

BERRY PLASTICS CORP  
Form 424B3  
August 19, 2002

Filed Pursuant to Rule 424(b) (3)  
Registration No. 333-97849

PROSPECTUS

[BERRY PLASTICS LOGO]

BERRY PLASTICS CORPORATION

EXCHANGE OFFER FOR

\$250,000,000

10 3/4% SENIOR SUBORDINATED NOTES DUE 2012

We are offering to exchange 10 3/4% senior subordinated notes due 2012 for our currently outstanding 10 3/4% senior subordinated notes due 2012. The exchange notes are the same as the outstanding notes, except that the exchange notes will have been registered under the federal securities laws and will not bear any legend restricting their transfer. The exchange notes will represent the same debt as the outstanding notes, and we will issue the exchange notes under the same indenture.

The exchange notes will be guaranteed by BPC Holding Corporation, and all of our existing and future domestic subsidiaries, except as provided herein. The notes will not be guaranteed by our foreign subsidiaries: Berry Plastics Acquisition Corporation II, NIM Holdings Limited, Berry Plastics U.K. Limited, Norwich Acquisition Limited, CBP Holdings S.r.l., Capsol Berry Plastics S.p.a. or Ociesse S.r.l. The notes will not be guaranteed by any foreign subsidiaries in the future unless any such foreign subsidiary guarantees any senior indebtedness of ours or any of our subsidiaries (other than that of another foreign subsidiary). The notes will be subordinated in right of payment to all obligations of our non-guarantor subsidiaries. The notes will also be subordinated in right of payment to all existing and future senior indebtedness, will rank equally in right of payment with any existing and future senior subordinated indebtedness and will be senior in right of payment to all future subordinated obligations. The notes will also be effectively subordinated to all of our and our subsidiaries' secured indebtedness to the extent of the value of the assets securing such indebtedness.

The principal features of the exchange offer are as follows:

- Expires 5:00 p.m., New York City time, on September 17, 2002, unless extended.
- We will exchange all outstanding notes that are validly tendered and not validly withdrawn prior to the expiration date of the exchange offer.
- You may withdraw tendered outstanding notes at any time prior to the expiration of the exchange offer.
- The exchange of outstanding notes for exchange notes pursuant to the exchange offer will be a tax free event for United States federal tax purposes.
- We will not receive any proceeds from the exchange offer.
- We do not intend to apply for listing of the exchange notes on any

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securities exchange or automated quotation system.

Broker-dealers receiving exchange notes in exchange for outstanding notes acquired for their own account through market-making or other trading activities must deliver a prospectus in any resale of the exchange notes.

INVESTING IN THE EXCHANGE NOTES INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 8 OF THIS PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is August 19, 2002.

IN MAKING YOUR INVESTMENT DECISION, YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH ANY OTHER INFORMATION. IF YOU RECEIVE ANY OTHER INFORMATION YOU SHOULD NOT RELY ON IT.

YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AS OF ANY OTHER DATE THAN ON THE FRONT COVER OF THIS PROSPECTUS.

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Berry Plastics Corporation is a Delaware corporation. Our principal executive offices are located at 101 Oakley Street, Evansville, Indiana, 47710, and our telephone number at that address is 812-424-2904.

In this prospectus, unless the context otherwise requires, "BPC Holding" or "Holding" refers to BPC Holding Corporation, "we," "our" or "us" refer to BPC Holding Corporation together with its consolidated subsidiaries, "Berry Plastics" refers to Berry Plastics Corporation, a wholly owned subsidiary of BPC Holding and the issuer of the notes, and "initial purchasers" refers to the firms listed on the cover of this prospectus. Unless otherwise indicated, all references in this prospectus to fiscal years are to the 52/53 week period ending on the Saturday closest to December 31. Unless the context requires otherwise, all references in this prospectus to "2001," "2000," "1999," "1998" and "1997," or to such periods as fiscal years, relate to the fiscal years ended December 29, 2001, December 30, 2000, January 1, 2000, January 2, 1999 and December 27, 1997, respectively.

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"Outstanding notes" refers to all the 10 3/4% senior subordinated notes due 2012 that were issued on July 22, 2002 and "exchange notes" refers to the 10 3/4% senior subordinated notes due 2012 offered pursuant to this prospectus. We sometimes refer to the outstanding notes and the exchange notes collectively as the "notes." In addition, we may issue additional notes under the Indenture, subject to the terms of the Indenture, and these additional notes would also be included in the term "notes".

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NO DEALER, SALESPERSON, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR SOLICITATION OF AN OFFER TO BUY, TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH AN OFFER TO SELL OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS PROSPECTUS.

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WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement of Form S-4 that we filed with the Securities and Exchange Commission (the "SEC"). This prospectus does not contain all of the information in that registration statement. For further information with respect to us and the notes, see the registration statement, including the exhibits.

We are subject to the reporting requirements of the Securities Exchange Act of 1934 and in accordance with its requirements file annual, quarterly and current reports, proxy statements and other information with the SEC. These reports, proxy statements and other information may be obtained:

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- at the public reference room of the SEC, Room 1024-Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549;
- from the SEC, Public Reference Room, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549; or
- from the Internet site maintained by the SEC at <http://www.sec.gov>, which contains reports, proxy and information statements and other information regarding issuers, including us, that file electronically with the SEC.

Some locations may charge prescribed rates or modest fees for copies. For more information on the public reference room, call the SEC at 1-800-SEC-0330. Our filings will also be available to the public from commercial document retrieval services.

Statements made in this prospectus as to the contents of any contract, agreement, or other documents referred to are not necessarily complete. For a more complete understanding and description of each contract, agreement or other document filed as an exhibit to the registration statement, we encourage you to read the documents contained in the exhibits.

Following the consummation of the exchange offer, whether or not required by the SEC, we will file a copy of all the information mentioned above with the SEC for public availability within the time periods specified in the SEC's rule and regulations (unless the SEC will not accept such a filing) and make such information available to securities analysts and prospectus investors upon request.

In addition, we have agreed that we will furnish to holders and securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d) (4) under the Securities Act until such time as we have either exchanged the notes pursuant to the exchange offer or until such time as holders of the notes have disposed of their notes pursuant to an effective registration statement under the Securities Act.

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### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking statements," within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. Such statements include, in particular, statements about our plans, strategies and prospects under the headings "Prospectus summary," "Management's discussion and analysis of financial condition and results of operations" and "Business." You can identify certain forward-looking statements by our use of forward-looking terminology such as, but not limited to, "believes," "expects," "anticipates," "estimates," "intends," "plans," "targets," "likely," "will," "would," "could" and similar expressions identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in our industry and markets. Others are more specific to our operations. The occurrence of the events described and the achievement of the expected results depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from the forward-looking statements contained in this prospectus.

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Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include:

- risks associated with our substantial indebtedness and debt service;
- performance of our business and future operating results;
- risks of competition in our existing and future markets;
- changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices;
- catastrophic loss of our key manufacturing facility;
- risks related to our acquisition strategy and integration of acquired businesses;
- general business and economic conditions, particularly an economic downturn;
- increases in the cost of compliance with laws and regulations, including environmental laws and regulations; and
- the other risks described under the heading "Risk factors" beginning on page 8.

All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

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### MARKET DATA

The data included in this prospectus regarding markets, product categories and ranking, including, but not limited to, the size of certain markets and product categories and our position and the positions of our competitors within these markets and product categories, are based on our estimates and definitions, which have been derived from our management's knowledge and experience in the areas in which we operate, and information obtained from our customers, distributors, suppliers, trade and business organizations and other contacts in the areas in which we operate. Unless otherwise specified, all our market share and product category data relate to the injection-molding segment of the plastics packaging industry. Although we believe that these sources are generally reliable, we have not independently verified data from these sources or obtained third party verification of this data and we do not guarantee the accuracy or completeness of this information. In addition, data within our industry are intended to provide general guidance but is inherently imprecise. References herein to our being a leader in a product segment or product category refer to our having a leading position based on sales in 2001 of injected-molded plastic products in such segment or product category, unless the context otherwise requires.

The plastics packaging industry consists of rigid and non-rigid plastic products. There are three primary manufacturing processes used in the rigid plastics packaging segment of the plastics packaging industry: injection-molding

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and thermoforming, which we use, and blow molding, which we currently do not use. Each of these processes may be interchangeable depending on the product and the cost. Blow molding is used to produce most plastic drinking bottles, which constitutes approximately three-fourths of the U.S. plastic container demand by weight.

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### PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that may be important to you. We urge you to read this entire prospectus carefully, including the "Risk factors" section and our consolidated financial statements and related notes.

### THE COMPANY

We are one of the world's leading manufacturers and suppliers of a diverse mix of injection-molded plastics packaging products focusing on the open-top container, closure, aerosol overcap, drink cup and housewares markets. We sell a broad product line to over 12,000 customers. We concentrate on manufacturing higher quality, value-added products sold to image-conscious marketers of institutional and consumer products. We believe that our large operating scale, low-cost manufacturing capabilities, purchasing leverage, proprietary thermoforming technology and extensive collection of over 1,000 active proprietary molds provide us with a competitive advantage in the marketplace. We have been able to leverage our broad product offering, value-added manufacturing capabilities and long-standing customer relationships into leading positions across a number of products. We believe that over 60% of our 2001 revenues were generated from the sale of products that held a number one position relative to competing injection-molded products. Our products are primarily sold to customers in industries that exhibit relatively stable demand characteristics and are considered less sensitive to overall economic conditions, such as pharmaceuticals, food, dairy and health and beauty. Additionally, we operate 13 high-volume manufacturing facilities and have extensive distribution capabilities.

We organize our product categories into three business divisions: containers; closures; and consumer products. The following table displays our net sales by division for each of the past five fiscal years.

(DOLLARS IN MILLIONS)	1997	1998	1999	2000	2001
Containers.....	\$124.8	\$154.0	\$188.7	\$231.2	\$234.4
Closures.....	47.1	56.4	81.0	112.2	132.4
Consumer products.....	55.1	61.4	59.1	64.7	94.8
Total net sales.....	\$227.0	\$271.8	\$328.8	\$408.1	\$461.6

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### COMPETITIVE STRENGTHS

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We believe that our consistent financial performance is the direct result of the following competitive strengths:

- Leading positions across a broad product offering.
- Significant scale resulting in low-cost position and strong cash flow.
- Ability to pass through changes in the cost of resin.
- Large, diverse and stable customer base.
- Proven ability to integrate strategic acquisitions.
- Unique, proprietary thermoforming drink cup manufacturing process.
- Proven and motivated management team.

### BUSINESS STRATEGY

Our goal is to maintain and enhance our market position and leverage our core strengths to increase profitability. Our strategy to achieve this goal includes the following elements:

- Increase sales to our existing customers.
- Aggressively pursue new customers.
- Continue to effectively manage costs.
- Selectively pursue strategic acquisitions in our core businesses.

### RECENT DEVELOPMENTS

#### THE ACQUISITION

On July 22, 2002, GS Berry Acquisition Corp., a newly formed entity controlled by GS Capital Partners 2000, L.P. ("GSCP 2000") and related private equity funds merged with and into BPC Holding. BPC Holding was the surviving corporation in the merger. The total amount of consideration paid in the merger, including amounts related to the repayment of indebtedness, the redemption of the outstanding preferred stock of BPC Holding and the payment of transaction costs incurred by BPC Holding and its stockholders, was approximately \$870.4 million (which includes the amount of certain indebtedness which remains outstanding and the value of certain shares of BPC Holding common stock held by our employees which were contributed to GS Berry Acquisition Corp. immediately prior to the effective time of the merger). The purchase price is subject to post-closing adjustments related to the level of working capital of BPC Holding at the time of closing. BPC Holding and GS Berry Acquisition Corp. closed the merger simultaneously with the issuance of the outstanding notes and the closing of our senior secured credit facilities. The transaction is referred to in this prospectus as the "Acquisition." See "The acquisition."

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#### THE EXCHANGE OFFER

On July 22, 2002, we completed the offering of \$250 million aggregate principal amount of 10 3/4% senior subordinated notes due 2012 in a transaction exempt from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The net proceeds of this transaction were used to finance the Acquisition. In connection with this transaction, we entered into a registration rights agreement with the initial purchasers of the outstanding notes, in which

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we agreed to commence this exchange offer. Accordingly, you may exchange your outstanding notes for exchange notes which have substantially the same terms. You should read the discussion under the headings "The exchange offer" and "Description of the exchange notes" for further information regarding the exchange notes to be issued in the exchange offer.

SECURITIES OFFERED.....Up to \$250 million in principal amount of 10 3/4% senior subordinated notes due 2012, registered under the Securities Act. The terms of the exchange notes offered in the exchange offer are substantially identical to those of the outstanding notes, except that the transfer restrictions, registration rights and penalty interest provisions relating to the outstanding notes do not apply to the exchange notes.

THE EXCHANGE OFFER.....We are offering exchange notes in exchange for a like principal amount of our outstanding notes. We are offering these exchange notes to satisfy our obligations under a registration rights agreement which we entered into with the initial purchasers of the outstanding notes. You may tender your outstanding notes for exchange by following the procedures described under the heading "The exchange offer."

### TENDERS; EXPIRATION

DATE; WITHDRAWAL.....The exchange offer will expire at 5:00 p.m., New York City time, on September 17, 2002, unless we extend it. If you decide to exchange your outstanding notes for exchange notes, you must acknowledge that you are not engaged in, and do not intend to engage in, a distribution of the exchange notes. You may withdraw any outstanding notes that you tender for exchange at any time prior to the expiration date of this exchange offer. See "The exchange offer--Terms of the exchange offer" for a more complete description of the tender and withdrawal period.

### MATERIAL U.S. FEDERAL

TAX CONSIDERATIONS.....Your exchange of outstanding notes for exchange notes to be issued in the exchange offer will not result in any gain or loss to you for United States federal income tax purposes. See "Material U.S. federal tax considerations" for a summary of material United States federal income tax consequences associated with the exchange of outstanding notes for the exchange notes and the ownership and disposition of those exchange notes.

USE OF PROCEEDS.....We will not receive any cash proceeds from the exchange offer.

EXCHANGE AGENT.....U.S. Bank Trust National Association

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SHELF REGISTRATION.....If applicable interpretations of the staff of the SEC do not permit us to effect the exchange offer, we will be required to use our reasonable best efforts to file, and cause to become effective, a shelf registration statement under the Securities Act, which would cover resales of outstanding. See "Registration rights; additional interest."



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CONSEQUENCES OF FAILURE  
TO EXCHANGE YOUR

OUTSTANDING NOTES.....Outstanding notes not exchanged in the exchange offer will continue to be subject to the restrictions on transfer that are described in the legend on the outstanding notes. In general, you may offer or sell your outstanding notes only if they are registered under, or offered or sold under an exemption from, the Securities Act and applicable state securities laws. We do not currently intend to register the outstanding notes under the Securities Act. If your notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your outstanding notes.

CONSEQUENCES OF  
EXCHANGING YOUR

OUTSTANDING NOTES.....Based on interpretations of the staff of the SEC, we believe that you may offer for resale, resell or otherwise transfer the exchange notes that we issue in the exchange offer without complying with the registration and prospectus delivery requirements of the Securities Act if:

- you acquire the exchange notes issued in the exchange offer in the ordinary course of your business;
- you are not participating, do not intend to participate, and have no arrangement or undertaking with anyone to participate, in the distribution of the exchange notes issued to you in the exchange offer; and
- you are not an "affiliate" of us, as described in Rule 405 of the Securities Act.

If any of these conditions are not satisfied and you transfer any exchange notes issued to you in the exchange offer without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We will not be responsible for, or indemnify you against, any liability you incur.

Any broker-dealer that acquires exchange notes in the exchange offer for its own account in exchange for outstanding notes which it acquired through market-making or other trading activities must acknowledge that it will deliver a prospectus when it resells or transfers any exchange notes issued in the exchange offer. See "Plan of distribution" for a description of the prospectus delivery obligations of broker-dealers in the exchange offer.

THE EXCHANGE NOTES

The following is a brief summary of the terms of the exchange notes. For a more complete description of the terms of the exchange notes, see "Description of the exchange notes" in this prospectus.

ISSUER.....Berry Plastics Corporation, a Delaware Corporation

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SECURITIES OFFERED.....\$250,000,000 in aggregate principal amount of 10 3/4% senior subordinated notes due 2012

MATURITY DATE.....July 15, 2012

INTEREST PAYMENT DATES..January 15 and July 15, commencing on January 15, 2003

GUARANTORS.....The exchange notes will be fully and unconditionally guaranteed by BPC Holding Corporation, our parent company, and each of our and future domestic subsidiaries. These guarantees can be released upon the circumstances described under "Description of the exchange notes--Certain covenants--Future note guarantors and release of note guarantees." If we cannot make payments on the notes when they are due, the note guarantors will be obligated to make them instead.

RANKING.....The notes will be unsecured and:

- will be subordinated in right of payment to all existing and future senior debt;
- will rank equally in right of payment with any existing and future senior subordinated debt;
- will rank senior in right of payment to all future subordinated debt;
- will be effectively subordinated to our secured debt to the extent of the value of the assets securing such debt; and
- will be effectively subordinated to all liabilities and preferred stock of our subsidiaries that do not guarantee the notes.

Similarly, the guarantees of the notes by BPC Holding and our guarantor subsidiaries will be unsecured and:

- will be subordinated in right of payment to all of the applicable note guarantor's existing and future senior debt;
- will rank equally in right of payment with any of the applicable note guarantors' existing and future senior subordinated debt;
- will rank senior in right of payment to all of the applicable note guarantors' future subordinated debt;

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- will be effectively subordinated to all secured debt of such note guarantor to the extent of the value of the assets securing such debt; and
- will be effectively subordinated to the obligations of any subsidiary of a note guarantor if that subsidiary is not a note guarantor.

As of June 29, 2002, after giving pro forma effect to

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the Acquisition and related financings:

- we would have had approximately \$351.6 million of senior debt to which the notes and the note guarantees would be subordinated (which amount excludes \$5.7 million of letters of credit and the remaining availability of \$94.3 million under our revolving credit facility and \$50.0 million of availability under our delayed draw term loan facility);
- we would not have had any senior subordinated debt (other than the notes);
- we would not have had any subordinated debt; and
- our subsidiaries that are not guarantors of the notes would have had \$10.0 million of liabilities including trade payables, but excluding liabilities owed to us.

OPTIONAL REDEMPTION.....We may redeem the notes, in whole or in part, at any time beginning on July 15, 2007 at the redemption prices listed under "Description of the exchange notes--Optional redemption."

In addition, before July 15, 2005, we may redeem up to 35% of the notes with the net cash proceeds from certain equity offerings at the price listed under "Description of the exchange notes--Optional redemption."

CHANGE OF CONTROL.....Upon the occurrence of a change of control, unless we have exercised our right to redeem all of the notes as described above, you will have the right to require us to purchase all or a portion of your notes at a purchase price in cash equal to 101% of the principal amount plus accrued and unpaid interest to the date of purchase. See "Description of the exchange notes--Change of control."

BASIC COVENANTS.....We will issue the exchange notes under the same indenture which governs the issuance of the outstanding notes. This indenture contains covenants that impose significant restrictions on our business. The restrictions these covenants place on us and our restricted subsidiaries include limitations on our ability and the ability of our restricted subsidiaries to:

- incur indebtedness;
- pay dividends or make distributions in respect of our capital stock or to make certain other restricted payments or investments;
- sell assets, including capital stock of restricted subsidiaries;
- agree to payment restrictions affecting our restricted subsidiaries;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;

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- enter into transactions with our affiliates; and
- designate our subsidiaries as unrestricted subsidiaries.

These covenants are subject to important exceptions and qualifications, which are described under "Description of the exchange notes--Certain covenants."

### REGISTRATION RIGHTS;

ADDITIONAL INTEREST.....In connection with the offering of the outstanding notes, we and our guarantors entered into a registration rights agreement pursuant to which we are obligated to file with the Commission this registration statement. Alternatively, if the exchange offer is not available or cannot be completed or some holders are not able to participate in the exchange offer, we are required to file a shelf registration statement to cover resales of the notes under the Securities Act. If we do not comply with these obligations, we will be required to pay additional interest on the notes under specified circumstances. See "Registration rights; additional interest."

### RISK FACTORS

You should carefully consider all the information in this prospectus prior to participating in the exchange offer. In particular, we urge you to consider carefully the factors set forth under "Risk factors" beginning on page 8 of this prospectus.

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### RISK FACTORS

You should read and consider carefully each of the following factors, as well as the other information contained in this prospectus before participating in the exchange offer.

### RISKS RELATED TO THE NOTES

WE HAVE SUBSTANTIAL DEBT AND WE MAY INCUR SUBSTANTIALLY MORE DEBT, WHICH COULD AFFECT OUR ABILITY TO MEET OUR OBLIGATIONS UNDER THE NOTES AND MAY OTHERWISE RESTRICT OUR ACTIVITIES.

We have substantial debt, and we may be able to incur substantial additional debt in the future. On a pro forma basis as of June 29, 2002, after giving effect to the Acquisition and relating financings, we had total indebtedness of approximately \$601.6 million, excluding \$5.7 million in letters of credit under our revolving credit facility and, subject to certain conditions to borrowing, \$144.3 million available for future borrowings under our revolving credit facility and delayed draw term loan facility. We are also permitted by the terms of the notes to incur substantial additional indebtedness, subject to the restrictions therein. See "Description of other indebtedness--The senior secured credit facilities."

Our substantial debt could have important consequences to you. For example, it could:

- make it more difficult for us to satisfy our obligations under the notes;

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- require us to dedicate a substantial portion of our cash flow to payments on our indebtedness, which would reduce the amount of cash flow available to fund working capital, capital expenditures, product development and other corporate requirements;
- increase our vulnerability to general adverse economic and industry conditions, including changes in raw material costs;
- limit our ability to respond to business opportunities;
- limit our ability to borrow additional funds, which may be necessary; and
- subject us to financial and other restrictive covenants, which, if we fail to comply with these covenants and our failure is not waived or cured, could result in an event of default under our debt.

TO SERVICE OUR DEBT, WE WILL REQUIRE A SIGNIFICANT AMOUNT OF CASH. OUR ABILITY TO GENERATE CASH DEPENDS ON MANY FACTORS BEYOND OUR CONTROL.

Our ability to make payments on our debt, including the notes, and to fund planned capital expenditures and research and development efforts will depend on our ability to generate cash in the future. This, to an extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, including those described in this "Risk factors" section, that are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our new senior secured credit facilities in an amount sufficient to enable us to pay our debt, including the notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, including the notes, on or before maturity. We cannot assure you that we will be able to refinance any of

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our debt, including our new senior secured credit facilities and the notes, on commercially reasonable terms or at all.

THE AGREEMENTS GOVERNING THE NOTES AND OUR OTHER DEBT IMPOSE RESTRICTIONS ON OUR BUSINESS.

The indenture governing the notes and the agreements governing our senior secured credit facilities contain a number of covenants imposing significant restrictions on our business. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. The restrictions these covenants place on us and our restricted subsidiaries include limitations on our ability and the ability of our restricted subsidiaries to:

- incur indebtedness or issue preferred shares;
- pay dividends or make distributions in respect of our capital stock or to make certain other restricted payments;
- create liens;
- agree to payment restrictions affecting our restricted subsidiaries;
- make acquisitions;

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- consolidate, merge, sell or lease all or substantially all of our assets;
- enter into transactions with our affiliates; and
- designate our subsidiaries as unrestricted subsidiaries.

Our senior secured credit facilities also require us to meet a number of financial ratios.

Our ability to comply with these agreements may be affected by events beyond our control, including prevailing economic, financial and industry conditions and are subject to the risks in this "Risk factors" section. The breach of any of these covenants or restrictions could result in a default under the indenture governing the notes or our senior secured credit facilities. An event of default under our debt agreements would permit some of our lenders to declare all amounts borrowed from them to be immediately due and payable. If we were unable to repay debt to our lenders, these lenders could proceed against the collateral securing that debt. In addition, acceleration of our other indebtedness may cause us to be unable to make interest payments on the notes and repay the principal amount of the notes.

YOUR RIGHT TO RECEIVE PAYMENTS ON THE NOTES IS JUNIOR TO OUR EXISTING INDEBTEDNESS AND POSSIBLY ALL OF OUR FUTURE BORROWINGS. FURTHER, THE GUARANTEES OF THE NOTES ARE JUNIOR TO ALL OF OUR GUARANTORS' EXISTING INDEBTEDNESS AND POSSIBLY TO ALL OF THEIR FUTURE BORROWINGS.

The notes and the guarantees rank behind all of our and our guarantors' existing indebtedness, and all of our and their future borrowings, except any future indebtedness that expressly provides that it ranks equal with, or subordinated in right of payment to, the notes and the guarantees. As a result, upon any distribution to our creditors or the creditors of the guarantors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors or our or their property, the holders of our senior debt and senior debt of

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the guarantors will be entitled to be paid in full before any payment may be made with respect to the notes or the guarantees.

In addition, all payments on the notes and the guarantees will be blocked in the event of a payment default on senior debt and may be blocked for up to 179 of 360 consecutive days in the event of specified non-payment defaults on senior debt.

In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors, holders of the notes will participate with trade creditors and all other holders of our and the guarantors' subordinated indebtedness in the assets remaining after we and the guarantors have paid all of our and their senior debt. However, because the senior debt is secured and because the indenture requires that amounts otherwise payable to holders of the notes in a bankruptcy or similar proceeding be paid to holders of senior debt instead, holders of the notes may receive less, ratably, than holders of trade payables in the proceeding. In any of these cases, we and the guarantors may not have sufficient funds to pay all of our creditors and holders of notes may receive less, ratably, than the holders of our senior debt.

THE NOTES ARE NOT SECURED BY ANY OF OUR ASSETS. HOWEVER, OUR SENIOR SECURED CREDIT FACILITIES ARE SECURED AND, THEREFORE, OUR BANK LENDERS HAVE A PRIOR

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CLAIM ON SUBSTANTIALLY ALL OF OUR ASSETS.

The notes are not secured by any of our assets. However, our senior secured credit facilities are secured by (1) a pledge of 100% of the stock of our existing and future domestic subsidiaries and 65% of the stock of our existing and future first-tier foreign subsidiaries, and (2) substantially all of our assets. If we become insolvent or are liquidated, or if payment under any of the instruments governing our secured debt is accelerated, the lenders under these instruments will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to instruments governing such debt. Accordingly, the lenders under our senior secured credit facilities have a prior claim on our guarantors' assets. In that event, because the notes are not secured by any of our assets, it is possible that our remaining assets might be insufficient to satisfy your claims in full.

YOUR RIGHT TO RECEIVE PAYMENTS ON THE NOTES COULD BE ADVERSELY AFFECTED IF ANY OF OUR NONGUARANTOR SUBSIDIARIES DECLARE BANKRUPTCY, LIQUIDATE, OR REORGANIZE; THE NOTES WILL BE STRUCTURALLY SUBORDINATED TO THE OBLIGATIONS OF OUR NON-GUARANTOR SUBSIDIARIES.

Some but not all of our subsidiaries guarantee the notes. Our foreign subsidiaries are not guarantors on the notes, and will become so in the future only if they guarantee other debt of Berry Plastics or Berry Plastics' non-foreign subsidiaries. Furthermore, the guarantee of the notes may be released under the circumstances described under "Description of the exchange notes--Certain covenants--Future note guarantors and release of note guarantees." Our obligations under the notes are structurally subordinated to the obligations of our non-guarantor subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us. Assuming we had completed the Acquisition on June 29, 2002, our non-guarantor subsidiaries would have held 5.6% of our

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consolidated assets as of that date. These non-guarantor subsidiaries would have accounted for 4.6% of our revenues and 2.2% of our pro forma Adjusted EBITDA for fiscal year 2001.

FEDERAL AND STATE STATUTES ALLOW COURTS, UNDER SPECIFIC CIRCUMSTANCES, TO VOID GUARANTEES AND REQUIRE NOTE HOLDERS TO RETURN PAYMENTS RECEIVED FROM GUARANTORS.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor under specific circumstances, including circumstances where the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee; and
- was insolvent or rendered insolvent by reason of such incurrence; or
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

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In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets; or
- if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that each guarantor, after giving effect to its guarantee of the notes, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard.

WE MAY NOT HAVE THE ABILITY TO RAISE THE FUNDS NECESSARY TO FINANCE THE CHANGE OF CONTROL OFFER REQUIRED BY THE INDENTURE.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all then-outstanding notes at 101% of the principal amount thereof plus accrued and unpaid interest and additional interest, if any, to the date of repurchase. However, it is

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possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes or that restrictions in our new senior secured credit facilities will not allow such repurchases. In addition, various important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a "Change of Control" under the indenture. See "Description of the exchange notes--Change of control."

WE HAVE EXPERIENCED CONSOLIDATED NET LOSSES.

Our net losses were \$14.4 million for fiscal 1997, \$7.6 million for fiscal 1998, \$9.1 million for fiscal 1999, \$23.1 million for fiscal 2000 and \$2.1 million for fiscal 2001. Consolidated earnings have been insufficient to cover fixed charges by \$13.9 million for fiscal 1997, by \$7.0 million for fiscal 1998, by \$7.1 million for fiscal 1999, by \$20.5 million for fiscal 2000, and by \$0.8 million for fiscal 2001. See "Management's discussion and analysis of financial condition and results of operations."

THE NOTES HAVE NO PRIOR PUBLIC MARKET, AND WE CANNOT ASSURE YOU THAT ANY PUBLIC MARKET FOR THE NOTES WILL DEVELOP OR BE SUSTAINED.

The outstanding notes were issued to, and we believe these securities are currently owned by, a relatively small number of beneficial owners. The outstanding notes have not been registered under the Securities Act and will



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remain subject to restrictions on transferability if they are not exchanged for the exchange notes. Although the exchange notes may be resold or otherwise transferred by the holders (who are not our affiliates) without compliance with the registration requirements under the Securities Act, they will constitute a new issue of securities with no established trading market. We cannot assure you that such a market will develop or be sustained. In addition, the exchange notes will not be listed on any national securities exchange. The exchange notes may trade at a discount from the initial offering price of the outstanding notes, depending upon prevailing interest rates, the market for similar securities, our operating results and other factors. We have been advised by the initial purchasers that they currently intend to make a market in the exchange notes, as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to do so, and any such market-making activities may be discounted at any time without notice. In addition, such market-making activity may be limited during the exchange offer and the pendency of a shelf registration. Therefore, we cannot assure you that an active market for any of the exchange notes will develop, either prior to or after our performance of our obligations under the registration rights agreement. If an active public market does not develop, the market price and liquidity of the exchange notes may be adversely affected.

Historically, the market for non-investment grade debt has been volatile in terms of price. It is possible that the market for the exchange notes will be volatile. This volatility in price may affect your ability to resell your exchange notes or the timing of their sale.

Notwithstanding the registration of the exchange notes in the exchange offer, holders who are "affiliates" (as defined under Rule 405 of the Securities Act) of us may publicly offer for sale or resale the exchange notes only in compliance with the provisions of Rule 144 under the Securities Act.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where such outstanding notes were acquired by such broker-dealer as a

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result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of distribution."

Because we are an affiliate of Goldman, Sachs & Co. and J.P. Morgan Securities Inc., two of the initial purchasers of the outstanding notes, following consummation of this exchange offer, Goldman, Sachs & Co. and J.P. Morgan Securities Inc. are required to deliver a current "market-maker" prospectus and otherwise comply with the registration requirements of the Securities Act in connection with any secondary market sale of the notes, which may affect their ability to continue market-making activities. Following completion of the exchange offer, we have agreed to make a "market-maker" prospectus generally available to Goldman, Sachs & Co. and J.P. Morgan Securities Inc. to permit them to engage in market-making transactions. However, the registration rights agreement also provides that at any time after consummation of the exchange offer we may, for valid business reasons, allow the market-maker prospectus to cease to be effective and usable for a period of time not to exceed 60 days in the aggregate in any consecutive 12-month period, including without limitation, a potential acquisition, divestiture of assets or other material corporate transaction. As a result, the liquidity of the secondary market for the notes may be materially adversely affected by the unavailability of a current "market-maker" prospectus following the exchange offer.

YOU MAY HAVE DIFFICULTY SELLING THE NOTES WHICH YOU DO NOT EXCHANGE.

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If you do not exchange your outstanding notes for the exchange notes offered in this exchange offer, you will continue to be subject to the restrictions on the transfer of your outstanding notes. Those transfer restrictions are described in the indenture and in the legend contained on the outstanding notes, and arose because we originally issued the outstanding notes under exemptions from, and in transactions not subject to, the registration requirements of the Securities Act.

In general, you may offer or sell your outstanding notes only if they are registered under the Securities Act and applicable state securities laws, or if they are offered and sold under an exemption from those requirements. We do not intend to register the outstanding notes under the Securities Act.

If a large number of outstanding notes are exchanged for notes issued in the exchange offer, it may be more difficult for you to sell your unexchanged notes. In addition, if you do not exchange your outstanding notes in the exchange offer, you will no longer be entitled to have those notes registered under the Securities Act.

See "The exchange offer--Consequences of failure to exchange outstanding notes" for a discussion of the possible consequences of failing to exchange your outstanding notes.

### RISKS RELATED TO OUR BUSINESS

#### WE DO NOT HAVE FIRM CONTRACTS WITH PLASTIC RESIN SUPPLIERS.

We source plastic resin primarily from major industry suppliers such as Dow Chemical, Chevron, ExxonMobil and Equistar. We have long-standing relationships with certain of these suppliers but have not entered into a firm supply contract with any of our resin vendors. We may not be able to arrange for other sources of resin in the event of an industry-wide general shortage of resins used by us, or a shortage or discontinuation of certain types of grades of resin purchased

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from one or more of our suppliers. Any such shortage may negatively impact our competitive position versus companies that are able to better or more cheaply source resin. Additionally, we may be subject to significant increases in prices that may materially impact our financial condition.

IF MARKET CONDITIONS DO NOT PERMIT US TO PASS ON THE COST OF PLASTIC RESINS TO OUR CUSTOMERS ON A TIMELY BASIS, OR AT ALL, OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS COULD SUFFER MATERIALLY.

To produce our products we use large quantities of plastic resins, which in fiscal 2001 cost us approximately \$116.0 million, or 34.3% of our total cost of goods sold. Plastic resins are subject to cyclical 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 instability in the world markets for petroleum and natural gas could materially adversely affect the prices and general availability of raw materials quickly. Historically, we have generally been able to pass on a significant portion of the increases in resin prices to our customers over a period of time, but even in such cases there have been negative short-term impacts to our financial performance. Certain of our customers (currently fewer than 10% of our net revenues) purchase our products pursuant to fixed-price arrangements in respect of which we have at times and may continue to enter into hedging or similar arrangements. In the future, we may not be able to pass on substantially all of the increases in resin prices to our customers on a timely basis, if at

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all, which would have a material adverse effect on our competitive position and financial performance.

WE MAY NOT BE ABLE TO COMPETE SUCCESSFULLY AND OUR CUSTOMERS MAY NOT CONTINUE TO PURCHASE OUR PRODUCTS.

We face intense competition in the sale of our products. We compete with multiple companies in each of our product lines, including divisions or subsidiaries of larger companies. We compete on the bases of a number of considerations, including price, service, quality, product characteristics and the ability to supply products to customers in a timely manner. Our products also compete with metal and glass, paper and other packaging materials as well as plastic packaging materials made through different manufacturing processes. Many of our product lines also compete with plastic products in other lines and segments. Many of our competitors have financial and other resources that are substantially greater than ours and may be better able than us to withstand price competition. In addition, some of our customers do and could in the future choose to manufacture the products they require for themselves. Each of our product lines faces a different competitive landscape. We may not be able to compete successfully with respect to any of the foregoing factors. Competition could result in our products losing market share or our having to reduce our prices, either of which would have a material adverse effect on our business and results of operations and financial condition. In addition, since we don't have long-term arrangements with many of our customers, these competitive factors could cause our customers to shift suppliers and/or packaging material quickly.

IN THE EVENT OF A CATASTROPHIC LOSS OF OUR KEY MANUFACTURING FACILITY, OUR BUSINESS WOULD BE ADVERSELY AFFECTED.

Our primary manufacturing facility is in Evansville, Indiana, where we produce approximately one-third of our products. While we maintain insurance covering the facility, including business

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interruption insurance, a catastrophic loss of the use of all or a portion of the facility due to accident, labor issues, weather conditions, other natural disaster or otherwise, whether short or long-term, could have a material adverse effect on us.

OUR ACQUISITION STRATEGY MAY BE UNSUCCESSFUL.

As part of our growth strategy, we plan to pursue the acquisition of other companies, assets and product lines that either complement or expand our existing business. We cannot assure you that we will be able to consummate any such transactions at all or that any future acquisitions will be able to be consummated at acceptable prices and terms. We continually evaluate potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope. Acquisitions involve a number of special risks and factors, including:

- the focus of management's attention to the assimilation of the acquired companies and their employees and on the management of expanding operations;
- the incorporation of acquired products into our product line;
- the increasing demands on our operational systems;
- adverse effects on our reported operating results; and

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- the loss of key employees and the difficulty of presenting a unified corporate image.

We may be unable to make appropriate acquisitions because of competition for the specific acquisition. In pursuing acquisitions, we compete against other plastic product manufacturers, some of which are larger than we are and have greater financial and other resources than we have. We compete for potential acquisitions based on a number of factors, including price, terms and conditions, size and ability to offer cash, stock or other forms of consideration. Increased competition for acquisition candidates could result in fewer acquisition opportunities for us and higher acquisition prices. As a company without public equity, we may not be able to offer attractive equity to potential sellers. Additionally, our acquisition strategy may result in significant increases in our outstanding indebtedness and debt service requirements. In addition, the negotiation of potential acquisitions may require members of management to divert their time and resources away from our operations.

THE INTEGRATION OF ACQUIRED BUSINESSES MAY RESULT IN SUBSTANTIAL COSTS, DELAYS OR OTHER PROBLEMS.

We may not be able to successfully integrate our acquisitions without substantial costs, delays or other problems. We will have to continue to expend substantial managerial, operating, financial and other resources to integrate our businesses. The costs of such integration could have a material adverse effect on our operating results and financial condition. Such costs include non-recurring acquisition costs including accounting and legal fees, investment banking fees, recognition of transaction-related obligations, plant closing and similar costs and various other acquisition-related costs. In addition, although we conduct what we believe to be a prudent level of investigation regarding the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual condition of these businesses. Until we actually assume operating control of such business assets and their operations, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations.

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Once we acquire a business, we are faced with risks, including:

- the possibility that it will be difficult to integrate the operations into our other operations;
- the possibility that we have acquired substantial undisclosed liabilities;
- the risks of entering markets or offering services for which we have no prior experience;
- the potential loss of customers as a result of changes in management; and the possibility we may be unable to recruit additional managers with the necessary skills to supplement the incumbent management of the acquired business.

We may not be successful in overcoming these risks.

WE RELY ON UNPATENTED PROPRIETARY KNOW-HOW AND TRADE SECRETS.

In addition to relying on patent and trademark rights, we rely on unpatented proprietary know-how and trade secrets, and employ various methods, including

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confidentiality agreements with employees and consultants, to protect our know-how and trade secrets. However, these methods and our patents and trademarks may not afford complete protection and there can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods than us. Further, we may not be able to deter current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Additionally, we have licensed, and may license in the future, patents, trademarks, trade secrets, and similar proprietary rights to and from third parties. While we attempt to ensure that our intellectual property and similar proprietary rights are protected and that the third party rights we need are licensed to us when entering into business relationships, third parties may take actions that could materially and adversely affect our rights or the value of our intellectual property, similar proprietary rights or reputation. Furthermore, no assurance can be given that claims or litigation asserting infringement of intellectual property rights will not be initiated by third parties seeking damages, the payment of royalties or licensing fees and/or an injunction against the sale of our products or that we would prevail in any litigation or be successful in preventing such judgment. See "Business--Legal proceedings." In the future, we may also rely on litigation to enforce our intellectual property rights and contractual rights, and, if not successful, we may not be able to protect the value of our intellectual property. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of its outcome. Although we believe that our intellectual property rights are sufficient to allow us to conduct our business without incurring liability to third parties, our products may infringe on the intellectual property rights of third parties and our intellectual property rights may not have the value we believe them to have.

CURRENT AND FUTURE ENVIRONMENTAL AND OTHER GOVERNMENTAL REQUIREMENTS COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION AND OUR ABILITY TO CONDUCT OUR BUSINESS.

Certain of our operations are subject to federal, state, local and foreign environmental laws and regulations that impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of solid and hazardous wastes. While we have not been required historically to make significant capital expenditures in order

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to comply with applicable environmental laws and regulations, we cannot predict with any certainty our future capital expenditure requirements because of continually changing compliance standards and environmental technology. Furthermore, violations or contaminated sites that we do not know about (including contamination caused by prior owners and operators of such sites) could result in additional compliance or remediation costs or other liabilities. We have limited insurance coverage for environmental liabilities and we do not anticipate increasing such coverage in the future. We may also assume significant environmental liabilities in acquisitions. In addition, federal, state and local governments could enact laws or regulations concerning environmental matters that increase the cost of producing, or otherwise adversely affect the demand for, plastic products. Legislation that would prohibit, tax or restrict the sale or use of certain types of plastic and other containers, and would require diversion of solid wastes such as packaging materials from disposal in landfills, has been or may be introduced in the U.S. Congress, in state legislatures and other legislative bodies. While container legislation has been adopted in a few jurisdictions, similar legislation has

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been defeated in public referenda in several states, local elections and many state and local legislative sessions. Although we believe that the laws promulgated to date have not had a material adverse effect on us, there can be no assurance that future legislation or regulation would not have a material adverse effect on us. Furthermore, a decline in consumer preference for plastic products due to environmental considerations could have a negative effect on our business.

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

OUR OPERATIONS OUTSIDE OF THE UNITED STATES ARE SUBJECT TO ADDITIONAL CURRENCY EXCHANGE, POLITICAL, INVESTMENT AND OTHER RISKS.

We currently operate two facilities and made approximately 5% of our 2001 sales outside the United States. This amount may change in the future. As we are subject to the risks associated with selling and operating in foreign countries, including devaluations and fluctuations in foreign currencies, unstable political conditions, imposition of limitations on conversion of foreign currencies into U.S. dollars and remittance of dividends and payments by foreign subsidiaries. The imposition of taxes and imposition or increase of investment and other restrictions, tariffs or quotas may also have a negative effect on our business and profitability.

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WE ARE CONTROLLED BY AFFILIATES OF GOLDMAN, SACHS & CO. AND J.P. MORGAN SECURITIES INC., AND THEIR INTERESTS AS EQUITY HOLDERS MAY CONFLICT WITH YOUR INTERESTS AS A CREDITOR.

As a result of the Acquisition, certain private equity funds affiliated with Goldman, Sachs & Co. and J.P. Morgan Securities Inc. own a substantial majority of our common stock. The interests of Goldman, Sachs & Co. and J.P. Morgan Securities Inc. and their respective affiliates may not in all cases be aligned with your interests as a holder of the notes.

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### THE ACQUISITION

#### THE MERGER AGREEMENT

The following is a summary of the material terms of the merger agreement, dated as of May 25, 2002, among GS Berry Acquisition Corp., GS Capital Partners 2000, L.P., GS Capital Partners 2000 Offshore, L.P., GS Capital Partners 2000 GmbH &

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Co. Beteiligungs KG, Bridge Street Special Opportunities Fund 2000, L.P. and GS Capital Partners 2000 Employees Fund, L.P., BPC Holding, certain of BPC Holding's stockholders, us and the designated representatives of BPC Holding's stockholders. The summary is qualified in its entirety by reference to the merger agreement.

### THE MERGER

Pursuant to the terms of the merger agreement, GS Berry Acquisition Corp. merged with and into BPC Holding with BPC Holding continuing as the surviving corporation. Pursuant to the terms of the merger agreement, the amount available for payment to BPC Holding's common stockholders in the merger was \$837,500,000 less the amounts related to the (i) repayment of substantially all of the outstanding indebtedness of BPC Holding on a consolidated basis, (ii) redemption all of BPC Holding's issued and outstanding shares of preferred stock, (iii) payment of transaction costs incurred by BPC Holding and its stockholders and (iv) amount of remaining outstanding indebtedness and the value of BPC Holding common stock held by our employees that was contributed to GS Berry Acquisition Corp. Some of our employees who were stockholders of BPC Holding agreed to contribute their shares of BPC Holding common stock to GS Berry Acquisition Corp. immediately prior to the effective time of the merger and received capital stock of the surviving corporation instead of cash in the merger. BPC Holding and GS Berry Acquisition Corp. closed the Acquisition simultaneously with the issuance of the outstanding notes and the closing of our senior secured credit facilities. Under the terms of the merger agreement, a portion of the consideration paid to BPC Holding's stockholders in the merger (including a portion of the shares of common stock of the surviving corporation issued to our employees who contributed shares of BPC Holding common stock to GS Berry Acquisition Corp. prior to the effective time) were held in escrow to secure the payment of any claims arising under BPC Holding's stockholders' indemnification obligations. Additionally, the consideration paid in the merger is subject to a post-closing adjustment based on the amount of BPC Holding's consolidated working capital at the time of the closing of the merger.

### WORKING CAPITAL ADJUSTMENT

Following the closing of the merger, the consideration available for payment to BPC Holding's stockholders will be subject to a working capital adjustment. We are in the process of determining the amount of the post-closing adjustment.

### DEBT TENDER OFFERS

Pursuant to the terms of the merger agreement, Berry Plastics commenced a tender offer and consent solicitation for all of its outstanding 11% Senior Subordinated Notes due 2007 (the "11% Notes") and 12.25% Senior Subordinated Notes due 2004 and 12.25% Series B Senior Subordinated Notes due 2004 (together, the "12.25% Notes"), and BPC Holding commenced a

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tender offer and consent solicitation for all of its outstanding 12.5% Senior Secured Notes due 2006 (the "12.5% Notes"). The tender offers expired on July 22, 2002 and we repurchased 100% of the then-outstanding 11% Notes, 93% of the then-outstanding 12.25% Notes and 93% of the then-outstanding 12.5% Notes. We intend to redeem all of the 12.25% Notes and 12.5% Notes not purchased in the debt tender offers within 30 days after the closing of the Acquisition.

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### USE OF PROCEEDS

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We will not receive any proceeds in connection with the exchange offer. In consideration for issuing the exchange notes in exchange for the outstanding notes as described in this prospectus, we will receive, retire and cancel the outstanding notes tendered in the exchange offer. The net proceeds from the sale of the outstanding notes, after deducting fees and expenses, were approximately \$241.6 million. We used all of the net proceeds to fund payment of the consideration for, and fees and expenses relating to, the Acquisition.

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### CAPITALIZATION

The following table sets forth our (i) capitalization as of June 29, 2002 and (ii) capitalization as of such date as adjusted to give effect to the Acquisition, including the financing thereof. This table should be read in conjunction with "The acquisition," our combined financial statements and related notes and the unaudited pro forma financial statements included elsewhere in the offering memorandum.

(UNAUDITED) (DOLLARS IN THOUSANDS)	AS OF JUNE 29, 2002	
	ACTUAL	ADJUSTED
-----		
Long-term debt (including current portion thereof):		
Senior secured credit facilities		
Previous credit facility(1).....	\$ 135,364	\$ -
Revolving credit facility(1).....	-	-
Term loan facility(1).....	-	330,000
Delayed draw term loan facility(1).....	-	-
Previous notes(2).....	335,714	-
Exchange Notes.....	-	250,000
Capital lease obligations(3).....	26,123	19,058
Nevada industrial revenue bonds.....	2,500	2,500
Debt premium.....	313	-
	500,014	601,558
Preferred stock.....	48,303	-
Common stock, paid-in capital and warrants.....	28,261	123,855
Retained earnings (deficit).....	(210,281)	-
Accumulated other comprehensive loss.....	(650)	-
	(134,367)	123,855
	\$ 365,647	\$ 725,413
	-----	

(1) As of June 29, 2002, on a pro forma basis after giving effect to the offering and the Acquisition, including the financing thereof, we would have had unused borrowing capacity under the revolving credit facility of \$94.3 million, with \$5.7 million in letters of credit outstanding thereunder, and unused borrowing capacity under our delayed draw term loan facility of \$50.0 million.

(2) Assumes all of the previous notes are purchased in the tender offers or redeemed at the closing of the Acquisition. The previous notes consist of the 11% Notes and the 12.25% Notes and the 12.5% Notes.



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(3) We may repay a portion of these capital leases with additional borrowings.

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UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set forth below are the unaudited pro forma combined balance sheet of BPC Holding as of June 29, 2002, assuming the Acquisition occurred on June 29, 2002, and the unaudited pro forma combined statements of operations of BPC Holding for the year ended December 29, 2001, the twenty-six week period ended June 29, 2002 and the 52 week period ended June 29, 2002, assuming the transactions described below occurred at the beginning of the respective period.

The unaudited pro forma combined financial information is presented for informational purposes only and does not purport to represent the financial condition of BPC Holding had the Acquisition occurred on June 29, 2002 or the results of operations of us for the year ended December 29, 2001, the twenty-six week period ended June 29, 2002 or the 52 weeks ended June 29, 2002 had the Acquisition or the other transactions described below occurred on December 31, 2000, or to project the results for any future date or period.

The unaudited pro forma combined statements of operations of BPC Holding give effect to (a) the Acquisition, including the financing thereof and (b) our acquisitions of Mt. Vernon Plastics Corporation and Pescor Plastics, Inc., as if they occurred at the beginning of the periods presented. The pro forma statements of operations do not reflect the premiums to be paid to prepay the debt being repaid in connection with the Acquisition, the write-off of historical deferred financing fees, transaction costs and employee-related compensation charges related to the amendment, modification and vesting of options and Acquisition bonuses. See "Management's discussion and analysis of financial condition and results of operations" and "The acquisition."

The unaudited pro forma combined financial information should be read in conjunction with the financial statements and related notes thereto included elsewhere in this prospectus and the information set forth in "Management's discussion and analysis of financial condition and results of operations."

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BPC HOLDING

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
AS OF JUNE 29, 2002

(DOLLARS IN THOUSANDS)	BPC HOLDING HISTORICAL	ADJUSTMENTS FOR THE ACQUISITION	PRO FORMA FOR THE ACQUISITION
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents.....	\$ 1,107	\$ -	\$ 1,107
Accounts receivable.....	66,632	-	66,632
Inventories.....	59,311	-	59,311
Other current assets.....	4,130	-	4,130

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Total current assets.....	131,180	-	131,180
Property and equipment (less accumulated depreciation).....	210,703	-	210,703
Intangible assets.....	129,874	322,832 (1)	452,706
Other assets.....	4,433	(4,000) (2)	433
<hr/>			
Total assets.....	\$ 476,190	\$ 318,832	\$795,022
<hr/>			
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable.....	\$ 38,617	\$ -	\$ 38,617
Accrued interest.....	7,878	(7,868) (3)	10
Other liabilities.....	27,741	-	27,741
Current portion of long-term debt.....	19,328	(11,268) (4)	8,060
<hr/>			
Total current liabilities.....	93,564	(19,136)	74,428
Long-term debt (less current portion).....	480,686	112,812 (5)	593,498
Accrued dividends on preferred stock.....	33,066	(33,066) (6)	-
Other liabilities.....	3,241	-	3,241
<hr/>			
Total liabilities.....	610,557	60,610	671,167
Stockholders' equity (deficit):			
Preferred stock.....	48,303	(48,303) (7)	-
Common stock.....	28,261	95,594 (8)	123,855
Retained earnings (deficit).....	(210,281)	210,281 (8)	-
Accumulated other comprehensive loss.....	(650)	650 (8)	-
<hr/>			
Total stockholders' equity (deficit).....	(134,367)	258,222	123,855
<hr/>			
Total liabilities and stockholders' equity (deficit).....	\$ 476,190	\$ 318,832	\$795,022
<hr/>			

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NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
(DOLLARS IN THOUSANDS)

(1) The Acquisition will be accounted for as a purchase. Preliminarily, we have allocated the excess of the purchase price over the net assets acquired to goodwill (included in intangible assets). Under generally accepted accounting principles, goodwill is not amortized but is reviewed for impairment annually. We have not begun the process of reviewing our assets to determine the amount of any write-up or write-down to fair value of our net assets in connection with the Acquisition. Accordingly, the allocation described below is subject to change when we determine the purchase price allocation. If our non-goodwill assets are written up to fair value in connection with the Acquisition, our expenses in the future will be higher as a result of increased depreciation and amortization of our assets. Similarly, if our non-goodwill assets are written down to fair value, our depreciation and amortization will decrease in the future.

Purchase price.....	\$ 837,500
Estimated transaction costs.....	32,859
<hr/>	
Total consideration.....	870,359

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Less: Net assets acquired(a).....	402,591
Adjustment of carryover basis of continuing stockholders (b).....	(144,936)
	-----
Net adjustment.....	\$ 322,832
	-----

(a) Net assets acquired equals the historical basis of the assets acquired (\$472.2 million) less liabilities assumed in the Acquisition not reflected in the purchase price above (\$69.6 million).

(b) Represents the pro rata basis of the continuing stockholders in the stockholders' deficit of BPC Holding less a deemed cash distribution to such continuing stockholders.

(2) This adjustment reflects the elimination of a security deposit on a lease that was refunded at the closing of the Acquisition.

(3) This adjustment reflects the elimination of the accrued interest as of June 29, 2002 on the debt being repaid in connection with the Acquisition.

(4) This adjustment reflects the elimination of the current portion of long-term debt being repaid in connection with the Acquisition offset by the current portion of the long-term debt being incurred to finance the Acquisition.

Current portion of debt being repaid.....	\$ (14,568)
Current portion of debt being incurred.....	3,300
	-----
Net adjustment.....	\$ (11,268)
	-----

(5) This adjustment reflects the incurrence of long-term debt being incurred to finance the Acquisition offset by the elimination of the long-term debt being repaid in connection with the Acquisition.

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Term loan.....	\$ 326,700
Exchange Notes.....	250,000
Long-term debt being repaid.....	(463,888)
	-----
Net adjustment.....	\$ 112,812
	-----

This adjustment assumes all of our existing notes are purchased in the tender offers or redeemed at or after the closing of the Acquisition.

(6) This adjustment reflects the payment of the accrued dividends as of June 29, 2002, on the preferred stock being redeemed in connection with the Acquisition.

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(7) This adjustment reflects the repurchase of the preferred stock in connection with the Acquisition.

(8) This adjustment reflects the increase to stockholders' equity resulting from the equity capital being contributed less an adjustment for the carryover basis of continuing stockholders.

Equity contribution.....	\$ 268,791
Adjustment of carryover basis of continuing stockholders(a).....	(144,936)
Total stockholders' equity.....	\$ 123,855

(a) Represents the pro rata basis of the continuing stockholders in the stockholders' deficit of BPC Holding less a deemed cash distribution to such continuing stockholders.

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BPC HOLDING

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
FISCAL YEAR ENDED DECEMBER 29, 2001

(DOLLARS IN THOUSANDS)	BPC HOLDING HISTORICAL	MT. VERNON AND PESCOR ACQUISITIONS	ADJUSTMENTS FOR THE ACQUISITION	PRO FORMA FOR THE MT. VERNON AND PESCOR ACQUISITIONS AND THE ACQUISITION
Net sales.....	\$ 461,659	\$ 28,665 (1)	\$ -	\$ 490,324
Cost of goods sold.....	338,000	25,328 (2)	-	363,328
Gross margin.....	123,659	3,337	-	126,996
Operating expenses.....	70,192	2,448	10,341 (3)	82,981
Operating income (loss).....	53,467	889	(10,341)	44,015
Other expenses.....	473	-	-	473
Interest expense, net.....	54,355	266	(6,828) (4)	47,793
Income (loss) before income taxes.....	(1,361)	623	(3,513)	(4,251)
Income taxes.....	734	117	-(5)	866
Net income (loss).....	(2,095)	506	(3,513)	(5,102)
Preferred stock dividends.....	9,790	-	(9,790) (6)	-
Amortization of preferred stock dividend.....	1,024	-	(1,024) (7)	-
Net income (loss) attributable to common stockholders.....	\$ (12,909)	\$ 506	\$ 7,301	\$ (5,102)

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OTHER DATA:

Depreciation and amortization.....	50,907	1,593	11,112 (3)	63,6
Adjusted EBITDA(8).....	110,852	2,482	-	113,33
Adjusted EBITDA margin.....	24.0%	8.7%	-	23.1

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BPC HOLDING

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
TWENTY-SIX WEEKS ENDED JUNE 29, 2002

(DOLLARS IN THOUSANDS)	BPC HOLDING HISTORICAL	MT. VERNON ACQUISITION	ADJUSTMENTS FOR THE ACQUISITION	PRO FORMA FOR THE MT. VERNON ACQUISITION AND THE ACQUISITION
Net sales.....	\$250,923	\$ 1,111 (1)	\$ -	\$252,034
Cost of goods sold.....	185,273	943 (2)	-	186,216
Gross margin.....	65,650	168	-	65,818
Operating expenses.....	29,449	105	(378) (3)	29,176
Operating income.....	36,201	63	378	36,642
Other expenses.....	291	-	-	291
Interest expense, net.....	25,583	-	(1,517) (4)	24,066
Income before income taxes.....	10,327	63	1,895	12,285
Income taxes.....	345	-	-(5)	345
Net income.....	9,982	63	1,895	11,940
Preferred stock dividends.....	5,620	-	(5,620) (6)	-
Amortization of preferred stock discount.....	512	-	(512) (7)	-
Net income attributable to common stockholders.....	\$ 3,850	\$ 63	\$ 8,027	\$ 11,940
OTHER DATA:				
Depreciation and amortization.....	21,973	49	-	22,022
Adjusted EBITDA(8).....	60,677	112	-	60,789
Adjusted EBITDA margin.....	24.2%	10.1%	-	24.1%

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BPC HOLDING

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
52 WEEK PERIOD ENDED JUNE 29, 2002

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(DOLLARS IN THOUSANDS)	BPC HOLDING HISTORICAL	MT. VERNON ACQUISITION	ADJUSTMENTS FOR THE ACQUISITION	PRO FORMA FOR THE MT. VERNON ACQUISITION AND THE ACQUISITION
Net sales.....	\$ 471,568	\$ 11,910 (1)	\$ -	\$483,478
Cost of goods sold.....	350,253	10,737 (2)	-	360,990
Gross margin.....	121,315	1,173	-	122,488
Operating expenses.....	62,646	738	4,699 (3)	68,083
Operating income (loss).....	58,669	435	(4,699)	54,405
Other expenses.....	808	-	-	808
Interest expense, net.....	51,955	-	(3,797) (4)	48,158
Income (loss) before income taxes.....	5,906	435	(902)	5,439
Income taxes.....	948	-	- (5)	948
Net income (loss).....	4,958	435	(902)	4,491
Preferred stock dividends.....	10,926	-	(10,926) (6)	-
Amortization of preferred stock discount.....	1,024	-	(1,024) (7)	-
Net income (loss) attributable to common stockholders.....	\$ (6,992)	\$ 435	\$ 11,048	\$ 4,491
OTHER DATA:				
Depreciation and amortization.....	48,742	485	5,358 (3)	54,585
Adjusted EBITDA(8).....	113,308	920	-	114,228
Adjusted EBITDA margin.....	24.0%	7.7%	-	23.6%

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NOTES TO PRO FORMA CONDENSED CONSOLIDATED  
STATEMENT OF OPERATIONS  
(DOLLARS IN THOUSANDS)

(1) This amount represents adjusted net sales of Mt. Vernon and Pescor during the relevant period after the elimination of sales made by Mt. Vernon during the relevant period to a customer which informed Mt. Vernon that it intended to stop purchasing products from Mt. Vernon after the closing of the Mt. Vernon acquisition.

	FISCAL YEAR ENDED DECEMBER 29, 2001	TWENTY-SIX WEEKS ENDED JUNE 29, 2002	FIFTY-TWO WEEKS ENDED JUNE 29, 2002
Net sales of Mt. Vernon and Pescor.....	\$ 34,066	\$ 1,111	\$ 11,910
Eliminated sales.....	(5,401)	-	-
Adjusted net sales.....	\$ 28,665	\$ 1,111	\$ 11,910

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(2) This amount represents adjusted cost of sales of Mt. Vernon and Pescor during the relevant period after the elimination of the cost of sales with respect to the sales being eliminated in note (1) above.

	FISCAL YEAR ENDED DECEMBER 29, 2001	TWENTY-SIX WEEKS ENDED JUNE 29, 2002	FIFTY-TWO WEEKS ENDED JUNE 29, 2002
Cost of sales of Mt. Vernon and Pescor.....	\$ 30,729	\$ 943	\$ 10,737
Eliminated cost of sales.....	(5,401)	-	-
Adjusted cost of sales.....	\$ 25,328	\$ 943	\$ 10,737

(3) This adjustment represents in the relevant periods (i) the elimination of the annual management fee charged by our largest voting stockholder prior to the Acquisition, (ii) the elimination of professional fees incurred by BPC Holding principally relating to indebtedness of BPC Holding that was not guaranteed by Berry Plastics and that will not remain outstanding after the Acquisition and (iii) the inclusion of amortization of goodwill resulting from the Acquisition on a 20-year straight line basis offset by the elimination of the amortization of historical goodwill. Goldman, Sachs & Co. and J.P. Morgan Chase & Co. and their respective affiliates will not receive any ongoing annual management fee after the Acquisition. Effective January 1, 2002 goodwill is no longer amortized in accordance with the new accounting standard SFAS 142, "Goodwill and Other Intangible Assets." We recorded pro forma amortization of \$21,076 in the 52 weeks ended December 29, 2001 and \$10,538 in the 52 weeks ended June 29, 2002. In addition, the pro forma financial statements assume that the excess of the purchase price of the Acquisition over the net assets acquired will all be allocated to goodwill. As described, goodwill is not amortized but is reviewed for impairment annually. We have not begun the process of reviewing our assets to determine the amount of any write-up or write-down to fair value of our net assets in connection with the Acquisition. If in connection with our finalization of our purchase price accounting our non-goodwill assets are written up to fair value, our expenses in the future will be higher as a result of increased

depreciation and amortization of our assets. Similarly, if our non-goodwill assets are written down to fair value in connection with the Acquisition, our depreciation and amortization will decrease in the future. See Note (1) to Notes to Pro Forma Condensed Balance Sheet.

(4) This adjustment reflects in the relevant periods the elimination of the historical interest expense incurred on the debt being repaid in connection with the Acquisition, including the elimination of the amortization of debt financing costs, offset by the interest expense on the estimated debt being incurred in connection with the Acquisition and the amortization of deferred financing costs incurred in connection therewith. This adjustment assumes an interest rate of 10 3/4% on the notes and an interest rate of 5 1/4% on the term loan. The deferred financing costs are being amortized based on the maturity of the loans.

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	FISCAL YEAR ENDED DECEMBER 29, 2001	TWENTY-SIX WEEKS ENDED JUNE 29, 2002	FIFTY-TWO WEEKS ENDED JUNE 29, 2002
Elimination of historical interest expense on debt being repaid.....	\$ (53,243)	\$ (24,725)	\$ (50,212)
Interest on notes offered hereby.....	26,875	13,438	26,875
Interest on term loan.....	17,325	8,662	17,325
Amortization of deferred financing costs associated with notes offered hereby....	840	420	840
Amortization of deferred financing costs associated with term loan.....	1,375	688	1,375
Adjustment to net interest expense.....	\$ (6,828)	\$ (1,517)	\$ (3,797)

(5) No adjustment has been made to tax expense attributable to the pro forma adjustments on the assumption that an offsetting adjustment to the valuation allowance would be recorded with respect to the resultant tax loss carryforward asset.

(6) This adjustment reflects the elimination of preferred stock dividends on the preferred stock redeemed in connection with the Acquisition.

(7) This adjustment reflects the elimination of the amortization of preferred stock discount on the preferred stock redeemed in connection with the Acquisition.

(8) See footnote (d) to "Selected consolidated financial data."

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SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth Holding's selected consolidated historical financial data for each of the fiscal years 1997, 1998, 1999, 2000 and 2001, which have been derived from the consolidated financial statements of Holding which have been audited by Ernst & Young LLP, independent auditors and for the twenty-six weeks ended June 29, 2002 and June 30, 2001, which is derived from our unaudited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the unaudited interim financial data includes all adjustments, consisting of only normal nonrecurring adjustments, considered necessary for a fair presentation of this information. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the entire year. Holding's fiscal year is a 52/53 week period ending on the Saturday closest to December 31. All references herein to fiscal "2001," "2000," "1999," "1998," and "1997," relate to the fiscal years ended December 29, 2001, December 30, 2000, January 1, 2000, January 2, 1999, and December 27, 1997, respectively. The following data should be read in conjunction with our consolidated financial statements and related notes, "Management's discussion and analysis of financial condition and results of operations," "Unaudited pro forma financial information" and other financial information included elsewhere in this prospectus.



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	FISCAL				
(DOLLARS IN THOUSANDS)	1997	1998	1999	2000	2001
Statement of operations data:					
Net sales.....	\$226,953	\$271,830	\$328,834	\$408,088	\$461,659
Cost of goods sold.....	180,249	199,227	241,067	312,119	338,000
Gross margin.....	46,704	72,603	87,767	95,969	123,659
Operating expenses					
Selling.....	11,320	14,780	17,383	21,630	21,996
General and administrative.....	11,505	19,308	22,034	24,408	28,535
Research and development.....	1,310	1,690	2,338	2,606	1,948
Amortization of intangibles.....	2,226	4,139	7,215	10,579	12,802
Other expenses.....	4,144	4,084	5,148	6,639	4,911
Total operating expenses.....	30,505	44,001	54,118	65,862	70,192
Operating income.....	16,199	28,602	33,649	30,107	53,467
Other expense (income) (a).....	226	1,865	1,416	877	473
Interest expense, net (b).....	30,246	34,556	40,817	51,457	54,355
Income (loss) before income taxes and extraordinary item.....	(14,273)	(7,819)	(8,584)	(22,227)	(1,361)
Income taxes (benefit).....	138	(249)	554	(142)	734
Net income (loss) before extraordinary item.....	(14,441)	(7,570)	(9,138)	(22,085)	(2,095)
Extraordinary item net of tax(c).....	-	-	-	1,022	-
Net income (loss).....	(14,441)	(7,570)	(9,138)	(23,107)	(2,095)
Preferred stock dividends.....	2,558	3,551	3,776	6,655	9,790
Amortization of preferred stock discount.....	74	292	292	768	1,024
Net income (loss) attributable to common stockholders.....	\$ (17,043)	\$ (11,413)	\$ (13,206)	\$ (30,530)	\$ (12,909)

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	FISCAL				
(DOLLARS IN THOUSANDS)	1997	1998	1999	2000	2001
Other financial data:					
Adjusted EBITDA (d).....	\$ 40,269	\$ 59,764	\$ 71,541	\$ 80,391	\$110,852
Adjusted EBITDA margin(e).....	17.7%	22.0%	21.8%	19.7%	24.4%
Depreciation and amortization(f).....	\$ 19,026	\$ 24,829	\$ 31,795	\$ 42,148	\$ 50,907
Cash provided by operating activities.....	14,154	34,131	36,001	36,106	54,348

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Cash used for investing activities.....	(102,102)	(52,120)	(106,978)	(108,715)	(56,290)
Cash provided by financing activities.....	80,444	17,619	71,135	72,037	580
Capital expenditures.....	16,774	22,595	30,738	31,530	32,834
Ratio of earnings to fixed charges(g).....	-	-	-	-	-
Balance sheet data (at end of period):					
Working capital.....	\$ 20,863	\$ 4,762	\$ 10,527	\$ 20,470	\$ 19,327
Property and equipment, net.....	108,218	120,005	146,792	179,804	203,217
Total assets.....	239,444	255,317	340,807	413,122	446,876
Total debt.....	306,335	323,298	403,989	468,806	485,881

(a) Other expenses consist of net losses (gains) on disposal of property and equipment for the respective years.

(b) Includes non-cash interest expense of \$13,260, \$14,824, \$15,567, \$18,047 and \$11,268, in fiscal 1997, 1998, 1999, 2000 and 2001, respectively, and \$9,975 and \$1,262 for the twenty-six weeks ended June 30, 2001 and June 29, 2002, respectively.

(c) Extraordinary item relates to deferred financing fees written off as a result of amending our senior credit facility.

(d) Adjusted EBITDA should not be considered in isolation or as an alternative to income from operations or to cash flows from operating activities (as determined in accordance with accounting principles generally accepted in the United States) and should not be construed as an indication of a company's operating performance or as a measure of liquidity. We believe this information enhances an investor's understanding of our ability to satisfy our obligations with respect to indebtedness or otherwise. In addition, our calculation of Adjusted EBITDA differs from that presented by certain other companies and thus is not necessarily comparable to similarly titled measures used by other companies. The following table reconciles operating income to Adjusted EBITDA for each respective period.

	FISCAL				
(DOLLARS IN THOUSANDS)	1997	1998	1999	2000	2001
Operating income.....	\$16,199	\$28,602	\$33,649	\$30,107	\$ 53,467
Depreciation and amortization.....	19,026	24,829	31,795	42,148	50,907
EBITDA.....	35,225	53,431	65,444	72,255	104,374
One-time expenses:					
Plant shutdown expenses.....	849	2,556	1,499	3,702	2,194
Acquisition integration expenses.....	3,267	1,525	3,649	2,237	2,717
Litigation expenses related to drink cup patent.....	100	631	-	700	-
Corporate expenses:					
Non-cash compensation.....	-	600	-	459	796
Holding professional fees(1).....	-	149	76	165	134
Management fees and expenses(2).....	828	872	873	873	637
Adjusted EBITDA.....	\$40,269	\$59,764	\$71,541	\$80,391	\$110,852

(1) Represents fees paid by BPC Holding for professional services principally relating to indebtedness of BPC Holding that was not guaranteed by Berry Plastics and that are not outstanding after the Acquisition.

(2) Represents fees paid to First Atlantic, our largest voting stockholder prior to the Acquisition. GSCP 2000 and J.P. Morgan Partners Global Investors, L.P. and their respective affiliates will not receive any annual management fees after the Acquisition.

(e) Adjusted EBITDA margin represents Adjusted EBITDA as a percentage of net sales.

(f) Depreciation and amortization excludes non-cash amortization of deferred financing fees and debt premium discount amortization, which are included in interest expense.

(g) For purposes of calculating the ratio of earnings to fixed charges, "earnings" represent net income (loss) before extraordinary items. "Fixed charges" consist of interest expense, including amortization of debt issuance costs and that portion of rental expenses which we consider to be a reasonable approximation of the interest factor of operating lease payments. For fiscal 1997, 1998, 1999, 2000 and 2001, our fixed charges exceeded our earnings by \$13,932, \$7,042, \$7,137, \$20,520 and \$772, respectively.

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#### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations with our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk factors" section of this prospectus. Our actual results may differ materially from those contained in any forward-looking statements.

#### CRITICAL ACCOUNTING POLICIES

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

Accounts receivable. We evaluate our allowance for doubtful accounts on a quarterly basis and review any significant customers with delinquent balances to determine future collectibility. We base our determinations on legal issues

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(such as bankruptcy status), past history, current financial and credit agency reports, and the experience of our credit representatives. We reserve accounts that we deem to be uncollectible in the quarter in which we make the determination. We maintain additional reserves based on our historical bad debt experience. We believe, based on past history and our credit policies, that the net accounts receivable are of good quality.

Medical. We offer our employees medical insurance that is primarily self-insured by us. We evaluate our medical claims liability on a quarterly basis and obtain an independent actuarial analysis on an annual basis. We accrue as a liability expected claims incurred but not reported and any known claims. Based on our analysis, we believe that our recorded medical claims liability is sufficient.

Workers' compensation. Starting in fiscal 2000, we converted the majority of our facilities to a large deductible program for workers' compensation insurance. On a quarterly basis, we evaluate our liability based on third-party adjusters' independent analyses by claim. Based on our analysis, we believe that our recorded workers' compensation liability is sufficient.

Based on a critical assessment of its accounting policies and the underlying judgements and uncertainties affecting the application of those policies, management believes that our consolidated financial statements provide a meaningful and fair perspective of BPC Holding and its consolidated subsidiaries. This is not to suggest that other risk factors such as changes

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in economic conditions, changes in material costs, and others could not adversely impact our consolidated financial position, results of operations and cash flows in future periods.

### ACQUISITIONS

We maintain a selective and disciplined acquisition strategy, which is focused on improving our financial performance in the long-term, enhancing our market positions and expanding our product lines or, in some cases, providing us with a new or complementary product line. We have historically acquired businesses with EBITDA margins that are lower than that of our existing business, which results in a temporary decrease in our margins. We have historically achieved significant reductions in manufacturing and overhead costs of acquired companies by introducing advanced manufacturing processes, exiting low-margin businesses or product lines, reducing headcount, rationalizing facilities and machinery, applying best practices and capitalizing on economies of scale. In connection with our acquisitions, we have in the past and may in the future incur non-recurring charges related to these reductions and rationalizations. In connection with the Acquisition, we will incur charges related to premiums paid to prepay debt being repaid, the write-off of historical deferred financing fees, transaction costs and employee-related compensation charges related to the amendment, modification and vesting of options and Acquisition bonuses.

### RESULTS OF OPERATIONS

COMPARISON OF THE 26 WEEKS ENDED JUNE 29, 2002 (THE "YTD") TO THE 26 WEEKS ENDED JUNE 30, 2001 (THE "PRIOR YTD")

Net Sales. Net sales increased \$9.9 million, or 4%, to \$250.9 million for the YTD from \$241.0 million for the Prior YTD with an approximate 3% decrease in net selling price due to the cyclical impact of lower resin costs. Container net sales decreased \$0.3 million from the Prior YTD, including approximately \$6.3 million of YTD sales from the Mount Vernon acquisition, due primarily to lower selling prices and a large promotion in the Prior YTD. Closure net sales

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decreased \$0.6 million from the Prior YTD. Consumer product sales for the YTD increased \$10.8 million from the Prior YTD primarily attributable to the Pescor acquisition and increased sales from the thermoformed drink cup line.

Gross Margin. Gross margin decreased by \$2.3 million to \$65.7 million (26% of net sales) for the YTD from \$68.0 million (28% of net sales) for the Prior YTD. This decrease of 3% includes the combined impact of the added Pescor and Mount Vernon sales volume, the effect of net selling prices and raw material costs, acquisition integration and productivity improvement initiatives. The historical margin percentage of the Mount Vernon acquired business is significantly less than the Company's historical gross margins thereby reducing consolidated margins until the business is fully integrated. Also, depreciation for the YTD exceeded the Prior YTD by \$3.1 million. In addition, the Company has continued to consolidate products and business of recent acquisitions to the most efficient tooling, providing customers with improved products and customer service. As part of the integration, the Company removed molding operations from its Fort Worth, Texas facility (acquired in the Pescor acquisition). The business from this location was distributed throughout Berry's facilities. Also, significant productivity improvements were made during the year, including the addition of state-of-the-art injection molding equipment, molds and printing equipment at several of the Company's facilities.

Operating Expenses. Selling expenses decreased by \$0.5 million to \$10.9 million for the YTD from \$11.4 million for the Prior YTD, principally a result of cost reduction efforts. General and

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administrative expenses decreased from \$16.2 million for the Prior YTD to \$14.2 million for the YTD. This decrease of \$2.0 million is primarily attributable to decreased accrued bonus expenses and cost reduction efforts. During the YTD, one-time transition expenses were \$0.7 million related to acquisitions and \$1.4 million related to the shutdown and reorganization of facilities. In the Prior YTD, one-time transition expenses related to acquisitions were \$1.1 million and \$1.2 million related to the shutdown and reorganization of facilities.

Interest Expense, Net. Net interest expense decreased \$2.4 million to \$25.6 million for the YTD compared to \$28.0 million for the Prior YTD primarily due to decreased rates of interest on borrowings and reduced borrowings under the senior credit facility.

Income Tax. For the YTD, the Company recorded income tax expense of \$0.3 million compared to \$0.1 million for the Prior YTD. The Company continues to operate in a net operating loss carryforward position for federal income tax purposes.

Net Income. The Company recorded net income of \$10.0 million for the YTD compared to net income of \$2.9 million for the Prior YTD for the reasons discussed above.

COMPARISON OF THE YEAR ENDED DECEMBER 29, 2001 TO THE YEAR ENDED DECEMBER 30, 2000

Net sales. Net sales increased 13% to \$461.7 million in 2001, up \$53.6 million from \$408.1 million in 2000, including an approximate 1% increase in net selling price. Container net sales increased \$3.2 million, primarily due to a large promotion in 2001. Closure net sales increased \$20.2 million with the Poly-Seal acquisition and Capsol acquisition representing \$25.4 million of the increase, partially offset by a general slowdown in the market. Consumer products net sales increased \$30.2 million in 2001 primarily as a result of the Pescor acquisition which contributed 2001 net sales of approximately \$19.9 million, continued strong demand in the retail housewares market, and the introduction of

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a thermoformed drink cup line.

Gross margin. Gross margin increased \$27.7 million from \$96.0 million (24% of net sales) in 2000 to \$123.7 million (27% of net sales) in 2001. This increase of 29% includes the combined impact of the added Poly-Seal, Capsol, and Pescor sales volume, the effect of net selling prices and decreases in raw material costs, acquisition integration, and productivity improvement initiatives. The 1% increase in net selling price was primarily the result of partially recovering raw material costs increases incurred in 2000. In addition, we continued to consolidate the products and businesses of recent acquisitions to the most efficient tooling, providing customers with improved products and customer service. As part of the integration, we closed our York, Pennsylvania facility in the third quarter of 2000 and removed remaining production from our Minneapolis, Minnesota facility (acquired in the Cardinal acquisition) in the fourth quarter of 2000. Also, in the fourth quarter of 2001, we removed molding operations from our Fort Worth, Texas facility (acquired in the Pescor acquisition). The business from these locations was distributed throughout our facilities. Also, significant productivity improvements were made during both years, including the addition of state-of-the-art injection-molding equipment, molds and decorating equipment at several of our facilities. Additional cost reductions were achieved in connection with our realignment in the third quarter of 2000 from a functional based organization to a divisional structure. This realignment has enabled us to reduce personnel costs and improve employee productivity.

Operating expenses. Selling expenses increased \$0.4 million as a result of acquired businesses partially offset by savings from the organizational realignment in the third quarter of 2000. General and administrative expenses increased \$4.1 million in 2001 primarily as a result of acquired businesses and increased accrued bonus expenses partially offset by savings from the

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organizational realignment in the third quarter of 2000. Research and development costs decreased \$0.7 million to \$1.9 million in 2001 primarily as a result of savings from the organizational realignment in the third quarter of 2000. Intangible asset amortization increased from \$10.6 million in 2000 to \$12.8 million for 2001, primarily as a result of the amortization of goodwill ascribed to acquired companies in 2000 and 2001. Other expenses were \$4.9 million for 2001 compared to \$6.6 million for 2000. Other expenses in 2001 include one-time transition expenses of \$2.7 million related to recently acquired businesses and \$2.2 million related to the shutdown and reorganization of facilities. Other expenses in 2000 include one-time transition expenses of \$2.2 million related to recent acquisitions, \$3.7 million related to the shutdown and reorganization of facilities, and \$0.7 million of litigation expenses related to a drink cup patent.

Interest expense, net. Net interest expense, including amortization of deferred financing costs for 2001, was \$54.4 million (12% of net sales) compared to \$51.5 million (13% of net sales) in 2000, an increase of \$2.9 million. This increase was due to interest on borrowings related to the acquired businesses in 2000 and 2001 but was offset partially by principal reductions. Cash interest paid in 2001 was \$44.2 million as compared to \$32.8 million for 2000.

Income taxes. During fiscal 2001, we recorded an expense of \$0.7 million for income taxes compared to a benefit of \$0.1 million for fiscal 2000. We continue to operate in a net operating loss carryforward position for federal income tax purposes.

Extraordinary item. As a result of amending our senior credit facility, \$1.0 million of deferred financing and organization fees related to the facility was

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charged to expense in 2000 as an extraordinary item.

Net loss. We recorded a net loss of \$2.1 million in 2001 compared to a \$23.1 million net loss in 2000 for the reasons stated above.

### COMPARISON OF THE YEAR ENDED DECEMBER 30, 2000 TO THE YEAR ENDED JANUARY 1, 2000

Net sales. Net sales increased 24% to \$408.1 million in 2000, up \$79.3 million from \$328.8 million in 1999, including an approximate 5% increase in net selling price due to increased raw material costs. Closure net sales increased \$31.2 million due to the Poly-Seal acquisition and Capsol acquisition which provided combined 2000 net sales of \$32.3 million. Container sales increased \$42.5 million, primarily due to the Cardinal acquisition and increased selling prices, despite a large promotional program in 1999 that did not reoccur in 2000. Net sales in the consumer division increased \$5.6 million in 2000 primarily as a result of a significant new drink cup and strong retail demand in housewares.

Gross margin. Gross margin increased \$8.2 million or 9% from \$87.8 million (27% of net sales) in 1999 to \$96.0 million (24% of net sales) in 2000. This increase of 9% includes the combined impact of the added Poly-Seal, Capsol, and Cardinal sales volume, acquisition integration, and productivity improvement initiatives offset partially by the cyclical impact of higher raw material costs. The cost of our primary raw material, resin, increased approximately 29% in 2000 when compared to 1999. A major focus during this period and going forward was the consolidation of products and business of recent acquisitions to the most efficient tooling, providing customers with improved products and customer service. As part of the integration, we closed our York, Pennsylvania facility and removed remaining production from our Minneapolis, Minnesota facility (acquired in the Cardinal acquisition) in the fourth quarter of 2000. Additionally, we closed our Arlington Heights, Illinois facility (acquired in the Knight acquisition) in the first quarter of 1999 and our Ontario, California facility (acquired in the

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Cardinal acquisition) in the third quarter of 1999. In addition, we made two configuration changes that were completed in the fourth quarter of 1999 with the Minneapolis, Minnesota and Iowa Falls, Iowa locations closing their molding operations. The business from these locations are distributed throughout our facilities. Also, significant productivity improvements were made during both years, including the addition of state-of-the-art injection-molding equipment, molds and printing equipment at several of our facilities.

Operating expenses. Operating expenses during 2000 were \$65.9 million (16% of net sales), compared with \$54.1 million (16% of net sales) for 1999. Selling expenses increased \$4.2 million, almost all as a result of acquired businesses. General and administrative expenses increased \$2.4 million in 2000 primarily as a result of recent acquisitions, but was partially offset by decreased accrued bonus expenses. Research and development costs increased \$0.3 million to \$2.6 million in 2000 primarily as a result of increased new product requests from customers and productivity improvement initiatives. Intangible asset amortization increased from \$7.2 million in 1999 to \$10.6 million for 2000, primarily as a result of the amortization of goodwill ascribed to acquired companies in 1999 and 2000. Other expenses were \$6.6 million for 2000 compared to \$5.1 million for 1999. Other expenses in 2000 include business start-up and machine integration expenses of \$2.2 million related to recent acquisitions, plant consolidation expenses of \$3.7 million related to the shutdown and reorganization of facilities, and \$0.7 million of litigation expenses related to a drink cup patent. Other expenses in 1999 include business start-up and machine integration expenses of \$3.6 million related to recent acquisitions and plant consolidation expenses of \$1.5 million related to the shutdown and

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reorganization of facilities.

Interest expense, net. Net interest expense, including amortization of deferred financing costs for 2000, was \$51.5 million (13% of net sales) compared to \$40.8 million (12% of net sales) in 1999, an increase of \$10.7 million. This increase was due to interest on borrowings related to the acquired businesses in 1999 and 2000, but was offset partially by principal reductions. Cash interest paid in 2000 was \$32.8 million as compared to \$29.8 million for 1999.

Income taxes. During fiscal 2000, we recorded a benefit of \$0.1 million for income taxes compared to an expense of \$0.6 million for fiscal 1999. We continue to operate in a net operating loss carryforward position for federal income tax purposes.

Extraordinary item. As a result of amending our senior credit facility, \$1.0 million of deferred financing and origination fees related to the facility was charged to expense in 2000 as an extraordinary item.

Net Loss. We recorded a net loss of \$23.1 million in 2000 compared to a \$9.1 million net loss in 1999 for the reasons stated above.

### INCOME TAX MATTERS

As of December 29, 2001, BPC Holding had unused operating loss carryforwards of \$37.7 million for federal income tax purposes which begin to expire in 2010. Alternative minimum tax credit carryforwards of approximately \$3.1 million are available to Holding indefinitely to reduce future years' federal income taxes. As a result of the Acquisition, the amount of the carryforward which can be used in any given year will be limited to approximately \$12.0 million.

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### LIQUIDITY AND CAPITAL RESOURCES

#### BEFORE THE ACQUISITION

We have historically generally funded our ongoing obligations from cash flow from operations, borrowings under our revolving credit facilities, term loans and capital leases. We also incurred approximately \$335.7 million of debt from high yield bond issuances since 1994.

Net cash provided by operating activities was \$17.0 million for the twenty-six weeks ended June 29, 2002 compared to \$30.9 million for the twenty-six weeks ended June 30, 2001. The decrease is primarily the result of the \$8.5 million interest payment on the 1996 Notes and increased working capital.

Net cash used for investing activities decreased from \$37.1 million for the twenty-six weeks ended June 30, 2001 to \$22.2 million for the twenty-six weeks ended June 29, 2002 primarily as a result of the Pescor acquisition in the twenty-six weeks ended June 30, 2001. Capital spending during the twenty-six weeks ended June 29, 2002 of \$17.7 million included \$0.9 million for buildings and systems, \$6.1 million for molds, \$8.4 million for molding and printing machines, and \$2.3 million for accessory equipment and systems.

Net cash provided by financing activities was \$5.8 million for the twenty-six weeks ended June 29, 2002 compared to \$8.0 million for the twenty-six weeks ended June 30, 2001. The decrease of \$2.2 million can be attributed to decreased borrowings due to the Pescor acquisition in the twenty-six weeks ended June 30, 2001.

Net cash provided by operating activities was \$54.3 million in 2001 as compared



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to \$36.1 million in 2000. Net cash provided by operating activities was \$36.0 million in 1999. The increase in 2001 was primarily the result of improved operating performance as our net loss plus non-cash expenses improved \$21.8 million.

Net cash used by investing activities decreased from \$108.7 million in 2000 to \$56.3 million in 2001 due in part as a result of the Poly-Seal Acquisition in 2000. Capital expenditures in 2001 were \$32.8 million, an increase of \$1.3 million from \$31.5 million in 2000. Capital expenditures totaled \$30.7 million in 1999.

Capital expenditures in 2001 included investments of \$2.6 million for facility renovations, production systems and offices necessary to support production operating levels throughout the company, \$16.3 million for molds, \$8.2 million for molding and printing machines, and \$5.7 million for accessory equipment and systems. The capital expenditure budget for 2002 is expected to be approximately \$38 million.

Net cash provided by financing activities was \$0.6 million in 2001 as compared to \$72.0 million in 2000. The decrease of \$71.4 million can be primarily attributed to reduced acquisition related activities as noted above. Net cash provided by financing activities was \$71.1 million in 1999.

### AFTER THE ACQUISITION

We intend to fund our ongoing obligations from cash flow from operations, capital leases and borrowings under our \$100.0 million revolving credit facility and \$50.0 million delayed draw term loan facility. In connection with the Acquisition, we incurred a \$330.0 million term loan and the outstanding notes.

Borrowings under our revolving credit facility and delayed draw term loan facility will be subject to certain conditions described under "Description of other indebtedness."

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Our credit facilities contain significant financial and operating covenants, including prohibitions on our ability to incur certain additional indebtedness or to pay dividends, and restrictions on our ability to make capital expenditures. Amounts available under the delayed draw term loan facility may be borrowed (but not reborrowed) during the 18-month period beginning on July 22, 2002, provided that, among other things, no default or event of default exists at the time of borrowing, and the leverage ratio is not in excess of 5.20:1.00 if the borrowing is made on or prior to June 29, 2003 or 5.00:1.00 if the borrowing is made thereafter. Delayed draw term loans may only be made in connection with permitted acquisitions.

The senior secured credit facilities also contain (i) a minimum interest coverage ratio as of the last day of any quarter, beginning with the quarter ending December 2002, of 2.00:1.00 per quarter through the quarter ending March 2004, 2.10:1.00 per quarter for the quarters ending June 2004 and September 2004, 2.15:1.00 per quarter for the quarters ending December 2004 and March 2005, 2.25:1.00 per quarter for the quarters ending June 2005 through the quarter ending March 2006, 2.35:1.00 per quarter for the quarters ending June 2006 through the quarter ending December 2006 and 2.50:1.00 per quarter thereafter, (ii) a maximum amount of capital expenditures (subject to the rollover of certain unexpended amounts from the prior year) of \$45 million for the year ending 2002, \$50 million for the years ending 2003 and 2004, \$60 million for the years ending 2005, 2006 and 2007, and \$65 million for each year thereafter, and (iii) a maximum total leverage ratio as of the last day of any quarter, beginning with the quarter ending December 2002, of 5.90:1.00 per

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quarter through the quarter ending June 2003, 5.75:1.00 per quarter for the quarters ending September 2003 through the quarter ending March 2004, 5.50:1.00 per quarter for the quarters ending June 2004 and September 2004, 5.25:1.00 per quarter for the quarters ending December 2004 through the quarter ending June 2005, 5.00:1.00 per quarter for the quarters ending September 2005 and December 2005, 4.75:1.00 per quarter for the quarters ending March 2006 and June 2006, 4.50:1.00 per quarter for the quarters ending September 2006 through the quarter ending March 2007, 4.25:1.00 per quarter for the quarters ending June 2007 through the quarter ending December 2007, and 4.00:1.00 per quarter thereafter.

Our credit facilities also contain borrowing conditions and customary events of default, including nonpayment of principal or interest, violation of covenants, inaccuracy of representations and warranties, cross-defaults to other indebtedness, bankruptcy and other insolvency events (other than in the case of certain foreign subsidiaries). The occurrence of a default, an event of default or a material adverse effect on our company would result in our inability to obtain further borrowings under our revolving credit facility and could also result in the acceleration of our obligations under any or all of our credit agreements, each of which could materially and adversely affect our business.

TERM LOAN/DELAYED DRAW TERM LOAN FACILITY/PREPAYMENT

The term loan will amortize quarterly as follows:

- \$825,000 each quarter beginning September 30, 2002 and ending June 30, 2009; and
- \$76,725,000 each quarter beginning September 30, 2009 and ending June 30, 2010.

The delayed draw term loan facility will amortize quarterly commencing March 31, 2004 based on the amounts outstanding as of that date as follows: (i) 2% per quarter in 2004, (ii) 4% per quarter in 2005, (iii) 6% per quarter in 2006, (iv) 8% per quarter in 2007 and (v) 10% per quarter in each of the first two quarters in 2008.

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Borrowings and commitments under the senior secured facilities will be subject to mandatory prepayment under specified circumstances, including some assets sales and issuance of equity securities and from our excess cash flow (as defined in our senior secured credit facilities).

There will be no required amortization of the revolving credit facility. Outstanding borrowings under the revolving credit facility may be repaid at any time, and may be reborrowed at any time prior to July 22, 2008. The revolving credit facility will allow us to obtain up to \$15 million of letters of credit instead of borrowing and up to \$10 million of swingline loans.

Our contractual cash obligations as of December 29, 2001, on a pro forma basis to give effect to the Acquisition and the Mt. Vernon acquisition, are summarized in the following table.

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PAYMENTS DUE BY PERIOD AT DECEMBER 29, 2001  
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