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BERRY PLASTICS CORP  
Form POS AM  
April 06, 2005

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 6, 2005

REGISTRATION NO. 333-115086

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
-----

POST-EFFECTIVE

AMENDMENT NO. 2

TO

FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
-----

BERRY PLASTICS CORPORATION  
GUARANTORS LISTED ON SCHEDULE A HERETO  
(Exact name of Registrants as Specified in their Charters)

DELAWARE  
(State or Other Jurisdiction of  
Incorporation or Organization)

3089  
(Primary Standard Industrial  
Classification Code Number)

(I.  
Ident

101 OAKLEY STREET  
EVANSVILLE, INDIANA 47710  
(812) 424-2904  
(Address, Including Zip Code, and Telephone Number, Including Area Code, of  
Registrant's Principal Executive Offices)

-----  
JAMES M. KRATOCHVIL  
EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER,  
TREASURER AND SECRETARY  
BERRY PLASTICS CORPORATION  
101 OAKLEY STREET  
EVANSVILLE, INDIANA 47710  
(812) 424-2904  
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code,  
of Agent for Service)

-----  
COPY TO:  
STUART H. GELFOND, ESQ.  
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP  
ONE NEW YORK PLAZA  
NEW YORK, NEW YORK 10004  
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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED OFFER: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER NOTE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE
10 3/4% Senior Subordinated Notes due 2012.....	\$335,000,000	100%	\$335,000,000
Guarantees of 10 3/4% Senior Subordinated Notes due 2012.....	\$335,000,000	(2)	(2)

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) under the Securities Act.
- (2) No separate filing fee is required pursuant to Rule 457(n) under the Securities Act.
- (3) No filing fee is required pursuant to Rule 457(q) under the Securities Act.

Pursuant to Rule 429 of the Securities Act of 1933, the prospectus in this registration statement is a combined prospectus and relates to this registration statement (No. 333-115086 originally filed on March 5, 2004) and our registration statement no. 333-97849 originally filed on August 8, 2002. This registration statement will constitute post-effective amendment no. 2 to our registration statement No. 333-115086 and post-effective amendment no. 6 to our registration statement no. 333-97849. The post-effective amendment will become effective concurrently with the effectiveness of this registration statement in

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accordance with Section 8(c) of the Securities Act of 1933.

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THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SHALL SPECIFICALLY STATE THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.  
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SCHEDULE A

GUARANTORS

BPC HOLDING CORPORATION

BERRY IOWA CORPORATION

PACKERWARE CORPORATION

KNIGHT PLASTICS, INC.

BERRY STERLING CORPORATION

BERRY PLASTICS DESIGN CORPORATION

POLY-SEAL CORPORATION

VENTURE PACKAGING, INC.

VENTURE PACKAGING MIDWEST, INC.

BERRY PLASTICS TECHNICAL SERVICES, INC.

CPI HOLDING CORPORATION

CARDINAL PACKAGING, INC.

AEROCON, INC.

BERRY PLASTICS ACQUISITION CORPORATION III

PESCOR, INC.

BERRY PLASTICS ACQUISITION CORPORATION V

BERRY PLASTICS ACQUISITION CORPORATION VI

BERRY PLASTICS ACQUISITION CORPORATION VII

BERRY PLASTICS ACQUISITION CORPORATION VIII

BERRY PLASTICS ACQUISITION CORPORATION IX

BERRY PLASTICS ACQUISITION CORPORATION X

BERRY PLASTICS ACQUISITION CORPORATION XI

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BERRY PLASTICS ACQUISITION CORPORATION XII

BERRY PLASTICS ACQUISITION CORPORATION XIII

BERRY PLASTICS ACQUISITION CORPORATION XIV, LLC

BERRY PLASTICS ACQUISITION CORPORATION XV, LLC

LANDIS PLASTICS, INC.

Prospectus

[BERRY PLASTICS CORPORATION LOGO]

Berry Plastics Corporation  
\$335,000,000  
10 3/4% Senior Subordinated Notes due 2012  
Interest payable January 15 and July 15

The 10 3/4% Senior Subordinated Notes due 2012 offered hereby, which we refer to as the "notes," relate to an aggregate of \$335,000,000 that we issued in two transactions. In September 2002, we issued \$250,000,000 of the notes in exchange for an equal amount of our 10 3/4% Senior Subordinated Notes due 2012, which we originally issued on July 22, 2002. In April 2004, we issued \$85,000,000 of the notes in exchange for an equal amount of our 10 3/4% Senior Subordinated Notes due 2012, which we originally issued on November 20, 2003.

The notes mature on July 15, 2012.

We may redeem the notes, in whole or in part, at any time beginning on July 15, 2007. In addition, before July 15, 2005, we may redeem up to 35% of the notes with the net cash proceeds of certain equity offerings. The redemption prices are described on page 64. If we sell certain of our assets or experience specific kinds of changes of control, we must offer to purchase the notes.

The notes are guaranteed by BPC Holding Corporation, and all of our existing and future domestic subsidiaries, except as provided herein. The notes are not guaranteed by our foreign subsidiaries: Berry Plastics Acquisition Corporation II, NIM Holdings Limited, Berry Plastics U.K. Limited, Norwich Acquisition Limited, Berry Plastics Asia Pte. Ltd., 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 are subordinated in right of payment to all obligations of our non-guarantors subsidiaries. The notes are also subordinated in right of payment to all existing and future senior indebtedness, rank equally in right of payment with any existing and future senior subordinated indebtedness and are senior in right of payment to all future subordinated obligations. The notes are also effectively subordinated to all of our secured indebtedness and our subsidiaries' to the extent of the value of the assets securing such indebtedness.

We do not intend to apply for listing of the notes on any securities exchange or automated quotation system.

Certain private equity funds managed by affiliates of Goldman, Sachs & Co. and J.P. Morgan Securities Inc. own a substantial majority of the equity of BPC Holding Corporation, our parent company.

SEE "RISK FACTORS" BEGINNING ON PAGE 7 FOR A DISCUSSION OF CERTAIN RISKS THAT YOU SHOULD CONSIDER IN CONNECTION WITH AN INVESTMENT IN THE NOTES.

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

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This prospectus has been prepared for and will be used by J.P. Morgan Securities Inc. and Goldman, Sachs & Co. in connection with offers and sales of the notes in market-making transactions. These transactions may occur in the open market or may be privately negotiated at prices related to prevailing market prices at the time of sale. J.P. Morgan Securities Inc. and Goldman, Sachs & Co. may act as principal or agent in these transactions. We will not receive any proceeds of such sales.

JPMORGAN

GOLDMAN, SACHS & CO.

, 2005

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Berry Plastics Corporation is a Delaware corporation. Our principal executive

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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" refers to BPC Holding Corporation together with its consolidated subsidiaries, and references to "Berry Plastics" or "the Company" refer 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, references in this prospectus to our fiscal years are to the 52/53 week period ending generally on the Saturday closest to December 31. Unless the context requires otherwise, all references in this prospectus to "2004," "2003," "2002," "2001" and "2000" or to such periods as our fiscal years, relate to our fiscal years ended January 1, 2005, December 27, 2003, December 28, 2002, December 29, 2001 and December 30, 2000, respectively. For 2002, the results under Holding's prior ownership have been combined with results subsequent to the merger of GS Berry Acquisition Corp. with and into BPC Holding on July 22, 2002, which is referred to in this prospectus as "the Merger."

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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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### 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 "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.

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

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- changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices on a timely basis;
- catastrophic loss of our key manufacturing facility;
- risks related to our acquisition strategy and integration of acquired businesses;
- risks associated with our substantial indebtedness and debt service;
- performance of our business and future operating results;
- risks of competition, including foreign competition, in our existing and future markets;
- 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 7.

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 in 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 management's knowledge and experience in the areas in which the relevant businesses operate, and information obtained from customers, distributors, suppliers, trade and business organizations and other contacts in the areas in which the relevant businesses operate. We have also cited information compiled by *Plastics News*, an industry publication. Unless otherwise specified, 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. In addition, data within our industry is 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 2004 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 and thermoforming, which we use, and blow molding, which we currently do not

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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 United States plastic container demand by weight.

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### PROSPECTUS SUMMARY

This summary highlights material information contained elsewhere in this prospectus. This summary of material information contained elsewhere in this prospectus 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 included elsewhere in this prospectus.

### BERRY PLASTICS CORPORATION

We are one of the world's leading manufacturers and suppliers of a diverse mix of rigid 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. Our top 10 customers represented approximately 35% of our fiscal 2004 net sales with no customer accounting for more than 8% of our fiscal 2004 net sales. The average length of our relationship with these customers was over 20 years. 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 16 high-volume manufacturing facilities and have extensive distribution capabilities.

We organize our business into four operating divisions: containers, closures, consumer products, and international. The following table displays our net sales by division for each of the past five fiscal years.

(DOLLARS IN MILLIONS)	2000	2001	2002	2003	2004
Containers.....	\$231.2	\$234.5	\$250.4	\$288.5	\$518.3
Closures.....	97.1	110.1	113.3	125.3	127.5
Consumer products.....	64.7	94.8	110.0	116.1	130.4
International.....	15.1	22.3	20.6	22.0	38.0
Total net sales.....	\$408.1	\$461.7	\$494.3	\$551.9	\$814.2

In 2004, we created the international segment as a separate operating and reporting segment to increase sales and improve service to international customers utilizing existing resources. The international segment includes our foreign facilities and business from domestic facilities that is shipped or



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billed to foreign locations. The 2003 and prior results for the foreign facilities have been reclassified to the international segment; however, business from domestic facilities that were shipped or billed to foreign locations cannot be separately identified for 2003 and prior. Accordingly, the amounts disclosed under the new reporting structure are not comparable between 2004 and previous years. Additional financial information about our business segments is provided in Note 14 of the "Notes to Consolidated Financial Statements," which are included elsewhere in this prospectus.

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### HISTORY

Imperial Plastics was established in 1967 in Evansville, Indiana. Berry Plastics, Inc. ("Old Berry") was formed in 1983 to purchase substantially all of the assets of Imperial Plastics. In 1988, Old Berry acquired Gilbert Plastics of New Brunswick, New Jersey, a leading manufacturer of aerosol overcaps, and subsequently relocated Gilbert Plastics' production to Old Berry's Evansville, Indiana facility. In 1990, the Company and Holding, the holder of 100% of the outstanding capital stock of the Company, were formed to purchase the assets of Old Berry.

We have continued to grow both organically and through acquisition by acquiring companies that we believed would improve our financial performance in the long-term, expand our product lines, or in some cases, provide us with a new or complementary product line. In 1992, we acquired the assets of the Mammoth Containers division of Genpak Corporation. In 1995, we acquired substantially all of the assets of Sterling Products, Inc., a producer of injection-molded plastic drink cups and lids, and Tri-Plas, Inc., a manufacturer of injection-molded containers. In 1997, we acquired (1) certain assets of Container Industries, Inc., a manufacturer and marketer of injection-molded industrial and pry-off containers, (2) PackerWare Corporation ("PackerWare"), a manufacturer and marketer of plastic containers, drink cups, housewares, and lawn and garden products, (3) substantially all of the assets of Virginia Design Packaging Corp., a manufacturer and marketer of injection-molded containers used primarily for food packaging, and (4) Venture Packaging, Inc., a manufacturer and marketer of injection-molded containers used in the food, dairy and various other markets. In 1998, we acquired all of the capital stock of Norwich Injection Moulders Limited (now known as Berry Plastics UK Limited) and substantially all of the assets of the Knight Engineering and Plastics Division of Courtaulds Packaging Inc., a manufacturer of aerosol overcaps. In 1999, we acquired all of the outstanding capital stock of CPI Holding Corporation, the parent company of Cardinal Packaging, Inc., a manufacturer and marketer of open-top containers. In 2000, we acquired all of the outstanding capital stock of (1) Poly-Seal Corporation ("Poly-Seal"), a manufacturer and marketer of closures and (2) Capsol S.p.a. ("Capsol") and the whole quota capital of a related company, Ociesse S.r.l. Capsol is a manufacturer and marketer of aerosol overcaps and closures. In 2001, we acquired all of the outstanding capital stock of Pescor Plastics, Inc. ("Pescor"), a manufacturer and marketer of drink cups, and in 2002, we acquired the Alcoa Flexible Packaging injection molding assets from Mount Vernon Plastics Corporation ("Mount Vernon"). In 2003, we acquired (1) the 400 series continuous threaded injection molded closure assets from CCL Plastic Packaging ("CCL"), (2) the injection molded overcap lid assets from APM Inc., and (3) all of the outstanding capital stock of Landis Plastics, Inc. (the "Landis Acquisition"), a manufacturer and marketer of open-top containers.

### MERGER

On July 22, 2002, GS Berry Acquisition Corp., (the "Buyer") a newly formed entity controlled by various private equity funds affiliated with Goldman, Sachs & Co., merged (the "Merger") with and into Holding, pursuant to an agreement and plan of merger, dated as of May 25, 2002. At the effective time of the Merger,

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(1) each share of common stock of Holding issued and outstanding immediately prior to the effective time of the Merger was converted into the right to receive cash pursuant to the terms of the merger agreement, and (2) each share of common stock of the Buyer issued and outstanding immediately prior to the effective time of the Merger was converted into one share of common stock of Holding. Additionally, in connection with the Merger, we retired all of Holding's senior secured notes and Berry Plastics' senior subordinated notes, repaid all amounts owed under our credit facilities, redeemed all of the

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outstanding preferred stock of Holding, entered into a new credit facility and completed an offering of new senior subordinated notes of Berry Plastics. Immediately following the Merger, private equity funds affiliated with Goldman, Sachs & Co. owned approximately 63% of the outstanding common stock of Holding, private equity funds affiliated with J.P. Morgan Chase & Co. owned approximately 29% and members of our management owned the remaining 8%.

### RECENT DEVELOPMENTS

#### SOUTHERN PACKAGING

In November 2004, we entered into a series of agreements with Southern Packaging Group Ltd. ("Southern Packaging"), and its principal shareholder, Mr. Pan Shun Ming, to jointly expand participation in the plastic packaging business in China and the surrounding region. In connection therewith, Berry acquired a 10% stake in Southern Packaging for \$3.2 million as a result of Southern Packaging's successful listing on the Singapore Stock Exchange.

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### THE NOTES

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

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

SECURITIES OFFERED.....\$335,000,000 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.

GUARANTORS.....The notes are fully and unconditionally guaranteed by BPC Holding Corporation, our parent company, and each of our current and future domestic subsidiaries. These guarantees can be released upon the circumstances described under "Description of 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 are obligated to make them instead.

RANKING.....The notes are unsecured and:

- are subordinated in right of payment to all existing and future senior debt;

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

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

- are subordinated in right of payment to all of the applicable note guarantor's existing and future senior debt;
- rank equally in right of payment with any of the applicable note guarantors' existing and future senior subordinated debt;
- rank senior in right of payment to all of the applicable note guarantors' future subordinated debt;
- are effectively subordinated to all secured debt of such note guarantor to the extent of the value of the assets securing such debt; and

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- are effectively subordinated to the obligations of any subsidiary of a note guarantor if that subsidiary is not a note guarantor.

As of January 1, 2005:

- we had total indebtedness of approximately \$697.6 million, excluding \$8.5 million in letters of credit under our revolving credit facility and, subject to certain conditions to borrowing, \$91.5 million available for future borrowings under our revolving credit facility; however the covenants under our second amended and restated credit facility (the "Second Amended and Restated Credit Facility") may limit our ability to make such borrowings;
- we did not have any senior subordinated debt (other than the notes and the existing notes);
- we did not have any subordinated debt; and
- our subsidiaries that are not guarantors of the notes had \$9.7 million of liabilities including trade payables, but excluding liabilities owed to us.

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As of April 1, 2005, we could incur approximately \$93.1 million in additional senior debt under our Second Amended and Restated Credit Facility, subject to conditions to borrowing; however, the covenants under our Second Amended and Restated Credit Facility may limit our ability to make such borrowings.

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 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 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. The occurrence of a change of control will also result in an event of default under our Second Amended and Restated Credit Facility, which would allow the lenders under that facility to accelerate their debt. Such acceleration will be considered an event of default under the notes. See "Description of notes--Change of control."

BASIC COVENANTS.....The indenture governing the notes 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;

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- 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;

- 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 notes--Certain covenants."

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### RISK FACTORS

You should carefully consider all the information in this prospectus before deciding whether to invest in the notes. Our business is subject to significant risks. We may not be able to arrange for 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 resins. Any such shortage may negatively impact our competitive position versus other companies that are able to better or more cheaply source resin. Additionally, increases in the cost of resin may significantly impact our financial condition to the extent we are not able to pass through any such cost increase. Our Evansville, Indiana facility produces approximately one-fourth of our products. A catastrophic loss of all or a part of the facility could have a material adverse effect on us. In addition, we face intense competition in the sale of our products. 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. We have substantial debt, and we may incur substantial additional debt in the future under the terms of our indebtedness. As of January 1, 2005, we had total indebtedness of approximately \$697.6 million, excluding \$8.5 million in letters of credit under our revolving credit facility and, subject to certain conditions to borrowing, \$91.5 million available for future borrowings under our revolving credit facility. In particular, we urge you to consider carefully the factors set forth under "Risk factors" beginning on page 7 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 deciding whether to invest in the notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

#### RISKS RELATED TO THE NOTES

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

We have substantial debt and we may incur substantial additional debt in the future. As of January 1, 2005, we had total indebtedness of approximately \$697.6 million, excluding \$8.5 million in letters of credit under our revolving credit facility and, subject to certain conditions to borrowing, \$91.5 million available for future borrowings under our revolving credit facility. As of April 1, 2005, we could incur approximately \$93.1 million in additional senior debt under our Second Amended and Restated Credit Facility, subject to conditions to borrowing; however, the covenants under our Second Amended and Restated Credit Facility may limit our ability to make such borrowings. We are also permitted by the terms of the notes and our other debt instruments to incur substantial additional indebtedness, subject to the restrictions therein. See "Description of notes--Certain covenants" and "Description of other indebtedness--The Second Amended and Restated Credit Facility." Any debt that could be incurred under the indenture may be deemed senior debt.

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

- require us to dedicate a substantial portion of our cash flow to payments on our indebtedness, which would reduce the amount of cash flow

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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, 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, or to fund our other

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liquidity needs. We may need to refinance all or a portion of our indebtedness, on or before maturity. We cannot assure you that we will be able to refinance any of our debt, including our new senior secured credit facilities, on commercially reasonable terms or at all.

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

The Indenture and the Second Amended and Restated Credit Facility 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;
- consolidate, merge, sell or lease all or substantially all of our assets;
- enter into transactions with our affiliates; and

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- designate our subsidiaries as unrestricted subsidiaries.

Our Second Amended and Restated Credit Facility also requires us to meet a number of financial ratios. For a discussion of these financial ratios, see "Description of other indebtedness--The Second Amended and Restated Credit Facility". The breach of any of these covenants or restrictions could result in a default under the Indenture or our Second Amended and Restated Credit Facility. 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.

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

The notes and the guarantees rank behind all of our and our guarantors' existing and future senior indebtedness. All of our and their future indebtedness will be deemed senior indebtedness, unless it expressly provides that it ranks equal with, or is subordinated in right of payment to, the notes and the guarantees. The notes offered by this prospectus rank equal to the existing notes. As of January 1, 2005, the amount of debt issued by us that is senior, or effectively senior, to the notes and the note guarantees was \$353.7 million (which amount excludes \$8.5 million of letters of credit and the remaining availability of \$91.5 million under our revolving credit facility). 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

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of 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' senior subordinated indebtedness in the assets remaining after we and the guarantors have paid all of our and their senior debt. The indenture governing the notes requires that amounts otherwise payable to holders of the notes in a bankruptcy or similar proceeding be paid first to holders of any remaining senior indebtedness. In any of these cases, if our assets are insufficient to pay all of our creditors, the holders of the notes will receive a proportional payment only if the holders of our senior indebtedness are paid in full. 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. See "Description of notes--Ranking."

THE NOTES ARE NOT SECURED BY ANY OF OUR ASSETS. HOWEVER, OUR SECOND AMENDED AND RESTATED CREDIT FACILITY IS SECURED AND, THEREFORE, OUR BANK LENDERS HAVE A PRIOR CLAIM ON SUBSTANTIALLY ALL OF OUR ASSETS.

The notes are not secured by any of our assets. However, our Second Amended and Restated Credit Facility is secured by (1) a pledge of 100% of the stock of our

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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 Second Amended and Restated Credit Facility have a prior claim on our and our guarantor subsidiaries' 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. At January 1, 2005, the outstanding balance was \$330.8 million, and we had remaining availability of \$91.5 million under that facility.

YOUR RIGHT TO RECEIVE PAYMENTS ON THE NOTES COULD BE ADVERSELY AFFECTED IF ANY OF OUR NON-GUARANTOR 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 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. As of January 1, 2005, our non-guarantor subsidiaries held 4% of our

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consolidated assets. These non-guarantor subsidiaries accounted for 3% of our net sales for fiscal year 2004.

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;
- 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.

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



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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;
- 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 of the notes, at the time of its guarantee of the notes, was not insolvent, did not have unreasonably small capital for the business in which it is engaged and had not incurred debts beyond its ability to pay such debts as they mature. However, a court may apply a different standard in making these determinations or may not 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 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 Second Amended and Restated Credit Facility will not allow such repurchases. In addition, various important corporate events,

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such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a "Change of Control" under the indenture. The occurrence of a change of control will also result in an event of default under our Second Amended and Restated Credit Facility, which would allow the lenders under that facility to accelerate their debt. Such acceleration will be considered an event of default under the notes. See "Description of notes--Change of control."

WE HAVE EXPERIENCED CONSOLIDATED NET LOSSES.

Our net losses were \$23.1 million for fiscal 2000, \$2.1 million for fiscal 2001 and \$32.6 million for fiscal 2002. Consolidated earnings have been insufficient to cover fixed charges by \$20.5 million for fiscal 2000, by \$0.8 million for fiscal 2001 and by \$3.1 million for fiscal 2002. See "Management's discussion and analysis of financial condition and results of operations."

THE NOTES HAVE NO PRIOR PUBLIC MARKET, AND A PUBLIC MARKET FOR THE NOTES MAY NOT DEVELOP OR BE SUSTAINED.

Although they are not obligated to do so, Goldman, Sachs & Co. and J.P. Morgan Securities Inc. have advised us that they presently intend to make a market in the notes as permitted by applicable law. Goldman, Sachs & Co. and J.P. Morgan Securities Inc. are not obligated, however, to make a market in the notes and any such market-making may be discontinued at any time at the sole discretion of Goldman, Sachs & Co. and J.P. Morgan Securities Inc. No assurance can be given

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as to the liquidity of any trading market for the notes, or the ability of the holders of the notes to sell their notes or the price at which such holders may be able to sell their notes. An active market for the notes may not develop or be sustained. If an active public market does not develop or continue, the market price and liquidity of the 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 notes will be volatile. This volatility in price may affect your ability to resell your notes or the timing of their sale.

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

Because we are an affiliate of Goldman, Sachs & Co. and J.P. Morgan Securities Inc., 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. 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, our registration rights agreement with them also provides that we may, for valid business reasons, allow the market-maker prospectus to cease to be effective and usable for a period of time set forth in the registration rights agreement or as otherwise acceptable to the market-makers. Valid business reasons include, 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.

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### RISKS RELATED TO OUR BUSINESS

WE DO NOT HAVE GUARANTEED SUPPLY OR FIXED-PRICE CONTRACTS WITH PLASTIC RESIN SUPPLIERS.

We source plastic resin primarily from major industry suppliers such as Dow, Basell, Nova, Total (formerly Atofina), Equistar, Sunoco, BP Amoco and ExxonMobil. We have long-standing relationships with 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 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. Over the past several years, we have at times experienced rapidly increasing resin prices primarily due to the increased cost of oil and natural gas. Due to the extent and rapid nature of these increases, we cannot reasonably estimate the extent to which we will be able to successfully recover these cost increases in the short-term. If rapidly increasing resin prices occur, our revenue and/or profitability may be materially and adversely affected, both in the short-term as we attempt to pass through changes in the costs of resin to customers under current agreements and in the longer term as we negotiate new agreements or if our customers seek product substitution.

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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 2004 cost us approximately \$283.0 million, or 44% 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 oil and natural gas could materially adversely affect the prices and general availability of raw materials quickly. Based on information from *Plastics News*, an industry publication, prices of high density polyethylene ("HDPE") and polypropylene ("PP") on January 1, 2005 were \$0.655 per pound and \$0.64 per pound, respectively, reflecting increases of \$0.20 per pound, or 44%, and \$0.23 per pound, or 56%, over the respective prices from December 27, 2003. 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 sales) 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 all, which may 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 and foreign competitors with lower cost structures. We compete on the basis of a number of considerations, including price, service, quality, product characteristics and the ability to supply products

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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. Our competitors may 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 do not have long-term arrangements with many of our customers, these competitive factors could cause our customers to shift suppliers and/or packaging material quickly.

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-fourth of our products. Also, our primary computer software system resides on a computer that is located in the Evansville facility. While we maintain insurance covering the facility, including business interruption insurance, a catastrophic loss of the use of all or a portion of the facility

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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
- 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

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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.

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

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

We may not be able to successfully integrate future acquisitions without

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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. 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; 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.

An acquisition may be significantly larger than any of our previous acquisitions. The significant expansion of our business and operations resulting from the acquisition may strain our administrative, operational and financial resources. The integration may require substantial time, effort, attention, and dedication of management resources and may distract our management in unpredictable ways from our existing business. The integration process could create a number of adverse consequences for us, including the possible unexpected loss of key employees, customers or suppliers, a possible loss of sales or an increase in operating or other costs. The foregoing could have a material adverse effect on our business, financial condition and results of operations. We may not be able to manage the combined operations and assets effectively or realize all or any of the anticipated benefits of the acquisition.

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### 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 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

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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.

A SIGNIFICANT AMOUNT OF OUR NET WORTH REPRESENTS GOODWILL AND OTHER INTANGIBLES, AND A WRITE-OFF COULD RESULT IN LOWER REPORTED NET INCOME AND A REDUCTION OF OUR NET WORTH.

As of January 1, 2005, the net value of our goodwill and other intangibles was approximately \$503.3 million. In July 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." Under the new standard, we are no longer required or permitted to amortize goodwill reflected on our balance sheet. We are, however, required to evaluate goodwill reflected on our balance sheet when circumstances indicate a potential impairment, or at least annually, under the new impairment testing guidelines outlined in the standard. Future changes in the cost of capital, expected cash flows, or other factors may cause our goodwill to be impaired, resulting in a noncash charge against results of operations to write-off goodwill for the amount of impairment. If a significant write-off is required, the charge would have a material adverse effect on our reported results of operations and net worth in the period of any such write-off.

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

Our operations are subject to federal, state, local and foreign environmental laws and regulations that impose limitations on the discharge of pollutants into the air and water and

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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 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

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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 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 outside the United States which combined accounted for approximately 3% of our 2004 net sales. This amount may change in the future. As such 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

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business and profitability. Our sales outside the United States from our domestic plants, which represented approximately 2% of our 2004 net sales, are subject to similar risks.

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 HOLDER OF THE NOTES.

As a result of the Merger, 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. Goldman, Sachs & Co. and J.P. Morgan

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Securities Inc. and their respective affiliates control the power to elect our directors, to appoint members of management and to approve all actions requiring the approval of the holders of our common stock, including adopting amendments to our certificate of incorporation and approving mergers, certain acquisitions or sales of all or substantially all of our assets. For example, Goldman, Sachs & Co. and J.P. Morgan Securities Inc. and their respective affiliates could pursue acquisitions, divestitures or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve significant risks to the holders of the notes.

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### USE OF PROCEEDS

This prospectus is delivered in connection with the sale of notes by Goldman, Sachs & Co. or J.P. Morgan Securities Inc. in market-making transactions. We will not receive any of the proceeds from such transaction.

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### CAPITALIZATION

The following table sets forth our capitalization as of January 1, 2005. This table should be read in conjunction with "Use of proceeds" and our consolidated financial statements and related notes included elsewhere in this prospectus.

(UNAUDITED) (DOLLARS IN THOUSANDS)	AS OF JANUARY 1, 2005
Long-term debt (including current portion thereof):	
Second Amended and Restated Credit Facility	
Revolving credit facility(1).....	\$ -
Term loans(2).....	330,780
Notes, including premium.....	343,876
Capital leases.....	20,922
Nevada industrial revenue bonds and other.....	1,980
	-----
Total debt.....	697,558
Stockholders' equity:	
Preferred stock.....	-
Common stock.....	34
Additional paid-in capital.....	345,001
Adjustment of the carryover basis of continuing	
stockholders.....	(196,603)
Notes receivable--common stock.....	(14,856)
Treasury stock.....	(2,049)
Retained earnings.....	39,178
Accumulated other comprehensive income.....	13,186
	-----
Total stockholders' equity.....	183,891
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Total capitalization.....	\$ 881,449
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(1) As of January 1, 2005, we had unused borrowing capacity under the revolving credit facility of \$91.5 million, with \$8.5 million in letters of credit outstanding thereunder.

(2) Between January 1, 2005 and the date of this prospectus, we made scheduled principal payments of \$0.8 million on our term loans, \$1.5 million on our Nevada industrial revenue bonds, and scheduled payments on capital leases, as well as amortization of the premium on the Notes.

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### SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth our selected consolidated historical financial data for each of the fiscal years 2000, 2001, 2002, 2003 and 2004 which have been derived from our consolidated financial statements which have been audited by Ernst & Young LLP, independent auditors included elsewhere in this prospectus. All references herein to "2004," "2003," "2002," "2001," and "2000," relate to the fiscal years ended January 1, 2005, December 27, 2003, December 28, 2002, December 29, 2001 and December 30, 2000, respectively. For analysis purposes, the results under Holding's prior ownership ("Predecessor") have been combined with results subsequent to the Merger on July 22, 2002. Our historical consolidated financial information may not be comparable to or indicative of our future performance. 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" and other financial information included elsewhere in this prospectus. For a discussion of certain factors that materially affect the comparability of the consolidated financial data or cause the data reflected herein not to be indicative of our future financial condition or results of operations, see "Risk factors."

(DOLLARS IN THOUSANDS)	PREDECESSOR 2000	PREDECESSOR 2001	COMBINED COMPANY & PREDECESSOR 2002
Statement of operations data:			
Net sales.....	\$ 408,088	\$ 461,659	\$494,303
Cost of goods sold.....	312,119	338,000	371,273
Gross profit.....	95,969	123,659	123,030
Operating expenses			
Selling.....	21,630	21,996	22,209
General and administrative.....	24,408	28,535	23,414
Research and development.....	2,606	1,948	2,888
Amortization of intangibles.....	10,579	12,802	2,408
Other expenses.....	6,639	4,911	5,561
Merger expenses.....	-	-	20,987
Total operating expenses(1).....	65,862	70,192	77,467
Operating income.....	30,107	53,467	45,563

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Other expense (income) (2).....	877	473	299
Loss on extinguished debt (3).....	1,022	-	25,328
Interest expense, net (4).....	51,457	54,355	49,254
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Income (loss) before income taxes.....	(23,249)	(1,361)	(29,318)
Income taxes (benefit).....	(142)	734	3,298
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Net income (loss).....	(23,107)	(2,095)	(32,616)
Preferred stock dividends.....	6,665	9,790	6,468
Amortization of preferred stock discount.....	768	1,024	574
<hr/>			
Net income (loss) attributable to common stockholders.....	\$ (30,530)	\$ (12,909)	\$ (39,658)
Other financial data:			
Depreciation and amortization (5).....	\$ 42,148	\$ 50,907	\$ 41,965
Capital expenditures.....	31,530	32,834	28,683
Ratio of earnings to fixed charges (6).....	-	-	-
Balance sheet data (at end of period):			
Working capital.....	\$ 20,470	\$ 19,327	\$ 64,201
Fixed assets.....	179,804	203,217	193,132
Total assets.....	413,122	446,876	760,576
Total debt.....	468,806	485,881	609,943
Stockholders' equity (deficit).....	(137,997)	(139,601)	75,163
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(1) Operating expenses include \$20,987 related to the Merger during fiscal 2002.

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

(3) The loss on extinguished debt in 2003 represents the legal costs associated with amending the senior credit facility in connection with the Landis Acquisition. As a result of the retirement all of Holding's senior secured notes and Berry Plastics' senior subordinated notes and the repayment of all amounts owed under our credit facilities in connection with the Merger, \$6.6 million of existing deferred financing fees and \$18.7 million of prepayment fees and related charges were charged to expense in 2002 as a loss on extinguished debt. In 2000, the loss on extinguished debt relates to deferred financing fees written off as a result of amending the retired senior credit facility.

(4) Includes non-cash interest expense of \$1,862, \$2,318, \$2,476, \$11,268, and \$18,047, in fiscal 2004, 2003, 2002, 2001, and 2000, respectively.

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

(6) For purposes of calculating the ratio of earnings to fixed charges, "earnings" represent net income (loss) before extraordinary items. "Fixed charges" consist of interest expenses, 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 2000, 2001 and 2002, our fixed charges exceeded our earnings by \$20,520, \$772 and \$3,146, respectively.

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

Unless the context requires otherwise, references in this Management's discussion and analysis of financial condition and results of operations to "BPC Holding" or "Holding" refer to BPC Holding Corporation, references to "we," "our" or "us" refer to BPC Holding Corporation together with its consolidated subsidiaries, and references to "Berry Plastics" or the "Company" refer to Berry Plastics Corporation, a wholly owned subsidiary of BPC Holding Corporation. For analysis purposes, the results under Holding's prior ownership ("Predecessor") have been combined with results subsequent to the merger on July 22, 2002 described below. You should read the following discussion in conjunction with the consolidated financial statements of Holding and its subsidiaries and the accompanying notes thereto, which information is included elsewhere herein. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in "Risk factors." Our actual results may differ materially from those contained in any forward-looking statements.

On July 22, 2002, GS Berry Acquisition Corp. (the "Buyer"), a newly formed entity controlled by various private equity funds affiliated with Goldman, Sachs & Co., merged (the "Merger") with and into Holding, pursuant to an agreement and plan of merger, dated as of May 25, 2002. At the effective time of the Merger, (1) each share of common stock of Holding issued and outstanding immediately prior to the effective time of the Merger was converted into the right to receive cash pursuant to the terms of the merger agreement, and (2) each share of common stock of the Buyer issued and outstanding immediately prior to the effective time of the Merger was converted into one share of common stock of Holding. Additionally, in connection with the Merger, we retired all of Holding's senior secured notes and Berry Plastics' senior subordinated notes, repaid all amounts owed under our credit facilities, redeemed all of the outstanding preferred stock of Holding, entered into a new credit facility and completed an offering of new senior subordinated notes of Berry Plastics. Immediately following the Merger, private equity funds affiliated with Goldman, Sachs & Co. owned approximately 63% of the outstanding common stock of Holding, private equity funds affiliated with J.P. Morgan Chase & Co. owned approximately 29% and members of our management owned the remaining 8%.

#### OVERVIEW

We are one of the world's leading manufacturers and suppliers of a diverse mix of rigid 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. Our top 10 customers represented approximately 35% of our fiscal 2004 net sales with no customer accounting for more than 8% of our fiscal 2004 net sales. The average length of our relationship with these customers was over 20 years. 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 16 high-volume

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manufacturing facilities and have extensive distribution capabilities. We organize our business into four operating divisions: containers, closures, consumer products, and international. At the end of fiscal 2004, we had approximately 4,550 employees.

### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We disclose those accounting policies that we consider to be significant in determining the amounts to be utilized for communicating our consolidated financial position, results of operations and cash flows in the 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 (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 our net accounts receivable are of good quality. A ten percent increase or decrease in our bad debt experience would not have a material impact on the results of operations of the Company. Our allowance for doubtful accounts was \$3.2 million and \$2.7 million as of January 1, 2005 and December 27, 2003, respectively.

Inventory obsolescence. We evaluate our reserve for inventory obsolescence on a quarterly basis and review inventory on-hand to determine future salability. We base our determinations on the age of the inventory and the experience of our personnel. We reserve inventory that we deem to be not salable in the quarter in which we make the determination. We believe, based on past history and our policies and procedures, that our net inventory is salable. A ten percent increase or decrease in our inventory obsolescence experience would not have a material impact on the results of operations of the Company. Our reserve for inventory obsolescence was \$3.8 million and \$4.1 million as of January 1, 2005 and December 27, 2003, respectively.

Medical insurance. We offer our employees medical insurance that is primarily self-insured by us. As a result, we accrue a liability for known claims as well as the estimated amount of expected claims incurred but not reported. We evaluate our medical claims liability on a quarterly basis and obtain an independent actuarial analysis on an annual basis. Based on our analysis, we believe that our recorded medical claims liability should be sufficient. A ten percent increase or decrease in our medical claims experience would not have a material impact on the results of operations of the Company. Our accrued liability for medical claims

was \$2.0 million and \$3.0 million, including reserves for expected medical claims incurred but not reported, as of January 1, 2005 and December 27, 2003,

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respectively.

Workers' compensation insurance. 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 should be sufficient. A ten percent increase or decrease in our workers' compensation claims experience would not have a material impact on the results of operations. Our accrued liability for workers' compensation claims was \$3.5 million and \$3.1 million as of January 1, 2005 and December 27, 2003, respectively.

Revenue recognition. Revenue from sales of products is recognized at the time product is shipped to the customer at which time title and risk of ownership transfer to the purchaser.

Impairments of long-lived assets. In accordance with the methodology described in FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," we review long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Impairment losses are recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. The impairment loss is measured by comparing the fair value of the asset to its carrying amount. No impairments were recorded in the financial statements included herein.

Deferred taxes and effective tax rates. We estimate tax rates and associated liabilities or assets for each legal entity in accordance with FAS 109. We use tax-planning to minimize or defer tax liabilities to future periods. In recording effective tax rates and related liabilities and assets, we rely upon estimates, which are based upon our interpretation of United States and local tax laws as they apply to our legal entities and our overall tax structure. Audits by local tax jurisdictions, including the United States Government, could yield different interpretations from our own and cause the Company to owe more taxes than originally recorded. For interim periods, we accrue our tax provision at the effective tax rate that we expect for the full year. As the actual results from our various businesses vary from our estimates earlier in the year, we adjust the succeeding interim periods effective tax rates to reflect our best estimate for the year-to-date results and for the full year. As part of the effective tax rate, if we determine that a deferred tax asset arising from temporary differences is not likely to be utilized, we will establish a valuation allowance against that asset to record it at its expected realizable value. Our valuation allowance against deferred tax assets was \$1.3 million and \$16.9 million as of January 1, 2005 and December 27, 2003, respectively. The decrease of \$15.6 million in 2004 can be primarily attributed to the use of fully reserved net operating losses and increases in the temporary differences related to property and equipment.

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

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In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R (Revised 2004), Share-Based Payment ("SFAS No. 123R"), which requires that the compensation cost relating to share-based payment transactions be recognized in financial statements based on alternative fair value models. The share-based compensation cost will be measured based on the fair value of the equity or liability instruments issued. We currently disclose pro forma compensation expense quarterly and annually by calculating the stock option grants' fair value using the Black-Scholes model and disclosed the impact on net income (loss) in a note to the consolidated financial statements. Upon adoption, pro forma disclosure will no longer be an alternative. For nonpublic companies, as defined, the effective date of SFAS No. 123R is the beginning of the first annual reporting period that begins after December 15, 2005, although early adoption is allowed. We expect to adopt SFAS No. 123R in the first quarter of 2006, but has not yet evaluated what effect the adoption of this new standard will have on our financial position or results of operations.

In November 2004, the FASB issued Statement of Financial Accounting Standards No. 151, Inventory Costs, an amendment of ARB No. 43, Chapter 4 ("SFAS 151"). SFAS 151 requires the exclusion of certain costs from inventories and the allocation of fixed production overheads to inventories to be based on normal capacity of the production facilities. The provisions of SFAS 151 are effective for costs incurred during fiscal years beginning after June 15, 2005. Earlier adoption is permitted for inventory costs incurred during fiscal years beginning after the issuance date of SFAS 151. We have not yet evaluated what effect the adoption of this new standard will have on our financial position or results of operations.

### 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. Most businesses we have acquired had profit 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 charges related to these reductions and rationalizations.

YEAR ENDED JANUARY 1, 2005

COMPARED TO YEAR ENDED DECEMBER 27, 2003

Net Sales. Net sales increased \$262.3 million, or 48%, to \$814.2 million in 2004 from \$551.9 million in 2003 with an approximate 4% increase in net selling price due to the pass through of higher resin costs passed through to our customers. Our base business volume, excluding selling price changes and acquired business, increased by approximately \$29.5 million or 6% in 2004. Container net sales increased \$229.8 million with the Landis Acquisition providing domestic container net sales of approximately \$221.3 million in 2004 versus \$20.1 million in 2003. Due to the movement of business between the acquired Landis facilities and our pre-existing facilities, the amount of sales related to the Landis Acquisition is estimated. The increase in container net sales is primarily a result of the Landis Acquisition, increased selling prices and base

business growth in several of the division's product lines. Closure net sales

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increased \$2.2 million primarily due to the higher selling prices and increased volume in the United States closure product line partially offset by \$3.3 million of 2004 net sales reclassified to the international division as described below. Consumer products net sales increased \$14.3 million in 2004 primarily due to increased sales from thermoformed drink cups and housewares partially offset by reduced volume from injection drink cups. In 2004, we created our international division as a separate operating and reporting division to increase sales and improve service to international customers utilizing existing resources. The international segment includes the Company's foreign facilities and business from domestic facilities that is shipped or billed to foreign locations. The 2003 results for the foreign facilities have been reclassified to the international segment; however, business from domestic facilities that were shipped or billed to foreign locations cannot be separately identified for 2003. The international division provided net sales of \$38.1 million in 2004 compared to \$22.0 million in 2003 primarily as a result of the effects of this reclassification and the Landis Acquisition.

**Gross Profit.** Gross profit increased \$43.8 million from \$131.1 million (24% of net sales) in 2003 to \$174.9 million (21% of net sales) in 2004. This increase of 33% includes the combined impact of the additional sales volume, productivity improvement initiatives, and the timing effect of the 4% increase in net selling prices due to higher resin costs passed through to our customers partially offset by increased raw material costs. The historical margin percentage of the business acquired in the Landis Acquisition was significantly less than the Company's historical gross margin percentage, which reduced our consolidated margin percentage. We have 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 Landis integration, in the fourth quarter of 2003, we closed our Monticello, Indiana facility, which was acquired in the Landis Acquisition. The business from this location was distributed throughout our facilities. In addition, we completed the integration of the Landis facilities in 2004 to our integrated computer software system. Also, significant productivity improvements were made on the base business in 2004, including the addition of state-of-the-art injection molding, thermoforming and post molding equipment at several of our facilities.

**Operating Expenses.** Selling expenses increased by \$2.5 million to \$26.4 million for 2004 from \$23.9 million principally as a result of increased selling expenses associated with higher sales partially offset by cost reduction efforts. General and administrative expenses increased from \$25.7 million to \$38.5 million in 2004. This increase of \$12.8 million can be primarily attributed to the Landis Acquisition and increased accrued bonus expenses. Research and development costs increased \$0.3 million to \$3.8 million in 2004 primarily as a result of the Landis Acquisition. Intangible asset amortization increased from \$3.3 million in 2003 to \$6.5 million for 2004, primarily as a result of additional intangible assets resulting from the Landis Acquisition. Other expenses were \$5.8 million for 2004 compared to \$3.6 million for 2003. Other expenses in 2004 include transition expenses of \$4.0 million related to the Landis Acquisition and \$1.8 million related to the shutdown and reorganization of facilities. Other expenses in 2003 include transition expenses of \$1.5 million related to recently acquired businesses, \$1.1 million related to the shutdown and reorganization of facilities, and \$1.0 million related to an acquisition that was not completed.

**Interest Expense, Net.** Net interest expense, including amortization of deferred financing costs and debt premium, for 2004 was \$53.2 million (7% of net sales) compared to \$45.7 million (8% of net sales) in 2003, an increase of \$7.5 million. This increase is primarily attributed to

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additional indebtedness utilized to finance the Landis Acquisition partially offset by decreased rates of interest on borrowings and debt principal reductions.

**Income Taxes.** In 2004, we recorded income tax expense of \$17.7 million for income taxes, or an effective tax rate of 44%, compared to \$12.5 million, or an effective tax rate of 49%, for fiscal 2003. The effective tax rate is greater than the statutory rate due to the impact of state taxes and foreign location losses for which no benefit was currently provided. The increase of \$5.2 million over 2003 can be primarily attributed to improved operating performance.

**Net Income.** We recorded net income of \$23.0 million in 2004 compared to \$13.0 million in 2003 for the reasons stated above.

YEAR ENDED DECEMBER 27, 2003  
COMPARED TO YEAR ENDED DECEMBER 28, 2002

**Net Sales.** Net sales increased \$57.6 million, or 12%, to \$551.9 million in 2003 from \$494.3 million in 2002 with an approximate 5% increase in net selling price due to higher resin costs passed through to our customers. Our base business volume, excluding selling price changes, and acquired business, increased by approximately \$4.0 million or 1% in 2003. Container net sales increased \$38.1 million with the Landis Acquisition providing net sales of approximately \$20.1 million in 2003. The remaining increase in containers of \$18.0 million can be primarily attributed to higher selling prices primarily due to passing through the costs of increased resin prices. Closure net sales increased \$12.0 million in 2003 primarily due to the CCL acquisition, higher selling prices, and increased volume in the United States closure product line. Consumer products net sales increased \$6.1 million in 2003 primarily due to increased sales from the thermoformed drink cup line and retail housewares partially offset by a reduction in sales of a specialty drink cup line. In 2004, we created our international division as a separate operating and reporting division to increase sales and improve service to international customers utilizing existing resources. The international segment includes the Company's foreign facilities and business from domestic facilities that is shipped or billed to foreign locations. The 2003 and 2002 results for the foreign facilities have been reclassified to the international segment; however, business from domestic facilities that were shipped or billed to foreign locations cannot be separately identified for 2003 or 2002. The international division provided net sales of \$22.0 million in 2003 compared to \$20.6 million in 2002. This increase of \$1.4 million can be primarily attributed to foreign currency translation.

**Gross Profit.** Gross profit increased \$8.1 million from \$123.0 million (25% of net sales) in 2002 to \$131.1 million (24% of net sales) in 2003. This increase of 7% includes the combined impact of the added sales volume, productivity improvement initiatives and the timing effect of the 5% increase in net selling prices partially offset by higher raw material costs. We have 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, in the fourth quarter of 2002 we closed our Fort Worth, Texas facility, which was acquired in the Pescor acquisition, and in the fourth quarter of 2003, we initiated the closing of our Monticello, Indiana facility. The Monticello facility was acquired in the Landis Acquisition. The business from these locations was distributed throughout our facilities. Also, significant productivity improvements were made in 2003, including the addition of state-of-the-art injection molding, thermoforming and post molding equipment at several of our facilities.

**Operating Expenses.** Selling expenses increased by \$1.7 million to \$23.9 million



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for 2003 from \$22.2 million principally as a result of increased selling expenses resulting from increased sales. General and administrative expenses increased from \$23.4 million to \$25.7 million in 2003. This increase of \$2.3 million can be primarily attributed to the Landis Acquisition and increased accrued bonus expenses. Research and development costs increased \$0.6 million to \$3.5 million in 2003 primarily as a result of an increase in projects under development and the Landis Acquisition. Intangible asset amortization increased from \$2.4 million in 2002 to \$3.3 million for 2003, primarily as a result of intangibles resulting from the Merger and the Landis Acquisition. In connection with the Merger, the Predecessor incurred Merger related expenses of approximately \$21.0 million, consisting primarily of investment banking fees, bonuses to management, non-cash modification of stock option awards, legal costs, and fees to the largest voting stockholder of the Predecessor. Other expenses were \$3.6 million for 2003 compared to \$5.6 million for 2002. Other expenses in 2003 include transition expenses of \$1.5 million related to recently acquired businesses, \$1.1 million related to the shutdown and reorganization of facilities, and \$1.0 million related to an acquisition that was not completed. Other expenses in 2002 include transition expenses of \$1.3 million related to recently acquired businesses, \$4.1 million related to the shutdown and reorganization of facilities, and \$0.2 million related to an acquisition that was not completed.

Interest Expense, Net. Net interest expense, including amortization of deferred financing costs and debt premium, for 2003 was \$45.7 million (8% of net sales) compared to \$74.6 million (15% of net sales) in 2002, a decrease of \$28.9 million. This decrease is primarily attributed to \$18.7 million of prepayment fees and related charges and \$6.6 million of deferred financing fees written off in 2002 due to the extinguishment of debt in connection with the Merger and decreased rates of interest on borrowings in 2003.

Income Taxes. In 2003, we recorded income tax expense of \$12.5 million for income taxes, or an effective tax rate of 49%, compared to \$3.3 million for fiscal 2002. The effective tax rate is greater than the statutory rate due to the impact of state taxes and foreign location losses for which no benefit was currently provided. The increase of \$9.2 million over 2002 can be attributed to the Merger as the use of fully reserved net operating loss carryforwards that existed at the time of the Merger have been recorded as a reduction to goodwill.

Net Income (Loss). We recorded net income of \$13.0 million in 2003 compared to a net loss of \$32.6 million in 2002 for the reasons stated above.

### INCOME TAX MATTERS

As of January 1, 2005, Holding has unused operating loss carryforwards of \$61.1 million for federal income tax purposes which begin to expire in 2012. Alternative minimum tax credit carryforwards of approximately \$3.8 million are available to Holding indefinitely to reduce future years' federal income taxes. As a result of the Merger, \$45.0 million of the unused operating loss carryforward is limited to approximately \$12.9 million per year, and \$16.0 million of the unused operating loss carryforward occurred subsequent to the Merger and is not subject to an annual limitation.

### LIQUIDITY AND CAPITAL RESOURCES

On July 22, 2002, we entered into a credit and guaranty agreement and a related pledge security agreement with a syndicate of lenders led by Goldman Sachs Credit Partners L.P., as administrative agent (the "Credit Facility"). On November 10, 2003, in connection with the

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Landis Acquisition, we amended and restated the Credit Facility (the "Amended and Restated Credit Facility"). On August 9, 2004, the Amended and Restated Credit Facility was amended and restated (the "Second Amended and Restated Credit Facility"). The Second Amended and Restated Credit Facility provides (1) a \$365.5 million term loan and (2) a \$100.0 million revolving credit facility. The proceeds from the new term loan were used to repay the outstanding balance of the term loans from the Amended and Restated Credit Facility. The Second Amended and Restated Credit Facility permits the Company to borrow up to an additional \$150.0 million of incremental senior term indebtedness from lenders willing to provide such loans subject to certain restrictions. The terms of the additional indebtedness will be determined by the market conditions at the time of borrowing. The maturity date of the term loan is July 22, 2010, and the maturity date of the revolving credit facility is July 22, 2008. The indebtedness under the Second Amended and Restated Credit Facility is guaranteed by Holding and all of its domestic subsidiaries. The obligations of the Company and the subsidiaries under the Second Amended and Restated Credit Facility and the guarantees thereof are secured by substantially all of the assets of such entities. At January 1, 2005 and December 27, 2003, there were no borrowings outstanding on the revolving credit facility.

Borrowings under the Second Amended and Restated Credit Facility bear interest, at the Company's option, at either (i) a base rate (equal to the greater of the prime rate or the federal funds rate plus 0.5%) plus the applicable margin (the "Base Rate Loans") or (ii) an adjusted eurodollar LIBOR (adjusted for reserves) plus the applicable margin (the "Eurodollar Rate Loans"). With respect to the term loan, the "applicable margin" is (i) with respect to Base Rate Loans, 1.25% per annum and (ii) with respect to Eurodollar Rate Loans, 2.25% per annum (4.22% at January 1, 2005). In addition, the applicable margins with respect to the term loan can be further reduced by an additional .25% per annum subject to the Company meeting a leverage ratio target, which was met based on the results through January 1, 2005. With respect to the revolving credit facility, the "applicable margin" is subject to a pricing grid which ranges from 2.75% per annum to 2.00% per annum, depending on the leverage ratio (2.50% based on results through January 1, 2005). The "applicable margin" with respect to Base Rate Loans will always be 1.00% per annum less than the "applicable margin" for Eurodollar Rate Loans. The interest rate applicable to overdue payments and to outstanding amounts following an event of default under the Second Amended and Restated Credit Facility is equal to the interest rate at the time of an event of default plus 2.00%. We also must pay commitment fees ranging from 0.375% per annum to 0.50% per annum on the average daily unused portion of the revolving credit facility. Pursuant to a requirement in the Credit Facility and as a result of an economic slowdown and corresponding interest rate reductions, we entered into an interest rate collar arrangement in October 2002 to protect \$50.0 million of the outstanding variable rate term loan debt from future interest rate volatility. Under the interest rate collar agreement, the Eurodollar rate with respect to the \$50.0 million of outstanding variable rate term loan debt will not exceed 6.75% or drop below 1.97%. The agreement was effective January 15, 2003 and terminates on July 15, 2006.

The Second Amended and Restated Credit Facility contains significant financial and operating covenants, including prohibitions on our ability to incur specified additional indebtedness or to pay dividends, and restrictions on our ability to make capital expenditures and investments and dispose of assets or consummate acquisitions. The Second Amended and Restated Credit Facility contains (1) a minimum interest coverage ratio as of the last day of any quarter of 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 March 2006, 2.35:1.00 per quarter for the

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quarters ending June 2006 through December 2006 and 2.50:1.00 per quarter thereafter, (2) a maximum amount of capital expenditures (subject to the rollover of certain unexpended amounts from the prior year and increases due to acquisitions) of \$50 million for the year ending 2004, \$60 million for the years ending 2005, 2006 and 2007, and \$65 million for each year thereafter, and (3) a maximum total leverage ratio as of the last day of any quarter of 5.50:1.00 per quarter for the quarters ending December 2004 through June 2005, 5.25:1.00 per quarter for the quarters ending September 2005 and December 2005, 5.00:1.00 per quarter for the quarters ending March 2006 and June 2006, 4.75:1.00 per quarter for the quarters ending September 2006 through March 2007, 4.50:1.00 per quarter for the quarters ending June 2007 through December 2007, 4.25:1.00 per quarter for the quarters ending March 2008 through December 2008, and 4.00:1.00 per quarter thereafter. The occurrence of a default, an event of default or a material adverse effect on Berry Plastics 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 debt agreements, each of which could materially and adversely affect our business. We were in compliance with all of the financial and operating covenants at January 1, 2005.

In 2004, we made two voluntary principal prepayments totaling \$45.0 million on our senior term debt resulting in a revision of the loan amortization schedule. Accordingly, the term loan amortizes quarterly as follows: \$831,312 each quarter beginning March 31, 2005 and ending June 30, 2009; and \$78,974,687 each quarter beginning September 30, 2009 and ending June 30, 2010. Borrowings under the Second Amended and Restated Credit Facility are subject to mandatory prepayment under specified circumstances, including if we meet specified cash flow thresholds, collect insurance proceeds in excess of certain thresholds, issue equity securities or debt or sell assets not in the ordinary course of business, or upon a sale or change of control of the Company. There is 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 the maturity date which is on July 22, 2008. The revolving credit facility allows up to \$25.0 million of letters of credit to be issued instead of borrowings and up to \$10.0 million of swingline loans. At January 1, 2005 and December 27, 2003, we had \$8.5 million and \$7.4 million, respectively, in letters of credit outstanding under our revolving credit facility.

On July 22, 2002, we completed an offering of \$250.0 million aggregate principal amount of 10 3/4% Senior Subordinated Notes due 2012 (the "2002 Notes"). The net proceeds to us from the sale of the 2002 Notes, after expenses, were \$239.4 million. The proceeds from the 2002 Notes were used in the financing of the Merger. The 2002 Notes mature on July 15, 2012, and interest is payable semi-annually on January 15 and July 15 of each year beginning January 15, 2003. Holding and all of our domestic subsidiaries fully, jointly, severally, and unconditionally guarantee the 2002 Notes.

On November 20, 2003, we completed an offering of \$85.0 million aggregate principal amount of additional 2002 Notes (the "Add-on Notes" and together with the 2002 Notes, the "Notes"). The net proceeds to us from the sale of the Add-on Notes, after expenses, were \$91.8 million as the Add-on Notes were sold at a premium of 12% over the face amount. The proceeds from the Add-on Notes were used in the financing of the Landis Acquisition. The Add-on Notes constitute a single class with the 2002 Notes. Holding and all of our domestic subsidiaries fully, jointly, severally, and unconditionally guarantee the Add-on Notes.

We are not required to make mandatory redemption or sinking fund payments with respect to the Notes. On or subsequent to July 15, 2007, the Notes may be redeemed at our option, in whole or in part, at redemption prices ranging from

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105.375% in 2007 to 100% in 2010 and thereafter. Prior to July 15, 2005, up to 35% of the Notes may be redeemed at 110.75% of the principal amount at our option from the proceeds of an equity offering. Upon a change in control, as defined in the indenture under which the Notes were issued (the "Indenture"), each holder of Notes will have the right to require us to repurchase all or any part of such holder's Notes at a repurchase price in cash equal to 101% of the aggregate principal amount thereof plus accrued interest. The Indenture restricts our ability to incur additional debt and contains other provisions which could limit our liquidity.

Our contractual cash obligations as of January 1, 2005 are summarized in the following table.

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PAYMENTS DUE BY PERIOD AT JANUARY 1, 2005  
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