
Uncertain tax position	—	(1)
Other	—	1
Income tax expense	\$ 3	\$ 3

9. Operating Segments

The Company's operations are organized into four reportable segments: Rigid Open Top, Rigid Closed Top, Engineered Materials, and Flexible Packaging. We have manufacturing and distribution centers in the United States, Canada, Mexico, Belgium, France, Australia, Germany, Brazil, Malaysia, India, China, and the Netherlands. The North American operation represents 95% of net sales, 96% of total long-lived assets, and 95% of the total assets. Selected information by reportable segment is presented in the following table:

	Quarterly Period Ended	
	December 27, 2014	December 28, 2013
Net sales:		
Rigid Open Top	\$ 257	\$ 261
Rigid Closed Top	373	332
Engineered Materials	349	342
Flexible Packaging	241	205
Total net sales	<u>\$ 1,220</u>	<u>\$ 1,140</u>
Operating income (loss):		
Rigid Open Top	\$ 7	\$ 13
Rigid Closed Top	21	30
Engineered Materials	32	25
Flexible Packaging	8	(5)
Total operating income	<u>\$ 68</u>	<u>\$ 63</u>
Depreciation and amortization:		
Rigid Open Top	\$ 23	\$ 23
Rigid Closed Top	36	30
Engineered Materials	17	19
Flexible Packaging	15	13
Total depreciation and amortization	<u>\$ 91</u>	<u>\$ 85</u>
	December 27, 2014	September 27, 2014
Total assets:		
Rigid Open Top	\$ 1,804	\$ 1,808
Rigid Closed Top	1,910	1,966
Engineered Materials	713	722
Flexible Packaging	749	772
Total assets	<u>\$ 5,176</u>	<u>\$ 5,268</u>
Goodwill:		
Rigid Open Top	\$ 681	\$ 681
Rigid Closed Top	826	827
Engineered Materials	70	71
Flexible Packaging	80	80
Total goodwill	<u>\$ 1,657</u>	<u>\$ 1,659</u>

10. Contingencies and Commitments

The Company is party to various legal proceedings involving routine claims which are incidental to the business. Although the 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 the business, financial condition, results of operations, or cash flows of the Company.

11. Basic and Diluted Net Income per Share

Basic net income per share is calculated by dividing the net income 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 per share is computed by dividing the net income 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 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 per share.

The following tables and discussion provide a reconciliation of the numerator and denominator of the basic and diluted net income per share computations. The calculation below provides net income on both basic and diluted basis for the quarterly period ended December 27, 2014 and December 28, 2013:

	Quarterly Period Ended	
	December 27, 2014	December 28, 2013
(in millions, except per share amounts)		
Numerator		
Net income	\$ 13	\$ 6
Denominator		
Weighted average common shares outstanding - basic	118.2	115.9
Dilutive shares	4.7	4.6
Weighted average common and common equivalent shares outstanding - diluted	122.9	120.5
Per common share income		
Basic	\$ 0.11	\$ 0.05
Diluted	\$ 0.11	\$ 0.05

12. Comprehensive Income

Comprehensive income is comprised of net income and other comprehensive income (loss). 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 balances related to each component of other comprehensive income (loss) during the three months ended December 27, 2014 were as follows:

	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Interest Rate Hedges	Accumulated Other Comprehensive Loss
Balance at September 27, 2014	\$ (36)	\$ (15)	\$ 8	\$ (43)
Other comprehensive loss	(14)	—	(7)	(21)
Tax expense	—	—	2	2
Balance at December 27, 2014	\$ (50)	\$ (15)	\$ 3	\$ (62)

13. 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. 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 Balance Sheet

	December 27, 2014					
	Parent	Issuer	Guarantor Subsidiaries	Non— Guarantor Subsidiaries	Eliminations	Total
Current assets	250	99	863	190	—	1,402
Intercompany receivable	—	3,321	—	97	(3,418)	—
Property, plant, and equipment, net	—	81	1,139	111	—	1,331
Other assets	76	1,370	2,207	118	(1,328)	2,443
Total assets	<u>\$ 326</u>	<u>\$ 4,871</u>	<u>\$ 4,209</u>	<u>\$ 516</u>	<u>\$ (4,746)</u>	<u>\$ 5,176</u>
Current liabilities	57	216	393	76	—	742
Intercompany payable	(282)	—	3,700	—	(3,418)	—
Other long-term liabilities	644	3,838	38	7	—	4,527
Non-controlling interest	13	—	—	13	(13)	13
Stockholders’ equity (deficit)	(106)	817	78	420	(1,315)	(106)
Total liabilities and stockholders’ equity (deficit)	<u>\$ 326</u>	<u>\$ 4,871</u>	<u>\$ 4,209</u>	<u>\$ 516</u>	<u>\$ (4,746)</u>	<u>\$ 5,176</u>
	September 27, 2014					
	Parent	Issuer	Guarantor Subsidiaries	Non— Guarantor Subsidiaries	Eliminations	Total
Current assets	166	171	901	194	—	1,432
Intercompany receivable	—	3,343	—	87	(3,430)	—
Property, plant and equipment, net	—	84	1,162	118	—	1,364
Other assets	69	1,357	2,227	125	(1,306)	2,472
Total assets	<u>\$ 235</u>	<u>\$ 4,955</u>	<u>\$ 4,290</u>	<u>\$ 524</u>	<u>\$ (4,736)</u>	<u>\$ 5,268</u>
Current liabilities	35	212	435	85	—	767
Intercompany payable	(319)	—	3,749	—	(3,430)	—
Other long-term liabilities	620	3,934	42	6	—	4,602
Non-controlling interest	13	—	—	13	(13)	13
Stockholders’ equity (deficit)	(114)	809	64	420	(1,293)	(114)
Total liabilities and stockholders’ equity (deficit)	<u>\$ 235</u>	<u>\$ 4,955</u>	<u>\$ 4,290</u>	<u>\$ 524</u>	<u>\$ (4,736)</u>	<u>\$ 5,268</u>

Condensed Supplemental Consolidated Statements of Operations

	Quarterly Period Ended December 27, 2014					
	Parent	Issuer	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 159	\$ 948	\$ 113	\$ —	\$ 1,220
Cost of goods sold	—	147	809	81	—	1,037
Selling, general and administrative	—	16	60	10	—	86
Amortization of intangibles	—	2	21	2	—	25
Restructuring and impairment charges	—	—	4	—	—	4
Operating income (loss)	—	(6)	54	20	—	68
Other income, net	—	(1)	—	—	—	(1)
Interest expense, net	—	7	41	5	—	53
Equity in net income of subsidiaries	(16)	(28)	—	—	44	—
Income (loss) before income taxes	16	16	13	15	(44)	16
Income tax expense (benefit)	3	2	—	1	(3)	3
Net income (loss)	\$ 13	\$ 14	\$ 13	\$ 14	\$ (41)	\$ 13
Comprehensive income (loss)	\$ 13	\$ 13	\$ 9	\$ —	\$ (41)	\$ (6)
Consolidating Statement of Cash Flows						
Cash Flow from Operating Activities	\$ —	\$ (16)	\$ 102	\$ 14	\$ —	\$ 100
Cash Flow from Investing Activities						
Additions to property, plant, and equipment	—	(3)	(30)	(2)	—	(35)
Proceeds from sale of assets	—	—	10	—	—	10
(Contributions) distributions to/from subsidiaries	(7)	7	—	—	—	—
Intercompany advances (repayments)	—	55	—	—	(55)	—
Acquisition of business, net of cash acquired	—	—	—	—	—	—
Net cash from investing activities	(7)	59	(20)	(2)	(55)	(25)
Cash Flow from Financing Activities						
Proceeds from issuance of common stock	7	—	—	—	—	7
Payment of tax receivable agreement	(39)	—	—	—	—	(39)
Repayments on long-term borrowings	—	(115)	—	(1)	—	(116)
Changes in intercompany balances	39	—	(91)	(3)	55	—
Net cash provided from financing activities	7	(115)	(91)	(4)	55	(148)
Effect of exchange rate on cash	—	—	—	(3)	—	(3)
Net change in cash	—	(72)	(9)	5	—	(76)
Cash and cash equivalents at beginning of period	—	70	15	44	—	129
Cash and cash equivalents at end of period	\$ —	\$ (2)	\$ 6	\$ 49	\$ —	\$ 53

Quarterly Period Ended December 28, 2013

	Non-						Total
	Parent	Issuer	Guarantor Subsidiaries	Guarantor Subsidiaries	Eliminations		
Net sales	\$ —	\$ 146	\$ 907	\$ 87	\$ —	\$ —	\$ 1,140
Cost of goods sold	—	131	762	71	—	—	964
Selling, general and administrative	—	19	51	7	—	—	77
Amortization of intangibles	—	3	21	2	—	—	26
Restructuring and impairment charges	—	—	10	—	—	—	10
Operating income (loss)	—	(7)	63	7	—	—	63
Debt extinguishment	—	—	—	—	—	—	—
Other income, net	—	(1)	—	—	—	—	(1)
Interest expense, net	13	6	44	(33)	25	—	55
Equity in net income of subsidiaries	(22)	(58)	—	—	80	—	—
Income (loss) before income taxes	9	46	19	40	(105)	—	9
Income tax expense (benefit)	3	16	—	1	(17)	—	3
Net income (loss)	\$ 6	\$ 30	\$ 19	\$ 39	\$ (88)	\$ —	\$ 6
Comprehensive income (loss)	\$ 6	\$ 30	\$ 19	\$ 38	\$ (88)	\$ —	\$ 5

Consolidating Statement of Cash Flows

Cash Flow from Operating Activities	\$ —	\$ —	\$ 162	\$ 10	\$ —	\$ —	\$ 172
Cash Flow from Investing Activities							
Additions to property, plant, and equipment	—	(2)	(44)	(1)	—	—	(47)
Proceeds from sale of assets	—	—	1	—	—	—	1
(Contributions) distributions to/from subsidiaries	(3)	3	—	—	—	—	—
Intercompany advances (repayments)	—	30	—	—	(30)	—	—
Acquisition of business, net of cash acquired	—	—	(62)	(5)	—	—	(67)
Net cash from investing activities	(3)	31	(105)	(6)	(30)	—	(113)
Cash Flow from Financing Activities							
Proceeds from long-term borrowings	—	—	—	3	—	—	3
Proceeds from issuance of common stock	3	—	—	—	—	—	3
Payment of tax receivable agreement	(32)	—	—	—	—	—	(32)
Repayments on long-term borrowings	—	(13)	—	—	—	—	(13)
Changes in intercompany balances	32	—	(57)	(5)	30	—	—
Net cash provided from financing activities	3	(13)	(57)	(2)	30	—	(39)
Effect of exchange rate on cash	—	—	—	—	—	—	—
Net change in cash	—	18	—	2	—	—	20
Cash and cash equivalents at beginning of period	—	116	—	26	—	—	142
Cash and cash equivalents at end of period	\$ —	\$ 134	\$ —	\$ 28	\$ —	\$ —	\$ 162

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in our most recent Form 10-K in the section titled "Risk Factors" and other risk factors identified from time to time in our periodic filings with the SEC. As a result, our actuals may differ materially from those contained in any forward-looking statements. You should read the explanation of the qualifications and limitations on these forward-looking statements referenced within this report.

Executive Summary

Business. We operate in the following four segments: Rigid Open Top, Rigid Closed Top, Engineered Materials, and Flexible Packaging. The Rigid Open Top segment businesses sell primarily containers and foodservice items. The Rigid Closed Top segment sells closures, overcaps, bottles, prescription containers, and tubes. Our Engineered Materials segment primarily sells pipeline corrosion protection solutions, tapes and adhesives, PE-based film products, and can liners. The Flexible Packaging segment primarily sells high barrier, multilayer film products as well as finished flexible packages such as printed bags and pouches.

Acquisitions. 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 and restructuring plans within our unrealized synergies, which are in turn recognized in earnings after an acquisition has been fully integrated or the restructuring plan is completed. 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 and restructuring plans 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.

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 three month simple average, as published in Chem Data, price per pound were as follows by fiscal year:

	Polyethylene Butene Film			Polypropylene		
	2015	2014	2013	2015	2014	2013
1st quarter	\$.86	\$.82	\$.69	\$.92	\$.89	\$.76
2nd quarter	—	.85	.74	—	.95	.96
3rd quarter	—	.86	.77	—	.91	.84
4th quarter	—	.87	.79	—	.92	.89

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. 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 to pass through raw material cost changes to our customers, improve manufacturing productivity and adapt to volume changes of our customers. Consumer demand for packaged food products has been under pressure for over two years. During this same period our raw material costs have experienced inflation. This combination has put pressure on industry margins and asset utilization rates, which the Company has been able to partially offset by pricing actions, asset consolidations, introduction of new products and synergies from acquisitions. In 2014, commodity grain prices began to fall significantly, and then in December 2014 oil prices dropped precipitously. Just as raw material price increases have negatively impacted our working capital over the past two years, we expect that the trend of decreasing resin prices, to the extent it continues, will have a favorable impact on cash from operating activities over the next several quarters.

Results of Operations

Comparison of the Quarterly Period Ended December 27, 2014 (the "Quarter") and the Quarterly Period Ended December 28, 2013 (the "Prior Quarter")

Consolidated Overview

	<u>Quarter</u>	<u>Prior Quarter</u>	<u>\$ Change</u>	<u>% Change</u>
Net sales	\$ 1,220	\$ 1,140	\$ 80	7%
Operating income	\$ 68	\$ 63	\$ 5	8%
Operating income percentage of net sales	6%	6%		

Net sales increased from \$1,140 million in the Prior Quarter to \$1,220 million in the Quarter. This increase is primarily attributed to net sales from businesses acquired in the last twelve months of 6% and selling price increases of 3% due to higher resin prices shown above and general price increases to cover non-resin related cost inflation partially offset by a 2% volume decline primarily related to soft customer demand.

Operating income increased from \$63 million in the Prior Quarter to \$68 million in the Quarter. This increase is primarily attributed to a \$4 million improvement in the relationship of net selling price to raw material costs, \$5 million improvement in operating performance in manufacturing, and a \$6 million decrease in business integration expenses. Business integration expenses consist of restructuring and impairment charges and other business optimization costs. These improvements are partially offset by \$7 million from base volume declines and operating losses from businesses acquired in the last twelve months. Acquisition operating income (loss) is generally analyzed in total until the acquisition has been included in our results for a full year.

Rigid Open Top

	<u>Quarter</u>	<u>Prior Quarter</u>	<u>\$ Change</u>	<u>% Change</u>
Net sales	\$ 257	\$ 261	\$ (4)	(2%)
Operating income	\$ 7	\$ 13	\$ (6)	(46%)
Operating income percentage of net sales	3%	5%		

Net sales in the Rigid Open Top segment decreased from \$261 million in the Prior Quarter to \$257 million in the Quarter as a result of a volume decline of 6%. The volume decline is related to general market softness and the Company entering into new agreements in the Prior Quarter with several existing thermoformed drink cup customers where our prior contracts provided high market shares at those accounts. The volume decline was partially offset by net selling price increases of 5% due to the pass through of higher raw material and freight costs.

Operating income for the Rigid Open Top segment decreased from \$13 million in the Prior Quarter to \$7 million in the Quarter. This decrease is primarily attributed to \$3 million from base volume declines, \$1 million decline in operating performance in manufacturing, and \$1 million of increased business integration expenses.

Rigid Closed Top

	<u>Quarter</u>	<u>Prior Quarter</u>	<u>\$ Change</u>	<u>% Change</u>
Net sales	\$ 373	\$ 332	\$ 41	12%
Operating income	\$ 21	\$ 30	\$ (9)	(30%)
Operating income percentage of net sales	6%	9%		

Net sales in the Rigid Closed Top segment increased from \$332 million in the Prior Quarter to \$373 million in the Quarter primarily as a result of acquisition volume of 11% attributed to the United States portion of the Healthcare Containers and Closures business purchased from Rexam ("C&C").

Operating income for the Rigid Closed Top segment decreased from \$30 million in the Prior Quarter to \$21 million in the Quarter. This decrease is primarily attributed to \$8 million of operating losses from the C&C acquisition as a result of business integration expenses and \$3 million in increased depreciation and amortization partially offset by a \$5 million decline in selling, general, and administrative expenses driven by synergies from the C&C acquisition.

Engineered Materials

	<u>Quarter</u>	<u>Prior Quarter</u>	<u>\$ Change</u>	<u>% Change</u>
Net sales	\$ 349	\$ 342	\$ 7	2%
Operating income	\$ 32	\$ 25	\$ 7	28%
Operating income percentage of net sales	9%	7%		

The Engineered Materials segment net sales increased from \$342 million in the Prior Quarter to \$349 million in the Quarter primarily as a result of net selling price increases of 3% due to the pass through of higher raw material costs partially offset by a 1% base volume decline primarily attributed to soft customer demand in our corrosion protection and housewares products.

Operating income for the Engineered Materials segment improved from \$25 million in the Prior Quarter to \$32 million in the Quarter. This increase is primarily attributed to a \$3 million reduction in business integration costs, a \$2 million improvement in operating performance in manufacturing and a \$2 million decrease in depreciation and amortization expense.

Flexible Packaging

	<u>Quarter</u>	<u>Prior Quarter</u>	<u>\$ Change</u>	<u>% Change</u>
Net sales	\$ 241	\$ 205	\$ 36	18%
Operating income	\$ 8	\$ (5)	\$ 13	260%
Operating income percentage of net sales	3%	(2%)		

The Flexible Packaging segment net sales increased from \$205 million in the Prior Quarter to \$241 million in the Quarter as a result of acquisition volume of 16% and selling price increases of 3%.

Operating income for the Flexible Packaging segment improved from an operating loss of \$5 million in the Prior Quarter to operating income of \$8 million in the Quarter. This increase is primarily attributed to a \$3 million improvement in operating performance in manufacturing, \$3 million improvement in the relationship of net selling price to raw material and freight costs, \$4 million benefit from businesses acquired in the last 12 months, and a \$5 million reduction in business integration costs partially offset by a \$1 million base volume decline and increased depreciation and amortization expense.

Other income

	<u>Quarter</u>	<u>Prior Quarter</u>	<u>\$ Change</u>	<u>% Change</u>
Other income, net	\$ (1)	\$ (1)	-	-

Other income was \$1 million in both the current Quarter and the Prior Quarter due to gains realized on the sale of assets.

Interest expense

	<u>Quarter</u>	<u>Prior Quarter</u>	<u>\$ Change</u>	<u>% Change</u>
Interest expense, net	\$ 53	\$ 55	\$ (2)	(4%)

Interest expense decreased from \$55 million in the Prior Quarter to \$53 million in the Quarter primarily as the result of the retirement of the 9½% second priority senior secured notes and corresponding issuance of the 5½% second priority senior secured notes in May 2014.

Income tax expense

	<u>Quarter</u>	<u>Prior Quarter</u>	<u>\$ Change</u>	<u>% Change</u>
Income tax expense	\$ 3	\$ 3	-	-

For the Quarter, we recorded an income tax expense of \$3 million compared to income tax expense of \$3 million in the Prior Quarter. The effective tax rate for the Quarter is impacted by discrete items, including certain international entities for which a full valuation allowance is recognized and \$3 million of federal and state research and development tax credits recognized in the Quarter due to the extension of the research and development credit through the end of calendar 2014.

Liquidity and Capital Resources

Senior Secured Credit Facility

We manage our global cash requirements considering (i) available funds among the many subsidiaries through which we conduct business, (ii) the geographic location of our liquidity needs, and (iii) the cost to access international cash balances. Our U.S. operations generate sufficient cash flows to fund their liquidity needs and do not depend on cash located outside the U.S. for their operation. In the U.S., we have a \$650 million asset based revolving line of credit ("Credit Facility"), which matures in June 2016. The availability under the revolving line of credit is the lesser of \$650 million or based on a defined borrowing base which is calculated based on available accounts receivable and inventory. In October 2014, the Company elected to make a voluntary one-time \$100 million principal payment on the outstanding term loan, using existing liquidity.

Our 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. Our fixed charge ratio was 2.4 to 1.0 at December 27, 2014.

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 3.0 to 1.0 at December 27, 2014.

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 (i) our Adjusted EBITDA to operating income and (ii) our Adjusted Free Cash Flow to cash flow from operating activities, in each case, for the four quarters and quarterly period ended December 27, 2014:

	December 27, 2014	
	Four Quarters Ended	Quarterly Period Ended
Adjusted EBITDA	\$ 828	\$ 183
Depreciation and amortization	(364)	(91)
Business optimization and other expense (a)	(85)	(19)
Restructuring and impairment	(24)	(4)
Pro forma acquisitions	(14)	—
Unrealized cost savings	(20)	(1)
Operating income	\$ 321	\$ 68
Cash flow from operating activities	\$ 458	\$ 100
Net additions to property, plant and equipment	(175)	(25)
Payments of tax receivable agreement	(39)	(39)
Adjusted free cash flow	\$ 244	\$ 36
Cash flow from investing activities	(334)	(25)
Cash flow from financing activities	(228)	(148)
(a) Includes business optimization, integration expenses and non-cash charges		

Adjusted EBITDA and Adjusted Free Cash Flow, as presented in this document, are supplemental financial measures that are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). Adjusted EBITDA and Adjusted Free Cash Flow are not GAAP financial measures and should not be considered as an alternative to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP. We define "Adjusted EBITDA" as operating income before depreciation, amortization, and certain restructuring and business optimization charges and as adjusted for unrealized cost reductions and acquired businesses, including unrealized synergies, which are more particularly defined in our credit documents and the indentures governing our notes. Adjusted EBITDA is used by our lenders for debt covenant compliance purposes and by our management as one of several measures to evaluate management performance. 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 eliminates certain charges that we believe do not reflect operations and underlying operational performance. Although we use Adjusted EBITDA as a financial measure to assess the performance of our business, the use of Adjusted EBITDA has important limitations, including that (1) Adjusted EBITDA does not represent funds available for dividends, reinvestment or other discretionary uses; (2) Adjusted EBITDA does not reflect cash outlays for capital expenditures or contractual commitments; (3) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital; (4) Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on indebtedness; (5) Adjusted EBITDA does not reflect income tax expense or the cash necessary to pay income taxes; (6) Adjusted EBITDA excludes depreciation and amortization and, although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements; and (7) Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations.

We define "Adjusted Free Cash Flow" as cash flow from operating activities less additions to property, plant and equipment and payments of the tax receivable agreement. We use Adjusted Free Cash Flow as a measure of liquidity because it assists us in assessing our company's ability to fund its growth through its generation of cash. We believe Adjusted Free Cash Flow is useful to an investor in evaluating our liquidity because Adjusted Free Cash Flow and similar measures are widely used by investors, securities analysts and other interested parties in our industry to measure a company's liquidity without regard to revenue and expense recognition, which can vary depending upon accounting methods. Although we use Adjusted Free Cash Flow as a liquidity measure to assess our ability to generate cash, the use of Adjusted Free Cash Flow has important limitations, including that: (1) Adjusted Free Cash Flow does not reflect the cash requirements necessary to service principal payments on our indebtedness; and (2) Adjusted Free Cash Flow removes the impact of accrual basis accounting on asset accounts and non-debt liability accounts. Our projected Adjusted Free Cash flow for fiscal 2015 assumes \$589 million of cash flow from operations, \$230 million of net additions to property, plant, and equipment and \$39 million of payment under our tax receivable agreement.

These non-GAAP financial measures may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. Because of these limitations, you should consider Adjusted EBITDA and Adjusted Free Cash Flow alongside other performance measures and liquidity measures, including operating income, various cash flow metrics, net income and our other GAAP results.

Tax Receivable Agreement

The Company made \$39 million of payments related to the income tax receivable agreement ("TRA") in the first fiscal quarter of 2015, of which Apollo Global Management, LLC received \$33 million. The \$39 million payment represents the only TRA payment required in fiscal 2015.

Cash Flows

Net cash provided by operating activities decreased from \$172 million in the Prior Quarter to \$100 million in the Quarter. The change is primarily attributed to a decrease in working capital primarily as a result of inflation and timing on inventories and accounts payable.

Net cash used in investing activities decreased from \$113 million in the Prior Quarter to \$25 million in the Quarter primarily as a result of the acquisition of Graphic Flexible Packaging LLC's flexible plastics and films business. Our capital expenditures are forecasted at \$230 million for fiscal 2015 and will be funded from cash flows from operating activities and existing liquidity.

Net cash used in financing activities was \$39 million in the Prior Quarter compared to \$148 million in the Quarter. The change is primarily attributed to the \$100 million voluntary principal payment made on our term debt in the Quarter.

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 revolving credit facility. 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 of our most recent Form 10-K filed with the SEC. 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.

Item 3. 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. Our senior secured credit facilities are comprised of (i) \$2.4 billion term loans and (ii) a \$650 million revolving credit facility. At December 27, 2014, the Company had no outstanding balance on the revolving credit facility. 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 greater of (i) in the case of our term loans, 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. At December 27, 2014, the LIBOR rate of 0.3% applicable to the term loan was below the LIBOR floor of 1.00%. A 0.25% change in LIBOR would not have a material impact on our interest expense.

In March 2014, the Company entered into an interest rate swap transaction to manage cash flow variability associated with \$1 billion of outstanding variable rate term loan debt. The agreement swaps the greater of a three-month variable LIBOR contract or 1.00% for a fixed three-year rate of 2.59%, with an effective date in February 2016 and expiration in February 2019. The Company records changes in fair value in accumulated other comprehensive income and deferred taxes.

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% it would result in a material change to our cost of goods sold.

Item 4. Controls and Procedures

(a) Evaluation of 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 commission (such as this Form 10-Q) is recorded, processed, summarized, and reported on a timely basis.

The Company’s management, with the participation of the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the disclosure controls and procedures as of December 27, 2014. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 27, 2014, the design and operation of our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Changes in internal controls.

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 27, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

There have been no material changes in legal proceedings from the items disclosed in our Form 10-K filed with the Securities and Exchange Commission.

Item 1A. Risk Factors

You should carefully consider the risks described in our most recent Form 10-K filed with the SEC, including those under the heading “Risk Factors” and other information contained in this Quarterly Report before investing in our securities. Realization of any of these risks could have a material adverse effect on our business, financial condition, cash flows and results of operations. There were no material changes in the Company’s risk factors since described in our most recent Form 10-K filed with the SEC.

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 that 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;
- risks that our restructuring program may entail greater implementation costs or result in lower cost savings than anticipated;
- the ability of our insurance to cover fully our potential exposures; and
- the other factors discussed in our most recent Form 10-K in the section titled “Risk Factors.”

We caution readers 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-Q 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.

Item 6. Exhibits

- 10.1 Fourth Amended and Restated Stockholders Agreement, by and among Berry Plastics Group, Inc. and those stockholders listed on Schedule A thereto, dated as of January 15, 2015
- 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
- 101. Interactive Data Files

SIGNATURE

Pursuant to the requirements 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.

Berry Plastics Group, Inc.

By: /s/ Mark W. Miles

Mark W. Miles
Chief Financial Officer

January 30, 2015

FOURTH AMENDED AND RESTATED STOCKHOLDERS AGREEMENT (this “Agreement”), dated as of January 15, 2015, by and among BERRY PLASTICS GROUP, INC., a Delaware corporation (the “Corporation”), and those stockholders of the Corporation listed on Schedule A hereto (but only to the extent such persons hold Common Stock (as defined below) as of the date hereof).

WHEREAS, the Corporation and certain stockholders of the Corporation are party to an Amended and Restated Stockholders Agreement (the “Third Stockholders Agreement”), pursuant to Amendment No. 1, dated as of October 2, 2012 to the 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 22 of the Third Stockholders Agreement provides that the Third Stockholders Agreement may be amended, modified or supplemented by a written instrument duly executed by (a) the Corporation, (b) in certain events not applicable at this time, with the approval of the Apollo Entities (as defined in the Third Stockholders Agreement) and/or the Graham Stockholders (as defined in the Third Stockholders Agreement), and (c) only for matters that adversely affect the rights or obligations of the Selected Stockholders, with the approval of the holders of the majority shares of Stock (as defined in the Third Stockholders Agreement) owned by the Selected Stockholders;

WHEREAS, the Corporation wishes to amend and restate the Third Stockholders Agreement in accordance with the terms set forth herein;

WHEREAS, each of the Apollo Entities and the Graham Stockholders have disposed of all of its Common Stock in conformity with the Third Stockholders Agreement and, pursuant to Section 15 thereof, have ceased to be a party thereto and have no further rights thereunder; and

WHEREAS, this Agreement deletes provisions of the Third Stockholders Agreement relating to rights and obligations of the Apollo Entities and the Graham Stockholders; and does not adversely affect the rights and obligations of the Selected Stockholders.

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. 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.

“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.

“Corporation” has the meaning set forth in the Preamble.

“Corporation Registration” has the meaning set forth in Section 5(a).

“Corporation Securities” has the meaning set forth in Section 5(c)(i).

“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, 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.

“Equity Agreement” means any stock option agreement between the Corporation and an Employee 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.

“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).

“Losses” has the meaning set forth in Section 6(a).

“Merger” means the merger of the Corporation’s predecessor 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 surviving corporation 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, (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 or (d) the Corporation has notified the holder thereof that the Corporation has irrevocably waived and terminated the restrictions set forth in Section 3 hereof; provided, further, that (i) any security issued pursuant to a Registration Statement then in effect is not a Registrable Security, (ii) 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” has the meaning set forth in Section 8(b).

“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.

“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.

(a) 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.

(b) 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.

(c) 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.

(d) 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, (B) the holder of such shares has met the requirements for transfer of such shares pursuant to Rule 144 under the Securities Act or (C) the Corporation has notified the holder thereof that the Corporation has irrevocably waived and terminated the restrictions set forth in Section 3 hereof, whether because such shares are eligible for sale pursuant to Rule 144 without regard to volume or otherwise in the absolute discretion in the Corporation. Whenever the restrictions imposed by 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).

(e) [Intentionally Omitted].

Section 4. Demand Registration Rights.

Section 5. Piggyback Registration Rights.

(a) Piggyback Rights. Subject to Section 5(c), 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 (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.

(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. Except as provided in Section 4(c), in all Underwritten Offerings, the Corporation shall have sole discretion to select the underwriters.

(ii) [intentionally omitted].

(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 reasonable 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 Stockholder¹, 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 "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)), 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.

(c) [Intentionally Omitted].

(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, 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 or its designee 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 or its designee are otherwise entitled or required to make pursuant to this Section 8, then the Corporation or its designee, 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. [Intentionally Omitted].

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. [Intentionally Omitted].

Section 12. [Intentionally Omitted].

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, 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, FURTHER AMENDED ON OCTOBER 2, 2012, AND FURTHER AMENDED AND RESTATED ON JANUARY 15, 2015 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: 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) provided, however, that the indemnification provisions of Section 6 and the covenants in Section 11 shall survive any termination. 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. 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: General Counsel
Telecopier: (812) 434-9472
with copies to:

Bryan Cave LLP
1201 West Peachtree Street NW
14th Floor
Atlanta, GA 30309
Attn: Eliot W. Robinson
Fax: (404) 572-6999

(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) only for matters that adversely affect the rights or obligations of the Employee Stockholders under this Agreement, a majority of the shares of Stock owned by the Employee Stockholders as of the date the vote is taken. 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, the Second Stockholders Agreement, and the Third Stockholders Agreement. 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 or its predecessors 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. [Intentionally Omitted].

Section 30. Certain Other Persons. Each individual Employee 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 Employee 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 Employee 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.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has 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

* * * *

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 January 15, 2015 (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:

Stockholders

[to the extent such persons hold Common Stock as of the date hereof]

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
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
Dustin Stilwell
Dexter Sullivan
Fred Thomas
Christopher Thompson
Carly Trimpe
Keith Tungate
Rajan Varadarajan

Paul Watson
Alan Welch
Si Nam Won
Donald Young
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

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 Wyn

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 quarterly report on Form 10-Q 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: January 30, 2015

/s/ Jonathan D. Rich

Jonathan D. Rich

Chairman and Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Mark W. Miles, Chief Financial Officer of Berry Plastics Group, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q 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.

/s/ Mark W. Miles

Mark W. Miles
Chief Financial Officer

Date: January 30, 2015

**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 quarterly report of Berry Plastics Group, Inc. (the "Registrant") on Form 10-Q for the quarter ended December 27, 2014, 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: January 30, 2015

**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 quarterly report of Berry Plastics Group, Inc. (the "Registrant") on Form 10-Q for the quarter ended December 27, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark W. Miles, the Chief Financial Officer and Treasurer 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.

By: /s/ Mark W. Miles

Mark W. Miles
Chief Financial Officer

Date: January 30, 2015
