IMPORTANT NOTICE: You must read the following before continuing. The following applies to the offering memorandum dated February 1, 2011 attached to this e-mail, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

The offering memorandum has been prepared in connection with the offer and sale of the Additional Senior Notes described therein. The offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

THE ATTACHED OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE OFFERING MEMORANDUM MAY ONLY BE DISTRIBUTED IN CONNECTION WITH AN "OFFSHORE TRANSACTION" AS DEFINED IN, AND AS PERMITTED BY, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF ADDITIONAL SENIOR NOTES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE ADDITIONAL SENIOR NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY OTHER SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB WITHIN THE MEANING OF RULE 144A IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES THAT (A) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ADDITIONAL SENIOR NOTES AND (B) IS ACQUIRING THE ADDITIONAL SENIOR NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

Confirmation of your Representation: In order to be eligible to view the attached offering memorandum or make an investment decision with respect to the Additional Senior Notes, investors must be (i) a person that is outside the United States (within the meaning of Regulation S under the Securities Act) or (ii) a QIB. By accepting this e-mail and accessing the offering memorandum, you shall be deemed to have represented to us that you are a person that is outside the United States or that you are a QIB; and that you consent to the delivery of such offering memorandum by electronic transmission. You are reminded that the offering memorandum has been delivered to you on the basis that you are a person into whose possession the offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the offering memorandum to any other person or make copies of the offering memorandum.

Under no circumstances shall the offering memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Additional Senior Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful. If a jurisdiction requires that the offering and sale of the Additional Senior Notes be made by a licensed broker or dealer and the initial purchaser (as defined in the attached offering memorandum) or any affiliate of the initial purchaser is a licensed broker or dealer in that jurisdiction, the offering and sale of the Additional Senior Notes shall be deemed to be made by them or such affiliate on behalf of the Issuer (as defined in the attached offering memorandum) in such jurisdiction.

The offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Additional Senior Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

The offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the initial purchaser nor any person who controls the initial purchaser nor any director, officer, employee nor agent of the initial purchaser or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchaser.

The information in the offering memorandum is not complete and may be changed. This document does not constitute or form part of any offer or invitation to sell these securities or any solicitation of any offer to purchase these securities in any jurisdiction where such offer or sale is not permitted.

OFFERING MEMORANDUM

CONFIDENTIAL
NOT FOR GENERAL CIRCULATION
IN THE UNITED STATES

Ardagh Packaging Finance plc

€200,000,000 9.250% Senior Notes due 2020
guaranteed on a senior basis by
Ardagh Packaging Holdings Limited and on a senior subordinated basis by certain of its wholly owned subsidiaries

The 9.250% Senior Notes due 2020 offered hereby will be issued in the aggregate principal amount of €200,000,000 (the "Additional Senior Notes") as additional notes under an indenture dated October 8, 2010 (the "Indenture") pursuant to which, on October 8, 2010, the Issuer issued €275,000,000 aggregate principal amount of 9.250% Senior Notes due 2020 (the "Original Senior Notes" and, together with the Additional Senior Notes, the "Senior Notes"). The Original Senior Notes are, and the Additional Senior Notes will be, the senior obligations of Ardagh Packaging Finance plc (the "Issuer"). On October 8, 2010, the Issuer also issued under the Indenture $450,000,000 aggregate principal amount of 9.125% Senior Notes due 2020 (the "Dollar Denominated Senior Notes" and, together with the Original Senior Notes, the "October 2010 Senior Notes"). The Original Senior Notes and the Additional Senior Notes will constitute a single class of debt securities under the Indenture and will vote as a single class together with the Dollar Denominated Senior Notes for purposes of amendments of or waivers under the Indenture except for certain waivers and amendments.

The Senior Notes bear interest at the rate of 9.250% per annum. Interest on the Senior Notes will be payable semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2011. The Senior Notes will mature on October 15, 2020. We may redeem the Senior Notes in whole or in part at any time on or after October 15, 2015 at the redemption prices specified herein. Prior to October 15, 2015, we may also redeem all or part of the Senior Notes by paying a "make whole" premium. In addition, prior to October 15, 2013, we may redeem up to 35% of the aggregate principal amount of the Senior Notes with the net proceeds from certain public equity offerings. The redemption prices are discussed under "Description of the Senior Notes—Optional Redemption." In the event of a Change of Control (as defined herein), we must make an offer to purchase the Senior Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.

The Original Senior Notes were guaranteed on a senior basis by Ardagh Packaging Holdings Limited (the "Parent Guarantor" and such guarantee, the "Parent Guarantee") on October 8, 2010, and the Additional Senior Notes will benefit from the same guarantee upon their issuance. The Original Senior Notes and the Additional Senior Notes also are and will be, as the case may be, guaranteed on a senior subordinated basis (the "Subsidiary Guarantees" and, together with the Parent Guarantee, the "Guarantees") by certain subsidiaries of the Parent Guarantor (the "Subsidiary Guarantors" and, together with the Parent Guarantor, the "Guarantors"). The Senior Notes are the Issuer's senior obligations and rank equally in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Senior Notes and is senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Senior Notes. The Parent Guarantee ranks equally in right of payment with all existing and future indebtedness of the Parent Guarantor that is not subordinated in right of payment to the Parent Guarantee and is senior in right of payment to any and all of the existing and future indebtedness of the Parent Guarantor that is subordinated in right of payment to the Parent Guarantee. Each Subsidiary Guarantee in connection with the Senior Notes ranks junior in right of payment with all existing and future indebtedness of such Subsidiary Guarantor that is senior indebtedness and senior in right of payment to all existing and future indebtedness of such Subsidiary Guarantor that is subordinated in right of payment to its Subsidiary Guarantee. The Senior Notes and the Guarantees are also effectively subordinated to all of the Issuer's and the Guarantors' existing and future secured debt to the extent of the value of the assets securing such debt and to all existing and future debt of all of the Parent Guarantor's subsidiaries that do not guarantee the Senior Notes.

The Original Senior Notes are admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market. Currently, there is no public market for the Additional Senior Notes. Application has been made for listing particulars to be approved by the Irish Stock Exchange and for the Additional Senior Notes to be admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market. There is no assurance that the Additional Senior Notes will be listed and admitted to trading on the Global Exchange Market of the Irish Stock Exchange.

Investing in the Additional Senior Notes involves risks. See "Risk Factors" beginning on page 24.

The Additional Senior Notes and the Guarantees have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, the Additional Senior Notes are being offered and sold only to qualified institutional buyers ("QIBs") in accordance with Rule 144A under the U.S. Securities Act ("Rule 144A") and outside the United States in accordance with Regulation S under the U.S. Securities Act ("Regulation S"). Prospective purchasers that are QIBs are hereby notified that the seller of the Additional Senior Notes and Guarantees may be relying on the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144A.

The Additional Senior Notes will be issued in the form of global notes in registered form. See "Book Entry; Delivery and Form."

Price of the Additional Senior Notes: 105.875% plus accrued interest from October 8, 2010

The initial purchaser (as defined herein) expects to deliver the Additional Senior Notes to purchasers on or about February 4, 2011.

Book-Running Manager

Citi

February 1, 2011

You should rely only on the information contained in this offering memorandum (the "Offering Memorandum"). None of the Issuer, the Guarantors or the initial purchaser (as defined herein) has authorized anyone to provide you with any information or represent anything about the Issuer or the Guarantors, their financial results or this offering that is not contained in this Offering Memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, the Guarantors or the initial purchaser. None of the Issuer, the Guarantors or the initial purchaser is making an offer of the Additional Senior Notes in any jurisdiction where this offering is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.

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IMPORTANT INFORMATION

This Offering Memorandum is confidential and has been prepared by the Issuer solely for use in connection with the proposed offering of the Additional Senior Notes described in this Offering Memorandum. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Additional Senior Notes. Distribution of this Offering Memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to the purchase of Additional Senior Notes is unauthorized, and any disclosure of any of the contents of this Offering Memorandum, without the Issuer's prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no photocopies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

The initial purchaser (as defined herein) make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the initial purchaser as to the past or future.

The Issuer and the Parent Guarantor accept responsibility for the information contained in this Offering Memorandum. To the best of the Issuer's and the Parent Guarantor's knowledge and belief, the information contained in this Offering Memorandum with regard to the Parent Guarantor and its subsidiaries and the Additional Senior Notes is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the information set forth under the headings "Exchange Rates," "Summary," "Operating and Financial Review and Prospects" and "Our Business" includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. While we accept responsibility for the accurate extraction and summarization of such information and data, we have not independently verified the accuracy of such information and data and we accept no further responsibility in respect thereof.

Unless the context indicates otherwise, when we refer to "Ardagh", "Ardagh Packaging", the "Group", "we", "us" and "our", for the purposes of this Offering Memorandum, we are referring to the Parent Guarantor and its subsidiaries (including any of their predecessors), including the businesses acquired in the Impress Acquisition.

The information set forth in relation to sections of this Offering Memorandum describing clearing arrangements, including the section entitled "Book-Entry; Delivery and Form," is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear Bank S.A./N.V. ("Euroclear") or Clearstream Banking, *société anonyme* ("Clearstream Banking") currently in effect. While the Issuer and the Parent Guarantor accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream Banking, they accept no further responsibility in respect of such information. In addition, this Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us or the initial purchaser.

By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from the Issuer for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on the initial purchaser in connection with your investigation of the accuracy of this information or your decision whether to invest in the Additional Senior Notes.

The Issuer and the initial purchaser reserve the right to reject all or a part of any offer to purchase the Additional Senior Notes, for any reason. The Issuer and the initial purchaser also reserve the right to sell less than all of the Additional Senior Notes offered by this Offering Memorandum or to sell to any purchaser less than the amount of Additional Senior Notes it has offered to purchase.

None of the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission or any other regulatory authority has approved or disapproved of the Additional Senior Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary could be a criminal offense in certain countries.

The Additional Senior Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the U.S. Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled "Plan of Distribution" and "Notice to Investors."

The distribution of this Offering Memorandum and the offering and sale of the Additional Senior Notes in certain jurisdictions may be restricted by law. See "Notice to Investors" and "Certain Regulatory Issues Related to the United Kingdom."

In making an investment decision, prospective investors must rely on their own examination of the Issuer, the Guarantors and the terms of this offering, including the merits and risks involved. In addition, none of the Issuer, the Guarantors or the initial purchaser or any of our or their respective representatives is making any representation to you regarding the legality of an investment in the Additional Senior Notes, and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisers as to legal, tax, business, financial and related aspects of an investment in the Additional Senior Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Additional Senior Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; none of the Issuer, the Guarantors or the initial purchaser shall have any responsibility for any of the foregoing legal requirements.

The Additional Senior Notes will be issued in the form of one or more global notes. See "Book-Entry; Delivery and Form."

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED ("RSA 421-B"), WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

CERTAIN REGULATORY ISSUES RELATED TO THE UNITED KINGDOM

The initial purchaser represents and warrants that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services Markets Act 2000 (the "FSMA")) received by it in connection with the issuance or sale of the Additional Senior Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Additional Senior Notes in, from or otherwise involving the United Kingdom.

This Offering Memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issuance or sale of the Additional Senior Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Recipients of this Offering Memorandum are not permitted to transmit it to any other person. The Additional Senior Notes are not being offered to the public in the United Kingdom.

NOTICE REGARDING SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

MOST OF THE DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER AND THE GUARANTORS ARE NON-RESIDENTS OF THE UNITED STATES. ALL OR A SUBSTANTIAL

PORTION OF THE ASSETS OF SUCH NON-RESIDENT PERSONS AND OF THE ISSUER AND THE GUARANTORS ARE LOCATED OUTSIDE THE UNITED STATES. AS A RESULT, IT MAY NOT BE POSSIBLE FOR INVESTORS TO EFFECT SERVICE OF PROCESS WITHIN THE UNITED STATES UPON SUCH PERSONS OR THE ISSUER AND THE GUARANTORS, OR TO ENFORCE AGAINST THEM IN U.S. COURTS JUDGMENTS OBTAINED IN SUCH COURTS PREDICATED UPON THE CIVIL LIABILITY PROVISIONS OF THE FEDERAL SECURITIES LAWS OF THE UNITED STATES. THE ISSUER AND THE GUARANTORS HAVE BEEN ADVISED BY COUNSEL THAT THERE IS DOUBT AS TO THE ENFORCEABILITY IN IRELAND IN ORIGINAL ACTIONS, OR IN ACTIONS FOR ENFORCEMENT OF JUDGMENTS OF U.S. COURTS, OF LIABILITIES PREDICATED SOLELY UPON THE SECURITIES LAWS OF THE UNITED STATES.

STABILIZATION

In connection with the offering of the Additional Senior Notes, Citigroup Global Markets Limited (or persons acting on behalf of Citigroup Global Markets Limited) may over-allot Additional Senior Notes or effect transactions with a view to supporting the market price of the Additional Senior Notes at a level higher than that which might otherwise prevail. However, there is no assurance that Citigroup Global Markets Limited (or persons acting on behalf of Citigroup Global Markets Limited) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offering of the Additional Senior Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the Issuer received the proceeds of the issuance, or no later than 60 days after the date of the allotment of the Additional Senior Notes, whichever is the earlier.

NOTES ON DEFINED TERMS USED IN THIS OFFERING MEMORANDUM

The following terms used in this Offering Memorandum have the meanings assigned to them below:

"2007 Senior Notes"	The existing 7.125% Senior Notes due 2017 that were issued in 2007.
"2009 Senior Secured Notes"	The existing 9.250% First Priority Senior Secured Notes due 2016 that were issued in 2009.
"2010 Senior Secured Notes"	The existing 7.375% First Priority Senior Secured Notes due 2017 that were issued in 2010.
"A$," "AUD" or "Australian dollar"	The lawful currency of Australia.
"Acquired Business", "Impress" or "Metal Packaging"	The metal packaging business acquired in the Impress Acquisition.
"Additional Senior Notes"	The €200,000,000 aggregate principal amount of 9.250% Senior Notes due 2020 offered hereby. The Additional Senior Notes and the Original Senior Notes will form, upon issuance of the Additional Senior Notes, one single class of debt securities under the Indenture and will vote together with the Dollar Denominated Senior Notes for purposes of amendments and waivers of the Indenture except for certain amendments and waivers.
"Additional Subsidiary Guarantors"	The subsidiaries of the Parent Guarantor that will guarantee the Senior Notes on or prior to February 7, 2011 on a senior subordinated basis. It is currently expected that, subject to the Agreed Security Principles (as defined under "Description of the Senior Notes"), the Additional Subsidiary Guarantors will be certain subsidiaries of the Parent Guarantor in Canada, the Czech Republic, Delaware (United States), France, Germany, Ireland, Hungary, the Netherlands, Poland, Puerto Rico, Spain and the United Kingdom.
"AGF plc"	Ardagh Glass Finance plc, a public limited company incorporated under the laws of Ireland, which is the issuer of the 2007 Senior Notes, the 2009 Senior Secured Notes and the January 2010 Senior Notes.
"Anglo Irish Credit Facilities"	Credit facilities provided pursuant to the facility agreement dated March 9, 2007, as amended and restated on June 18, 2007, and as amended and restated on June 12, 2009, and as further amended on January 20, 2010, between Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and Anglo Irish Bank Corporation Limited, as arranger, original lender, agent and security agent, which were repaid in full and terminated as part of the Refinancing in connection with the Impress Acquisition.
"APF plc" or the "Issuer"	Ardagh Packaging Finance plc, a public limited company incorporated under the laws of Ireland, the issuer of the 2010 Senior Secured Notes, and the October 2010 Senior Notes and the Additional Senior Notes offered hereby.

"APG plc"	Ardagh Packaging Group plc (previously named Ardagh Glass Group plc), a public limited company incorporated under the laws of Ireland.
"Ardagh", "Ardagh Packaging", the "Group", "we", "us" or "our"	Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and its subsidiaries (including any of their predecessors), including the businesses acquired in the Impress Acquisition, except where the context requires otherwise.
"Ardagh Group S.A."	The ultimate holding company of the Group, which was previously named Ardagh Glass Group S.A.
"Australasian Acquisition"	The acquisition by Impress of the food and aerosol can business in Australia and New Zealand of Amcor Limited on October 31, 2007.
"Australasian Senior Bank Facility"	The A$155 million (initially A$170 million) multicurrency senior bank debt facility provided by Bank of Scotland International to the Acquired Business, which matures on December 21, 2013.
"C Interests"	The C membership and participation interests of Impress Coöperatieve U.A., which were redeemed as part of the Refinancing in connection with the Impress Acquisition.
"Change of Control"	Has the meaning ascribed to it in the Indenture. See "Description of the Senior Notes—Purchase of Notes upon a Change of Control."
"Clearstream Banking"	Clearstream Banking, *société anonyme*.
"Contingent Transaction Charges"	Provision in respect of further remuneration agreed to be paid to key managers of the Acquired Business to provide assistance in connection with a potential sale or initial public offering of the Acquired Business. See note 3 to the consolidated financial statements of Impress Coöperatieve U.A. for the three years ended December 31, 2009 included elsewhere in this Offering Memorandum.
"Dollar Denominated Senior Notes"	The existing $450,000,000 9.125% Senior Notes due 2020 issued on October 8, 2010.
"EBITDA"	Group operating profit before depreciation, amortization, exceptional items and non-cash items. EBITDA margin is calculated as EBITDA divided by Group revenues. EBITDA and EBITDA margin are presented in connection with Ardagh's and the Acquired Business's financial information because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in our industry. However, other companies may calculate EBITDA and EBITDA margin in a different manner than we do. EBITDA and EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators

	of our operating performance or any other measures of performance derived in accordance with IFRS.
"EU"	European Union.
"EU ETS"	European Union Emissions Trading Scheme.
"EURIBOR"	Euro Interbank Offered Rate.
"euro," "EUR" or "€"	The euro, the currency of the EU Member States participating in the European Monetary Union.
"Euroclear"	Euroclear Bank S.A./N.V.
"Existing Indentures"	The indentures governing the Existing Notes and the PIK Notes
"Existing Notes"	The Existing Secured Notes and the Existing Unsecured Notes.
"Existing Secured Notes"	The 2009 Senior Secured Notes and the 2010 Senior Secured Notes.
"Existing Unsecured Notes"	The 2007 Senior Notes, the January 2010 Senior Notes and the October 2010 Senior Notes.
"FEVE"	European Container Glass Federation.
"FSMA"	Financial Services Markets Act 2000.
"GE Commercial Finance Facility" . .	Invoice discounting facility agreement dated March 23, 2009 between Ardagh Packaging Holdings Limited and GE Commercial Finance Limited, as more fully described in "Description of Other Indebtedness—GE Commercial Finance Facility."
"Glass Container Manufacturing" . . .	A business unit within the Glass Packaging division comprised of the glass container manufacturing business of Ardagh.
"Glass Engineering"	A business unit within the Glass Packaging division comprised of the technology business of Heye International and Glass Packaging's mold manufacturing and repair operations.
"Glass Packaging"	The glass container manufacturing and glass engineering businesses of Ardagh.
"Guarantors"	The Parent Guarantor and the Subsidiary Guarantors.
"Heye International"	Heye International GmbH, a company incorporated under the laws of Germany.
"HSU"	Huta Szkla Ujście.
"HVB Working Capital and Performance Guarantee Credit Lines"	Two open lines of credit granted to Heye International from UniCredit Bank AG (formerly known as Bayerische Hypo- und Vereinsbank AG). See "Description of Other Indebtedness—HVB Working Capital and Performance Guarantee Credit Lines."
"IFRS"	International Financial Reporting Standards as adopted by the European Union.

"Impress Acquisition"	The acquisition of the entire share capital of Impress Coöperatieve U.A. on December 7, 2010 pursuant to the sale and purchase agreement between Ardagh Group S.A. (previously named Ardagh Glass Group S.A.) and the holders of the equity interests of Impress Coöperatieve U.A. dated September 24, 2010.
"Indenture"	The indenture governing the Additional Senior Notes offered hereby, the Original Senior Notes and the Dollar Denominated Senior Notes, dated October 8, 2010.
"initial purchaser"	Citigroup Global Market Limited.
"Initial Subsidiary Guarantors"	The subsidiaries of the Parent Guarantor that guaranteed on a senior subordinated basis the Original Senior Notes and the Dollar Denominated Senior Notes on the closing of the Impress Acquisition.
"Intercreditor Agreement"	The intercreditor agreement entered into on December 7, 2010 among the Issuer, the Parent Guarantor, APF plc, Citibank, N.A., London Branch in its capacity as security agent thereunder and trustee for the 2010 Senior Secured Notes, the Senior Notes and the Dollar Denominated Senior Notes, Law Debenture Trust Company of New York, in its capacity as trustee for the 2009 Senior Secured Notes, and The Bank of New York Mellon, in its capacity as trustee for the 2007 Senior Notes and the January 2010 Senior Notes, among others. See "Description of Other Indebtedness—Intercreditor Agreement."
"Issuer"	Ardagh Packaging Finance plc, a public limited company incorporated under the laws of Ireland.
"January 2010 Senior Notes"	The existing 8¾% Senior Notes due 2020 that were issued in January 2010.
"LIBOR"	The London Interbank Offered Rate.
"LTIP"	Long-term incentive plan.
"October 2010 Senior Notes"	The Original Senior Notes and the Dollar Denominated Senior Notes.
"O-I"	Owens Illinois, Inc.
"Original Senior Notes"	The existing euro denominated 9.250% Senior Notes due 2020 that were issued on October 8, 2010.
"Parent Guarantor"	Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited).
"Paying Agent"	Citibank, N.A., London Branch.
"PIK Notes"	The existing 10.75% senior payment-in-kind notes due 2015 issued by APG plc, which are not guaranteed.
"PLN"	Polish złoty, the currency of Poland.
"pounds," "sterling," "GBP" or "£"	Pounds sterling, the currency of the United Kingdom.
"QIB"	"Qualified institutional buyer," as defined in Rule 144A.

"REACH"	Regulations passed by the European Union concerning the Registration, Evaluation, Authorization and Restriction of Chemicals.
"Refinancing"	The refinancing in full of the Anglo Irish Credit Facilities and substantially all of Impress's existing debt in connection with the Impress Acquisition.
"Regulation S"	Regulation S under the U.S. Securities Act.
"Restricted Subsidiary"	See "Description of the Senior Notes—Certain Definitions—Restricted Subsidiary."
"Revolving Credit Facility"	The revolving credit facility agreement dated December 7, 2010 among Ardagh Packaging Holdings Limited, Citigroup Global Markets Limited, Credit Suisse AG, London Branch, and J.P. Morgan plc, as arrangers and original lenders, Citibank International plc, as facility agent, and Citibank, N.A., London Branch, as security agent, as more fully described in "Description of Other Indebtedness—Revolving Credit Facility."
"Rexam Acquisition"	The acquisition by us of the glass container manufacturing division of Rexam plc in June 2007.
"Rule 144A"	Rule 144A under the U.S. Securities Act.
"SEC"	United States Securities and Exchange Commission.
"Senior Notes"	The Original Senior Notes and the Additional Senior Notes.
"SG&A"	Selling, general and administrative expense.
"Subsidiary Guarantors"	The Initial Subsidiary Guarantors and the Additional Subsidiary Guarantors.
"U.K." or "United Kingdom"	The United Kingdom of Great Britain and Northern Ireland.
"U.S." or "United States"	The United States of America.
"U.S. dollars," "U.S.$" or "$"	The lawful currency of the United States of America.
"U.S. Finance Facility"	The facility of $27 million provided by GE Government Finance, Inc. to Impress for financing its new plant in Conklin, New York.
"U.S. GAAP"	Accounting principles generally accepted in the United States.
"U.S. GAAS"	Generally accepted auditing standards in the United States.
"U.S. Securities Act"	U.S. Securities Act of 1933, as amended.
"Yeoman"	Yeoman Capital S.A.

PRESENTATION OF FINANCIAL AND OTHER DATA

Issuer

Ardagh Packaging Finance plc, the Issuer, is a direct, wholly owned subsidiary of Ardagh Packaging Holdings Limited, the Parent Guarantor. The Issuer was incorporated and registered in the Republic of Ireland as a public limited company on September 17, 2010. The Issuer is a finance company. On October 8, 2010, the Issuer issued the 2010 Senior Secured Notes, the Original Senior Notes and the Dollar Denominated Senior Notes. The proceeds of the 2010 Senior Secured Notes, the Original Senior Notes and the Dollar Denominated Senior Notes were on lent by the Issuer to the Group and thereafter used to fund the Impress Acquisition and the Refinancing. The Issuer has not engaged in any other activities prior to the date of this Offering Memorandum.

Ardagh Packaging Holdings Limited

Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) was incorporated and registered in the Republic of Ireland as a limited liability company on August 5, 2005. Ardagh Packaging Holdings Limited is the parent guarantor of the Existing Notes and will be the Parent Guarantor of the Additional Senior Notes. In this Offering Memorandum we present consolidated financial information for Ardagh Packaging Holdings Limited.

Financial Information

This Offering Memorandum includes:

- the audited non-statutory consolidated financial statements of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and its subsidiaries for the financial years ended and as of December 31, 2009, 2008 and 2007;
- the unaudited consolidated interim financial information of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and its subsidiaries for the nine-month periods ended and as of September 30, 2010 and 2009;
- the audited consolidated financial statements of Impress Coöperatieve U.A. for the financial year ended and as of December 31, 2009 (including for comparative purposes the consolidated financial information for the financial years ended and as of December 31, 2008 and 2007);
- the interim unaudited consolidated financial information of Impress Coöperatieve U.A. for the nine-month periods ended September 30, 2010 and 2009 and as of September 30, 2010;
- the unaudited consolidated financial information for the twelve months ended September 30, 2010 for Impress Coöperatieve U.A. and the unaudited consolidated financial information for the twelve months ended September 30, 2010 for Ardagh Packaging Holdings Limited, each of which have been derived by performing the mathematical exercise of aggregating the relevant results for the year ended December 31, 2009 and the nine months ended September 30, 2010 and subtracting the results for the nine months ended September 30, 2009. These results are for illustrative purposes only and have not been subject to audit or review; and
- unaudited pro forma combined financial information that illustrates the estimated pro forma effects of the impact of the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes offered hereby as if they had occurred on October 1, 2009 and, for pro forma balance sheet information, September 30, 2010 (the "Pro Forma Financial Information").

Except as otherwise noted, the financial statements included in this Offering Memorandum have been prepared in accordance with IFRS in effect as of December 31, 2009 and as adopted by the European Union, including interpretations of the International Financial Reporting Interpretations Committee. In making an investment decision, you must rely upon your own examination of Ardagh and the Acquired Business, the terms of the offering of the Additional Senior Notes and the financial information contained in this Offering Memorandum. You should consult your own professional advisers for an understanding of the differences between IFRS, U.S. GAAP and how those differences could affect the financial information contained in this Offering Memorandum.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the financial statements.

The consolidated financial statements have been prepared based on a calendar year and are presented in euro rounded to the nearest thousand. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding. The consolidated financial statements have been prepared under the historical cost convention.

We present in this Offering Memorandum EBITDA and EBITDA margin and related ratios, which are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, IFRS. We define "EBITDA" as operating profit before depreciation, amortization, exceptional items and non-cash items, and "EBITDA margin" as EBITDA divided by revenues. In this Offering Memorandum, we present EBITDA, EBITDA margin and related ratios for Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and its consolidated subsidiaries, the Acquired Business and pro forma for the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes offered hereby. Such measures as they relate to the Acquired Business differ from the measures of financial performance as presented in the consolidated financial information of Impress Coöperatieve U.A. for the three years ended December 31, 2009 and the nine months ended September 30, 2010 included in this Offering Memorandum. In particular, "EBITDA" as presented in the consolidated financial information of Impress Coöperatieve U.A. for the three years ended December 31, 2009 and the nine months ended September 30, 2010 included in this Offering Memorandum is defined therein as operating profit before depreciation and amortization. We have adjusted this measure as it appears elsewhere in this Offering Memorandum (and refer to it as "EBITDA" (and related measures and ratios)), to exclude restructuring charges and impairment charges so that these measures are presented on a basis consistent with that historically reported by Ardagh Packaging Holdings Limited and its consolidated subsidiaries.

EBITDA, EBITDA margin and related ratios should not be considered in isolation and are not measures of our financial performance or liquidity under IFRS and should not be considered as an alternative to profit or loss for the period or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities as a measure of our liquidity as derived in accordance with IFRS. These non-GAAP financial measures do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations. In addition, such measures as we define them may not be comparable to other similarly titled measures used by other companies.

Pro Forma Financial Information

The Pro Forma Financial Information is based on the financial information of Ardagh for the twelve months ended September 30, 2010, and gives effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes offered hereby as if they had been completed on October 1, 2009 and, for pro forma balance sheet information, September 30, 2010. The pro forma financial information included in this Offering Memorandum has not been prepared in accordance with the requirements of Regulation S-X of the SEC or U.S. GAAP. Neither the adjustments nor the resulting pro forma financial information have been audited in accordance with International Standards on Auditing U.K. and Ireland or U.S. GAAS. In evaluating the pro forma financial

information, you should carefully consider the audited financial statements of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and the notes thereto.

The Pro Forma Financial Information is for informational purposes only and is not intended to represent or to be indicative of the consolidated results of operations or financial position that the pro forma combined group would have reported had the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes offered hereby having been completed as of the dates set forth in the Pro Forma Financial Information and should not be taken as indicative of our future consolidated results of operations or financial position.

The actual results may differ significantly from those reflected in the Pro Forma Financial Information for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma combined financial information and actual amounts. As a result, the Pro Forma Financial Information does not purport to be indicative of what the financial condition or results of operations would have been had the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes offered hereby having been completed on the applicable date of the Pro Forma Financial Information.

The unaudited pro forma adjustments are based upon current available information and certain assumptions that we believe to be reasonable. The unaudited pro forma combined income statements do not include (i) any revenue or cost-saving synergies that may be achievable subsequent to the Impress Acquisition, (ii) the impact of certain non-recurring items directly related to the Impress Acquisition or (iii) business combination accounting adjustments as required by IFRS.

Industry and Market Data

Glass Packaging

Throughout this Offering Memorandum, we have used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. In particular, we have obtained information or other statements presented in this Offering Memorandum relating to market share and industry data relating to our business from providers of industry data, including:

- British Glass Manufacturers Confederation;
- Fachvereinigung Behälterglasindustrie e.V. (Germany);
- Forum Opakowan Szklanych (Poland); and
- European Container Glass Federation ("FEVE").

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data. Similarly, while we believe that our internal surveys are reliable, they have not been verified by independent sources and we cannot assure you of their accuracy.

Any third-party information described above and included in this Offering Memorandum has been accurately reproduced and as far as we are aware and are able to ascertain from the information published by such third parties, the reproduced information is accurate and no facts have been omitted which would render such information inaccurate or misleading.

Moreover, market share information and other statistical information and quantitative statements in this Offering Memorandum regarding our market position relative to our competitors are not based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect our best estimates based upon our internal records and surveys, statistics published by providers of industry data, information published by our competitors, and information obtained from trade and business organizations and associations and other sources within the industry in which we operate. We believe that such data are useful in helping investors understand the industry in which we operate and our position within the industry. However, we do not have access to the facts and assumptions underlying the numerical data and other information extracted from publicly available sources and have not independently verified any data provided by third parties or industry or general publications. In addition, while we believe our internal data and surveys to be reliable, such data and surveys have not been verified by any independent sources. Thus, we cannot and do not guarantee their accuracy.

We refer to "Northern Europe" or the "Northern European market" to include collectively Germany, the United Kingdom, Poland, Benelux and the Nordic region. We refer to the "Nordic region" to include collectively Denmark, Finland, Iceland, Norway and Sweden. We refer to "Benelux" or the "Benelux region" to include collectively Belgium, the Netherlands and Luxembourg.

The Acquired Business

Given the specialized nature of metal packaging markets in which the Acquired Business operates, there does not exist a relevant and reliable third-party source of much of the relevant market information presented in this Offering Memorandum. Therefore, estimates provided by the Acquired Business regarding these markets as set forth in this Offering Memorandum, as well as estimated market shares of the Acquired Business or its competitors, are largely based on the Acquired Business's knowledge of these markets, developed primarily from analysis of public information, third-party reports to the extent available, competitors' public announcements and regulatory filings and information gathered in the course of acquisitions. In addition, the data relating to global market sizes, market share and market position are based on 2008 data. This information, while derived by the Acquired Business from figures to which it has had access, has not been confirmed by an independent organization, nor can there be assurance that third parties would arrive at the same results were they to employ different methods for gathering, analyzing and calculating such data. Breakdowns of market shares were established on the basis of the Acquired Business's consolidated revenues and these data. Market positions and percentage shares are those the Acquired Business believes it holds in terms of revenues. They are based on industry market sectors on which the Acquired Business's group business is arranged. Segmental figures are stated before central administrative and research and development costs.

FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this Offering Memorandum that are not historical facts, including, without limitation, certain statements made in "Summary," "Risk Factors," "Operating and Financial Review and Prospects" and "Our Business" are statements of future expectations and other forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "is expected to," "will," "will continue," "should," "would be," "seeks," "intends," "plans," "estimates" or "anticipates," or similar expressions or the negatives thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans or intentions. These statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated by such statements. Factors that could cause such differences in actual results include:

- our ability to integrate the Acquired Business and the operations of any other businesses to be acquired in the future and achieve expected operating efficiencies and cost savings;
- our substantial debt;
- financial covenants;
- the effects of the global economic crisis;
- fluctuations in demand for our products;
- general political, economic and competitive conditions in markets and countries where Ardagh has operations, including disruptions in the supply chain, supply and demand for glass or metal packaging manufacturing capacity, competitive pricing pressures, inflation or deflation, and changes in tax rates and laws;
- fluctuations in raw material and labor costs;
- the availability of raw materials;
- the costs and availability of energy;
- foreign currency fluctuations;
- dependence on certain major customers and suppliers;
- changes in capital availability or cost, including interest rate fluctuations;
- risks relating to our expansion strategy;
- consolidation among competitors and customers;
- unanticipated expenditures with respect to environmental, health and safety laws;
- the performance by customers of their obligations under purchase agreements;
- consumer preferences for alternative forms of packaging;
- our ability to comply with existing and future regulations relating to materials used in the packaging of goods and beverages; and
- the timing and occurrence of events that are beyond the control of Ardagh and its affiliates.

We undertake no obligations to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Offering Memorandum or to reflect the occurrence of unanticipated events, other than as required by law.

EXCHANGE RATES

Exchange Rates between the Euro and U.S. Dollar

The table below sets forth the period end, average, high and low exchange rates for U.S. dollars, expressed in U.S. dollars per €1.00, for the years indicated.

	U.S. dollars per euro(1)			
Year ended December 31,	Period Ending	Average(2)	High	Low
2006	1.3189	1.2662	1.3326	1.1820
2007	1.4583	1.3798	1.4858	1.2906
2008	1.3953	1.4697	1.5990	1.2452
2009	1.4331	1.3952	1.5094	1.2543
2010	1.3366	1.3211	1.4510	1.1952

(1) Source: Bloomberg.

(2) The average of buying rates for U.S. dollars on the last business day of each month during the applicable period.

The table below sets forth the period end, high and low exchange rates for U.S. dollars, expressed in U.S. dollars per €1.00, for each of the six months prior to the date of this Offering Memorandum.

	U.S. dollars per euro(1)		
Month	Period Ending	High	Low
July 2010	1.3048	1.3079	1.2439
August 2010	1.2689	1.3266	1.2665
September 2010	1.3620	1.3630	1.2700
October 2010	1.3916	1.4054	1.3691
November 2010	1.3039	1.4192	1.3039
December 2010	1.3366	1.3412	1.3087
January 2011 (through January 25, 2011)	1.3642	1.3642	1.2925

(1) Source: Bloomberg.

The U.S. dollar per euro exchange rate on January 25, 2011 was $1.3642 = €1.00.

Our inclusion of such translations is not meant to suggest that the U.S. dollar amounts actually represent such euro amounts or that such amounts could have been converted into euro at such rate or any other rate. For a discussion of the impact of the exchange rate fluctuations on our financial condition and results of operations, see "Operating and Financial Review and Prospects." We did not use the rates listed above in the preparation of our financial statements.

SUMMARY

The following summary highlights selected information from this Offering Memorandum and does not contain all of the information that you should consider before investing in the Additional Senior Notes. This Offering Memorandum contains specific terms of the Additional Senior Notes, as well as information about Ardagh's business and detailed financial data. You should read this Offering Memorandum in its entirety, including the "Risk Factors" section, our non-statutory consolidated financial statements and the notes to those statements, and the combined historical financial statements for the Acquired Business and the notes to those statements. In addition, certain statements include forward-looking information that involves risks and uncertainties. See "Forward-Looking Statements." Unless the context indicates otherwise, when we refer to "Ardagh," "Ardagh Packaging," the "Group," "we," "us" and "our" for the purposes of this Offering Memorandum, we are referring to the Parent Guarantor and its subsidiaries (including any of their predecessors), including the Acquired Business.

Our Business

Ardagh Packaging is one of the world's leading suppliers of glass and metal packaging, with a focus on the food and beverage end markets. With one of the broadest product lines in the rigid packaging industry, we derive the majority of our sales from market sectors in which we hold the first or second market positions. Ardagh Packaging operates 82 plants throughout 24 countries across five continents. The company has a significant European presence with 66 plants in 15 countries.

We operate two divisions, Glass Packaging and our newly acquired Metal Packaging division.

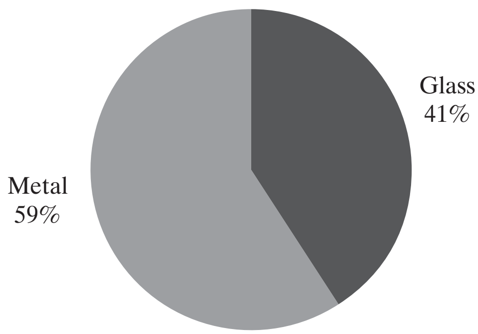
Glass Packaging produces glass containers for some of the world's most recognized food and beverage brands. Our glass containers are either 'proprietary' (i.e., the glass is produced to a customer's specification in terms of design and shape) or 'non-proprietary' (i.e., it is available to purchase 'off the shelf' and can then be decorated with one of many techniques to create the final branded packaging). In addition, through our best-in-class facilities, we provide innovative solutions in decoration, including value-added features such as embossing, light weighting, coating, base pad printing and pressure sensitive labeling.

Metal Packaging manufactures a comprehensive line of tinplate and aluminum standard, custom and value-added metal packaging products, including two- and three- piece cans, a wide range of customized shapes and sizes, high-quality graphic designs, easy-open ends, and Easy Peel® and Easip® peelable lids.

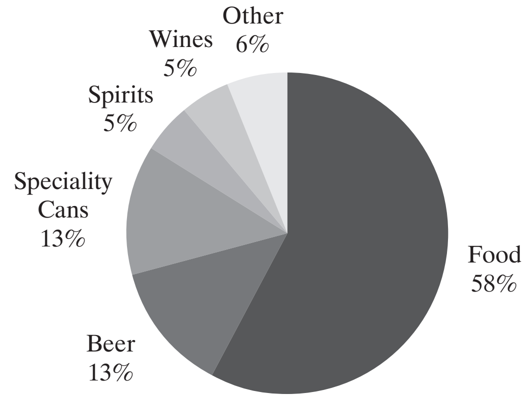
Ardagh Packaging products serve a diverse range of end markets including fruit, vegetables, soups, sauces, seafood, pet food, beer, wine, spirits, non-alcoholic beverages, personal care, household, paints and industrial coatings.

The following illustrates the breakdown of Ardagh Packaging's revenues by product division and by end market based on 2009 data.

Revenue by Product



Revenue by End Markets



We sell our products to over 2,000 customers globally, including a diverse mix of leading international, blue-chip companies and large national and regional companies, as well as small local businesses. We believe that our scale, high quality of service, advanced technology and manufacturing capabilities provide us with a competitive advantage in the markets in which we operate.

We believe the combination of Glass Packaging with our newly acquired Metal Packaging division increases our scale, expands our manufacturing footprint globally and enhances our presence in Europe. Simultaneously, the combination significantly diversifies our product, geographic and end market business mix.

On a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes offered hereby, revenues and EBITDA for Ardagh Packaging for the last twelve months ended September 30, 2010 would have been €3,013.8 million and €554.3 million, respectively. See "Unaudited Pro Forma Consolidated Financial Information."

Our Divisions

Glass Packaging

Glass Packaging is one of the leading suppliers of glass packaging to the food and beverage sectors in Europe. The business has manufacturing operations in Denmark, Germany, Italy, the Netherlands, Poland, Sweden and the United Kingdom. Glass Packaging operates 20 glass plants with 40 glass furnaces and 101 production lines. In 2009, the aggregate production of Glass Packaging was approximately 2.9 million tonnes of glass containers. For the year ended December 31, 2009, we believe Glass Packaging had an approximate one-third share of Northern European glass container production by volume and an approximate 16% share of total European glass container production by volume, based on management estimates.

In addition, Glass Packaging has the largest range of in-house decoration facilities in Europe for a glass container manufacturer, providing value-added features such as embossing, coating, base pad printing and pressure sensitive labeling.

The following table illustrates our market position in the glass container market based on 2009 glass container production volumes.

Country/Region	Market Position of Glass Packaging on the basis of 2009 Glass Container Production Volumes
Europe	3
Germany	1
United Kingdom	1
Benelux	2
Nordic region	1
Poland	2

Source: Management estimate.

Our Glass Engineering unit brings together our main technology business, Heye International, and the mold manufacturing and repair operations within the Group. Through Heye International, with headquarters in Germany and operating internationally, Ardagh Packaging designs and supplies glass packaging machinery and spare parts for existing glass packaging machinery. It also provides technical assistance to users of its equipment and licensees of its technology. In 2009, these activities represented approximately 5% of Glass Packaging revenues.

Revenues and EBITDA for Glass Packaging for the twelve months ended September 30, 2010 were €1,233.8 million and €264.1 million, respectively.

Metal Packaging

Metal Packaging is a market leader in the consumer metal packaging industry and has attained strong positions in selected, value-added market segments for cans and ends. These comprise processed food (including seafood), aerosols, paints and coatings and other specialist end uses, including infant and nutritional powders and beer kegs. Impress does not currently produce or sell 'single serve' beverage cans.

In addition to producing large volumes of standard cans, Metal Packaging has significant expertise in the production of value-added metal packaging, made from either tinplate or aluminum, with features such as high-quality graphic designs, a wide range of shapes and sizes and special convenience features, such as easy-open ends and Easy Peel® and Easip® peelable lids.

Metal Packaging currently has three business segments: Processed Foods, International and Specialities. The Processed Food business segment groups those activities which are primarily focused on producing and selling packaging for retorted foods—i.e., foods that are cooked in the can after filling. The International business unit includes Metal Packaging's operations in North America and Australasia. The Specialities business segment groups a number of specialist, value-added businesses in Europe, generally serving non-food or dry food customers.

Metal Packaging has 58 production facilities, comprising 29 Processed Food plants, 13 International plants and 16 Specialities plants in 22 countries, and approximately 7,100 employees. The plants are located in 14 European countries (the Czech Republic, Denmark, France, Germany, Hungary, Italy, Latvia, the Netherlands, Poland, Romania, Russia, Spain, Ukraine and the United Kingdom), as well as Australia, Canada, Japan, Korea, Morocco, New Zealand, the Seychelles and the United States (including American Samoa and Puerto Rico).

We estimate that Metal Packaging holds the following market positions, based on revenue in 2009:

Business Segment	Market Position of Metal Packaging
Processed Food	
Global Seafood	1
European Processed Food	2
International	
Australia & New Zealand Processed Food	2
North American Seafood & Petfood	2
Specialities	
European Aerosols	1
European Paints & Coatings	1
European Dairy & Custom	1

Source: Management estimate.

Revenues and EBITDA of Metal Packaging for the twelve months ended September 30, 2010 were €1,780.0 million and €290.2 million, respectively.

Our Competitive Strengths

We believe Ardagh has a number of competitive strengths that differentiate it from its competitors, including:

- ***Leading market position in our principal markets.*** We believe Ardagh Packaging is one of the leading suppliers of glass and metal packaging in the world. We believe Glass Packaging is one of the leading suppliers of glass containers in Northern Europe with strong market positions in the food, beer, spirits, wine, non-alcoholic beverages and pharmaceutical sectors. In addition, we believe that Metal Packaging is a market leader in the consumer metal packaging industry and has attained strong positions in selected value-added market segments for cans and ends.

  Ardagh Packaging derives the majority of its sales from market sectors in which it holds first or second market positions. We believe our global manufacturing operations, proximity to clients, high quality of service and innovative product development further protect our strong market positions.

- ***Diverse product, end market and geographic exposure.*** Our business portfolio is well balanced, with a diverse range of products, end-user segments, geographic markets, raw materials and suppliers. We believe that this diversity provides more stability to our earnings and increases our free cash flow generation potential and lessens exposure to the loss of particular customers or to a downturn in a particular product or geographical region. Furthermore, we believe the wide variety of products, manufacturing capabilities and geographical reach provide us with flexibility to respond to changing market trends and customer requirements. Additionally, we believe that the complementary geographic footprint of Metal Packaging will enable us to take advantage of further strategic opportunities in both Glass Packaging and Metal Packaging for consolidation and growth on a global basis.

- ***Favorable market dynamics.*** Glass containers and metal packaging are large, mature and relatively stable markets. Moreover, the majority of sales are for use in sectors that are less sensitive to economic cycles such as food packaging, which accounted for approximately 58% of Ardagh Packaging revenues in 2009 on a pro forma basis, after giving effect to the Impress Acquisition. Although the overall market is generally stable, Ardagh Packaging believes that it is well positioned to exploit opportunities in faster-growing market sub-segments and to respond to demands for improved retail presentation and greater consumer convenience. Following the completion of the Impress Acquisition, we are also well positioned in less mature markets, particularly eastern Europe and increasingly Asia, which generally have higher market growth rates.

- ***Strong customer relationships.*** Ardagh Packaging has strong and long-standing relationships with its customers, which include some of the leading and best known European and global food and beverage manufacturers such as AB InBev, Akzo Nobel, Bacardi, Bonduelle, Bumble Bee, Carlsberg, Coca-Cola, Del Monte Foods, Diageo, Dongwon/Starkist, Friesland/Campina, Heineken, Heristo/Saturn, H.J. Heinz, Kraft, Marine World Brands, Mars, MEK, Nestlé, Pernod Ricard, Premier Foods, Procter & Gamble, Reckitt Benckiser, SABMiller and Unilever. We also have very strong relationships with a number of regional leaders such as DEK, Dutch Glory/Hak, Gobber, Maspex, Orkla, Royal Unibrew and Stute.

  Furthermore, our customer relationships are strengthened by bespoke manufacturing facilities for our largest customers in a number of locations, including facilities that are closely integrated with our customers' production lines, in so-called 'wall-to-wall' set-ups. On a pro forma basis, after giving effect to the Impress Acquisition, for the year ended December 31, 2009, approximately 40% of Ardagh Packaging's sales are made pursuant to multi-year contracts, which highlights our reliability and high product quality. Glass Packaging's and Metal Packaging's top 10 customers accounted for approximately 41% and 33% of total revenues in 2009, respectively. See "Unaudited Pro Forma Consolidated Financial Information."

- ***Margin and cash flow stability.*** Both Glass Packaging and Metal Packaging have a high degree of margin stability and cash flow reliability. On a pro forma basis after giving effect to the Impress Acquisition, approximately 40% of our sales are made pursuant to multi-year contracts and 60% pursuant to one-year contracts. Furthermore, the majority of our sales are being made under arrangements with our customers that include mechanisms which help to protect us from volatility in input costs. Specifically, such arrangements include (i) multi-year contracts that include input cost pass-through and/or margin maintenance provisions and (ii) one-year contracts that allow us to negotiate pricing levels for our products on an annual basis at the same time as we lock in our input costs for the relevant year.

- ***Technical leadership and innovation.*** Ardagh Packaging has superior technology and manufacturing capabilities including a high standard of product and process development and extensive knowledge of both the glass and metal packaging industries. Ardagh Packaging, through its internal glass engineering and metal engineering units, continually seeks to improve the quality of its products and processes through focused investment in new technology and has achieved industry leading accreditations. Through its design and research and development capabilities, range of machine configurations and high degree of flexibility, Ardagh Packaging has been able to meet the diverse design needs of customers and to face shifting industry requirements.

  In terms of innovation in Glass Packaging, the focus has been on product as well as process, which has been the driving force in the technological advances made in, for example, container lightweighting. As well as reducing costs, this has had significant environmental benefits in reducing the use of raw materials and energy. Metal Packaging has significant expertise in the production of value-added metal packaging, made from either tinplate or aluminum, with features such as high-quality graphic designs, a wide range of shapes and sizes and special convenience features, such as easy-open ends and Easy Peel® and Easip® peelable lids.

- ***Proven ability to execute strategic acquisitions and integrate acquired businesses, and strong base for further expansion.*** Both Glass Packaging and Metal Packaging have grown through a series of acquisitions over the past decade, and both have been successful at integrating these acquired businesses. The Rexam Acquisition resulted in approximately doubling the size of Glass Packaging based on sales volume, significantly expanding its operations in Germany and Poland and entering into new markets in the Nordic and Benelux regions. Glass Packaging also previously acquired and efficiently integrated companies such as Heye Holding, Huta Szkla Ujście ("HSU") and Redfearn, and Metal Packaging previously acquired and efficiently integrated companies such as PAK, Alcan May Verpackungen, USC Europe, Amcor's can-making interests in Australia and New Zealand and Megasa's Vilagarcia plant. These acquisitions resulted in Ardagh Packaging's expansion into new and existing markets and generated significant cost savings, synergies and revenue growth. While the combined business has leading positions in many markets, it still holds only a relatively small share of the global market in glass and metal packaging. As a result, Ardagh Packaging believes there is significant opportunity for further growth and it intends to take advantage of these opportunities.

- ***Experienced and highly focused management team with a proven track record.*** Ardagh Packaging's management team is highly experienced with strong backgrounds in the glass and metal packaging industry. The members of our senior team have demonstrated their ability to manage costs, adapt to changing market conditions and acquire and successfully integrate new businesses, as shown by the growth of both Glass Packaging and Metal Packaging over the past decade through a series of acquisitions. As of September 30, 2010, our senior management (including directors of Ardagh Group S.A., other than Paul Coulson) collectively owned directly approximately 21% of the total share capital of Ardagh Group S.A.

Our Business Strategy

The principal objective of Ardagh Packaging's business strategy is to increase the value of Ardagh Packaging's businesses through growth in its core areas and through organic growth as well as opportunistic, strategic expansion. Ardagh Packaging is pursuing this objective through the following strategies:

- ***Maintain a disciplined earnings and cash-flow oriented approach.*** We carefully assess the potential for earnings and cash flow stability and growth when we evaluate the performance of our operations, new investment opportunities and, selectively, prospective acquisitions. In managing our businesses we consistently seek to improve our efficiency, control costs and preserve cash flows. We have consistently focused on decreasing total costs through staffing reductions, machine line rationalization and investments in advanced technology, and we intend to apply this approach to the businesses acquired in the Impress Acquisition. In response to the present economic environment, we will continue to take decisive actions to reduce costs, preserve cash and rationalize our manufacturing base.

- ***Continue to apply advanced technology and technical expertise to improve quality, service, profitability and cash flow.*** Our goal is to be the most profitable producer in the markets in which we operate, with a low cost base, highly efficient machinery, strong technological expertise and a highly motivated workforce. Through the deployment of leading technology, including its internal engineering capabilities, we intend to increase productivity through the continuing development and transfer of expertise and best practices across its operations.

- ***Improve product mix and diversify customer base.*** Ardagh Packaging has and will continue to improve its product mix by replacing lower margin business with higher margin business as opportunities arise. It will continue to develop long-term customer partnerships and selectively pursue business arrangements with customers that will provide it with growth opportunities.

- ***Successfully integrate Impress with existing Ardagh operations.*** The primary focus of Ardagh's management is to successfully integrate the businesses acquired in the Impress Acquisition into the existing Ardagh operations. We believe that the Impress Acquisition will provide us with opportunities to achieve greater operating efficiencies.

- ***Carefully evaluate and pursue strategic opportunities.*** Ardagh Packaging combines the businesses of two successful consolidators in their respective industries. It has achieved its current market position by pursuing strategic opportunities, while maintaining profitability rather than pursuing market share gains at the expense of operating margins. Ardagh Packaging will continue to consider acquiring businesses in line with its strategic objectives, which include the realization of attractive returns on investment and the generation of significant free cash flow. Ardagh may selectively explore business opportunities for establishing operations in new markets to meet the geographic and other needs of current and potential customers. In line with this strategy, we are currently evaluating a number of specific acquisition opportunities. Some of these acquisition opportunities, if consummated, could be material to our operations. However, we are not party to any agreement to complete any such acquisition and may ultimately decide not to complete any of these prospective transactions. In addition, it is our intention to pursue an initial public offering of Ardagh in the medium term.

Recent Developments and Trading Update

On December 7, 2010, we completed the acquisition of Impress Coöperatieve U.A. (the "Impress Acquisition"). The total purchase price for the Impress Acquisition was €1.7 billion, comprising an equity acquisition price of €380.0 million, and assumed liabilities of €1.3 billion, including net debt, C Interests and pension liabilities. Concurrently with the completion of the Impress Acquisition, we repaid the outstanding amounts under the Anglo Irish Credit Facilities in full and refinanced most of Impress's existing indebtedness.

Concurrently with the completion of the Impress Acquisition, we also entered into the Revolving Credit Facility, which is comprised of an €100.0 million senior revolving credit facility for general corporate and working capital requirements of the Group. See "Description of Other Indebtedness—Revolving Credit Facility."

Since the closing of the Impress Acquisition on December 7, 2010, we have commenced integrating the Acquired Business into the existing corporate, operational and financial structures of the Group and selectively reorganizing the Acquired Business to achieve operational and other synergies and efficiencies. These integration initiatives relate to, among other things, the sales and marketing, distribution, finance, information technology systems and administration operations of the Acquired Business.

Our expectations regarding operating and financial performance in the fourth quarter of 2010 (which are currently based on internal management estimates and are subject to confirmation in our annual report for 2010) are as follows:

- revenues and EBITDA on a combined basis to be in line with those of the fourth quarter of 2009;
- cash flow generation in the fourth quarter of 2010 to be better than expected and the year-end net debt position to be lower than expected;
- capital expenditures for the full year 2010 to be in line with our expectations and estimated at €180 million; and
- 2010 year-end liquidity position to be better than expected.

The Issuer

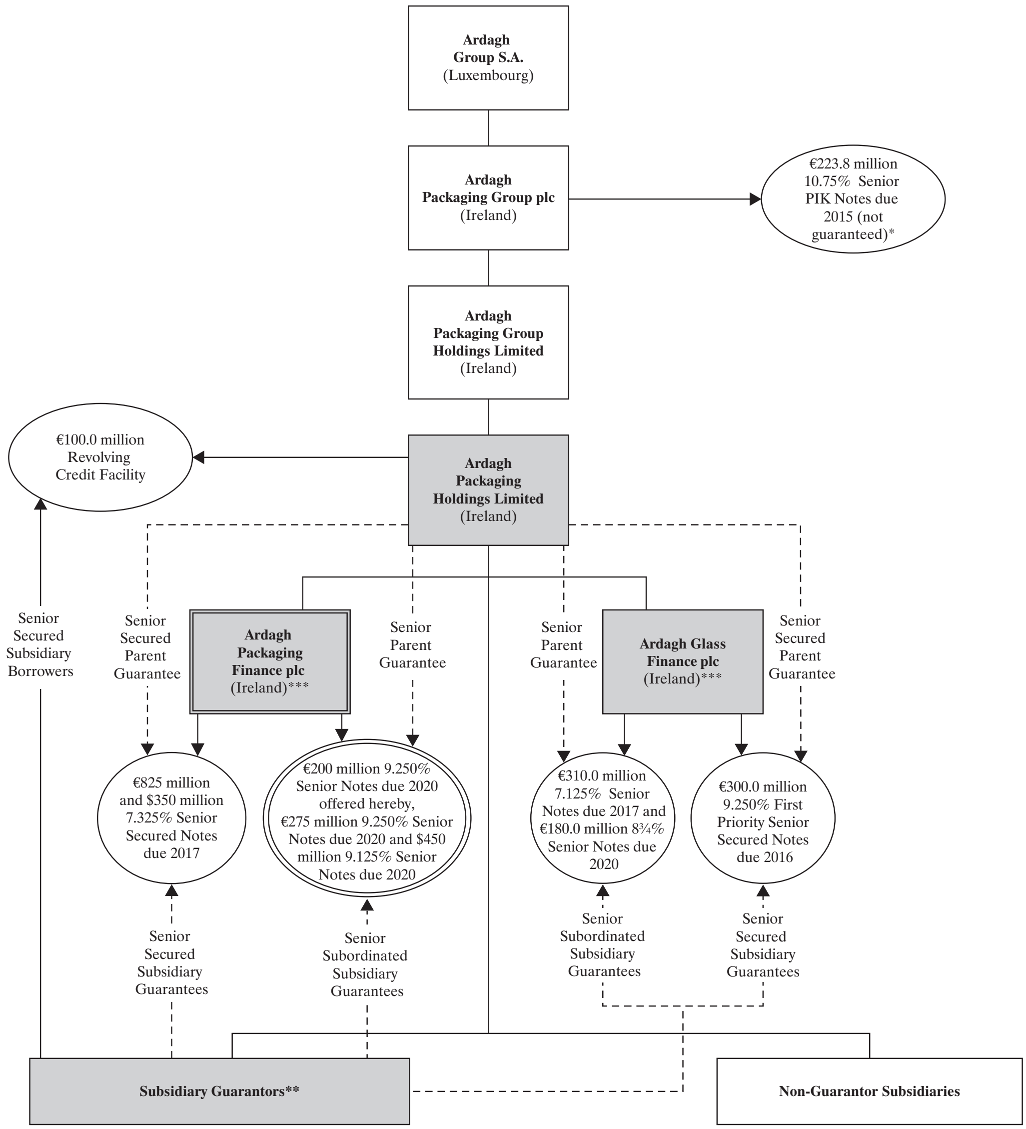
The Issuer is a public limited company, incorporated under the laws of Ireland, with its principal and registered office at 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland. The Issuer is a finance company. On October 8, 2010, the Issuer issued the 2010 Senior Secured Notes, the Original Senior Notes, and the Dollar Denominated Senior Notes. The proceeds were on lent by the Issuer to the Group and thereafter used to fund the Impress Acquisition and the Refinancing. All of the Issuer's share capital is currently owned beneficially by Ardagh Packaging Holdings Limited.

The telephone number of the Issuer is +353 1 6052400.

CORPORATE AND FINANCING STRUCTURE

The following diagram gives an overview of the corporate and financing structure of the Group and its subsidiaries, including the issuance of the Additional Senior Notes offered hereby and the application of the net proceeds therefrom. See "Use of Proceeds." For a summary of the material financing arrangements identified in this diagram, see "Description of Other Indebtedness" and "Description of the Senior Notes."

The Senior Notes will be guaranteed on a senior basis by the Parent Guarantor and on a senior subordinated basis by the Subsidiary Guarantors.



* Includes capitalized interest as reflected on the balance sheet as of September 30, 2010.

** Ardagh estimates that the Guarantors would have accounted for approximately 85% of the aggregated total assets, 83% of the aggregated total revenues and 88% of the aggregated EBITDA of the Group, as of and for the twelve months ended December 31, 2009 on a pro forma basis after giving effect to the Impress Acquisition, including intercompany eliminations.

*** The Issuer has guaranteed the payment of all amounts due under the 2009 Senior Secured Notes, the 2007 Senior Notes and the January 2010 Senior Notes. Ardagh Glass Finance plc has guaranteed the payment of all amounts due under the October 2010 Notes, the 2010 Senior Secured Notes and the Additional Senior Notes.

As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, we would have had:

- total debt, including secured debt, of the Subsidiary Guarantors of €2,696.8 million, of which €1,095.3 million (excluding the Subsidiary Guarantees of the Additional Senior Notes) would rank equally in right of payment to the Subsidiary Guarantees; and
- total debt of the Subsidiary Guarantors that is senior in right of payment to the Subsidiary Guarantees of €1,401.5 million.

See "Unaudited Pro Forma Consolidated Financial Information."

In addition, as of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, we would have had total retirement benefit obligations of approximately €230.2 million. In certain jurisdictions, these obligations may rank senior to the Guarantees of the Senior Notes in a bankruptcy of the relevant guarantor as a matter of law.

As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, our non-guarantor subsidiaries, all of which will be "Restricted Subsidiaries" for purposes of the Indenture, would have had:

- €67.3 million of total debt; and
- aggregated trade payables and deferred taxes of €166.8 million.

THE OFFERING

The following summary contains basic information about the Additional Senior Notes. It may not contain all the information that is important to you. For a more complete understanding of the Additional Senior Notes, please refer to the section of this Offering Memorandum entitled "Description of the Senior Notes," and particularly to those subsections to which we have referred you. Terms used in this summary and not otherwise defined have the meanings given to them in "Description of the Senior Notes."

Issuer	Ardagh Packaging Finance plc.
Additional Senior Notes Offered	€200,000,000 aggregate principal amount of Additional Senior Notes.
Maturity	October 15, 2020.
Interest	9.250% per annum, payable semi-annually in arrears on each April 15 and October 15, beginning on April 15, 2011. Interest on the Additional Senior Notes will accrue from October 8, 2010.
Guarantees	The Original Senior Notes are, and upon their issuance the Additional Senior Notes will be, guaranteed on a senior basis by the Parent Guarantor and on a senior subordinated basis by the Initial Subsidiary Guarantors. On or prior to February 7, 2011, the Senior Notes (including the Additional Senior Notes) will also be guaranteed by the Additional Subsidiary Guarantors, subject to the Agreed Security Principles. Ardagh estimates that the Guarantors would have accounted for approximately 85% of the aggregated total assets, 83% of the aggregated total revenues and 88% of the aggregated total EBITDA of the Group, as of and for the twelve months ended December 31, 2009 on a pro forma basis for the Impress Acquisition, including intercompany eliminations.
Ranking	The Senior Notes (including the Additional Senior Notes) are general obligations of the Issuer and: • rank equally in right of payment with all existing and future unsecured indebtedness of the Issuer that is not subordinated in right of payment to the Senior Notes; • rank senior in right of payment to any and all of the existing and future indebtedness of the Issuer that is subordinated in right of payment to the Senior Notes; and • are effectively subordinated to any secured indebtedness of the Issuer to the extent of the value of the assets securing such debt including the Existing Secured Notes and the Revolving Credit Facility.

The Parent Guarantee is the general unsecured obligation of the Parent Guarantor and:

- ranks equally in right of payment with all existing and future indebtedness of the Parent Guarantor that is not subordinated in right of payment to the Parent Guarantee;
- ranks senior in right of payment to any and all of the existing and future indebtedness of the Parent Guarantor that is subordinated in right of payment to the Parent Guarantee;
- is effectively subordinated to any secured debt of the Parent Guarantor to the extent of the value of the assets securing such debt, including its obligations as borrower or guarantor under the Existing Secured Notes and the Revolving Credit Facility;
- is structurally subordinated to all existing and future indebtedness of any of the Parent Guarantor's subsidiaries that do not guarantee the Senior Notes; and
- is not subject to the restrictions on enforcement applicable to each Subsidiary Guarantee.

Each Subsidiary Guarantor's Subsidiary Guarantee is the general unsecured obligation of such Subsidiary Guarantor and:

- is subordinated in right of payment to any existing or future senior indebtedness of such Subsidiary Guarantor, including, without limitation, its obligations as borrower or guarantor under the Existing Secured Notes and the Revolving Credit Facility;
- ranks equally in right of payment with all existing and future indebtedness of such Subsidiary Guarantor that is not subordinated (and is not senior) in right of payment to its Subsidiary Guarantee (including such Subsidiary Guarantor's guarantee of the Existing Unsecured Notes);
- ranks senior in right of payment to any and all of the existing and future indebtedness of such Subsidiary Guarantor that is subordinated in right of payment to its Guarantee;
- is effectively subordinated to any *pari passu* secured debt of the Subsidiary Guarantor to the extent of the value of the assets securing such debt;
- is effectively subordinated to all existing and future indebtedness of such Subsidiary Guarantor's non-guarantor subsidiaries; and
- is subject to certain restrictions on enforcement, including a standstill period of up to 179 days following an event of default under designated senior debt. The obligations under

the Subsidiary Guarantors' Subsidiary Guarantees will not become due during this standstill period.

See "Description of the Senior Notes—Ranking of the Notes and the Guarantees; Subordination."

As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, the Subsidiary Guarantors would have had total senior debt (before deducting deferred financing costs) of €1,401.5 million and €1,095.3 million of debt that would rank equally with the Subsidiary Guarantees (excluding the Subsidiary Guarantees of the Additional Senior Notes). In addition, as of the same date, Ardagh's non-guarantor subsidiaries, all of which are Restricted Subsidiaries, would have had €67.3 million debt and aggregated trade payables and deferred taxes of €166.8 million.

Optional Redemption . . . . At any time prior to October 15, 2015, the Issuer may redeem the Senior Notes at 100% of their principal amount plus accrued and unpaid interest, if any, and any other amounts payable thereon, to the dates of redemption, plus the Applicable Redemption Premium, as defined under "Description of the Senior Notes—Optional Redemption—Optional Redemption prior to October 15, 2015."

At any time on or after October 15, 2015, the Issuer may also redeem all or part of the Senior Notes at the redemption prices listed under "Description of the Senior Notes—Optional Redemption—Optional Redemption on or after October 15, 2015."

At any time prior to October 15, 2013, the Issuer may redeem up to 35% of the aggregate principal amount of the Senior Notes with the net cash proceeds of certain equity offerings at the redemption price listed under "Description of the Senior Notes—Optional Redemption—Optional Redemption prior to October 15, 2013 upon Public Equity Offering."

For a more detailed description, see "Description of the Senior Notes—Optional Redemption."

Restrictive Covenants . . . . The Indenture contains covenants that restrict the ability of the Parent Guarantor and its Restricted Subsidiaries to:

- incur more debt;
- pay dividends, repurchase stock and make distributions of certain other payments;
- create liens;
- enter into sale and leaseback transactions;

	• enter into transactions with affiliates; and • transfer or sell assets. For a more detailed description of these covenants, see "Description of the Senior Notes—Certain Covenants." These covenants are subject to a number of important qualifications and exceptions.
Change of Control	In the event of a "change of control" as defined in the Indenture ("Change of Control"), the Issuer will be obligated to make an offer to purchase all outstanding Senior Notes at a redemption price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase. See "Description of the Senior Notes—Purchase of Notes upon a Change of Control."
Amendments and Waivers	The Senior Notes and the Dollar Denominated Senior Notes will vote as a single class for purposes of amendments and waivers under the Indenture except certain amendments and waivers.
Transfer Restrictions	We have not registered the Senior Notes (including the Additional Senior Notes) or the related Guarantees under the U.S. Securities Act. You may only offer or sell Senior Notes in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act. See "Notice to Investors."
Use of Proceeds	The net proceeds from the issuance and sale of the Additional Senior Notes will be used for general corporate purposes (which may include acquisitions in the near and medium term).
Trustee	Citibank, N.A., London Branch.
Principal Paying Agent and Transfer Agent	Citibank, N.A., London Branch.
Irish Stock Exchange Listing Agent . .	Davy.
Listing	Application has been made for listing particulars to be approved by the Irish Stock Exchange and for the Additional Senior Notes to be admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market. The Original Senior Notes have been admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market.
Governing Law	The Senior Notes and the Indenture are governed by the laws of the State of New York.
Risk Factors	Investing in the Additional Senior Notes involves risks. You should carefully consider the information under the caption "Risk Factors" and the other information included in this Offering Memorandum before deciding on whether to invest in the Additional Senior Notes.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA OF ARDAGH

The following table sets forth Ardagh's summary financial data and other data for the periods ended and as of the dates indicated below. The historical financial data presented in the following table do not reflect changes as a result of the Refinancing, the Impress Acquisition or the issuance of the Additional Senior Notes. The historical profit and loss account data for the year 2007 only partially reflect changes as a result of the Rexam Acquisition which occurred on June 21, 2007. For a detailed discussion of the presentation of financial data, see "Presentation of Financial and Other Data."

We have derived the summary consolidated financial data for the financial years ended and as of December 31, 2009, 2008 and 2007, from the audited non-statutory consolidated financial statements of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) included elsewhere in this Offering Memorandum.

We have derived the summary unaudited consolidated financial data for the nine-month periods ended and as of September 30, 2010 and 2009 from the unaudited consolidated interim financial information of Ardagh Packaging Holdings Limited included elsewhere in this Offering Memorandum.

The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 set forth below was derived by adding the consolidated financial data of Ardagh for the year ended December 31, 2009 to the consolidated financial data of Ardagh for the nine months ended September 30, 2010 and subtracting the consolidated financial data of Ardagh for the nine months ended September 30, 2009. The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date.

The financial statements contained herein were prepared in accordance with IFRS. The summary financial data and other data should be read in conjunction with "Selected Consolidated Financial and Other Data of Ardagh," "Operating and Financial Review and Prospects" and the financial statements and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results. In addition, our results for the nine months ended and as of September 30, 2010 should not be regarded as indicative of our results expected for the year ended December 31, 2010.

	Audited Consolidated Year ended and as of December 31,			Unaudited Consolidated Nine months ended and as of September 30,		Unaudited Consolidated Twelve months ended and as of September 30,
	2009	2008	2007*	2010	2009	2010
	(in € millions, except ratios and where indicated)					
Income Statement Data						
Revenues	1,235.8	1,357.2	1,025.0	933.2	935.2	1,233.8
Cost of sales	(1,081.2)	(1,178.1)	(887.6)	(761.9)	(825.9)	(1,017.2)
IFRS non-cash stock adjustment**	—	—	(13.8)	—	—	—
Gross profit	154.6	179.1	123.6	171.3	109.3	216.6
Sales, general and administration expenses	(63.1)	(73.7)	(57.6)	(53.0)	(47.1)	(69.0)
Exceptional items(1)	(68.1)	(25.2)	(8.9)	(9.8)	(50.5)	(27.4)
Operating profit/(loss)	23.4	80.2	57.1	108.5	11.7	120.2
Net finance expense	(74.3)	(84.0)	(53.0)	(66.8)	(57.3)	(83.8)
Share of profit of joint venture	0.7	0.8	0.3	0.2	0.4	0.5
(Loss)/profit before tax	(50.2)	(3.0)	4.4	41.9	(45.2)	36.9
Income tax (expense)/credit	(1.8)	6.5	0.2	(11.1)	(1.3)	(11.6)
(Loss)/profit for the period	(52.0)	3.5	4.6	30.8	(46.5)	25.3
Balance Sheet Data						
Cash and cash equivalents	120.8	61.9	62.6	82.0	84.8	82.0
Working capital(2)	266.8	281.1	230.2	291.9	289.8	291.9
Total assets	1,342.2	1,342.9	1,400.8	1,352.1	1,349.9	1,352.1
Total borrowings(3)	987.0	958.0	935.2	966.5	990.8	966.5
Total equity	(42.8)	31.2	105.2	(31.2)	(13.5)	(31.2)

	Unaudited Consolidated Year ended and as of December 31,			Unaudited Consolidated Nine months ended and as of September 30,		Unaudited Consolidated Twelve months ended and as of September 30,
	2009	2008	2007*	2010	2009	2010
	(in € millions, except ratios and where indicated)					
Other Data						
Gross margin(4)	12.5%	13.2%	13.4%	18.4%	11.7%	17.6%
EBITDA	235.0	262.1	180.2	201.3	172.2	264.1
EBITDA margin(5)	19.0%	19.3%	17.6%	21.6%	18.4%	21.4%
Depreciation(6)	143.5	156.7	100.4	83.0	110.0	116.5
Net interest costs(7)	77.7	74.6	53.2	63.4	56.6	84.5
Capital expenditure	100.5	128.8	99.4	67.6	75.8	92.3
Net borrowings(8)	840.5	874.8	845.5	858.7	874.4	858.7
Ratio of net borrowings to EBITDA(5)(8)	3.6x	3.3x	4.7x	—	—	3.3x
Ratio of EBITDA to net interest costs(5)(7)	3.0x	3.5x	3.4x	3.2x	3.0x	3.1x

* The historical financial data for the year 2007 reflect the effects of the Rexam Acquisition only from June 21, 2007.

** IFRS non-cash stock adjustment—This adjustment arose as a result of the fair value exercise carried out in accordance with IFRS 3 Business Combinations. This adjustment had the effect of writing up the value of the inventory of the acquired glass division of Rexam plc, such that there was no profit element recognized when this inventory was subsequently sold to customers post-acquisition. The full stock uplift was released in the third quarter of 2007 as all acquired inventory was sold in this period.

(1) Exceptional items includes items identified as other income and expenses in Ardagh's financial statements for the fiscal years ended December 31, 2009, 2008 and 2007.

The following table is a bridge between exceptional items as presented in the table above and items as presented in the columnar presentation of the income statement in the consolidated financial statements of Ardagh included in this Offering Memorandum.

	Audited Consolidated			Unaudited Consolidated		
	Year ended and as of December 31,			Nine months ended and as of September 30,		Twelve months ended and as of September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Cost of sales	(11.6)	(0.3)	—	4.4	(2.1)	(5.1)
Sales, general and administrative expenses	(48.1)	(24.9)	(8.9)	(5.8)	(41.1)	(12.8)
Net finance expense	(8.4)	—	—	(8.4)	(7.3)	(9.5)
Exceptional items	(68.1)	(25.2)	(8.9)	(9.8)	(50.5)	(27.4)

(2) Working capital is made up of inventories, trade and other receivables, and trade and other payables.

(3) Total borrowings includes all bank borrowings as well as vendor loan notes, subordinated loan notes and deferred consideration loan notes, before deduction of any unamortized debt issuance costs or premium on debt issuance above par.

(4) Gross margin is calculated as gross profit excluding exceptional items divided by revenues.

The reconciliation of gross profit is as follows:

	Audited Consolidated			Unaudited Consolidated		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Gross profit	154.6	179.1	123.6	171.3	109.3	216.6
Add back IFRS non-cash stock adjustment	—	—	13.8	—	—	—
Gross profit excluding other items	154.6	179.1	137.4	171.3	109.3	216.6

(5) EBITDA is operating profit before depreciation, amortization, exceptional items and non-cash items. EBITDA margin is calculated as EBITDA divided by revenues. EBITDA and EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the glass packaging industry. However, other companies may calculate EBITDA and EBITDA margin in a manner different from ours. EBITDA and EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of operating profit/(loss) to EBITDA is as follows:

	Audited Consolidated			Unaudited Consolidated		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007*	2010	2009	2010
	(in € millions)					
Group operating profit/(loss)	23.4	80.2	57.1	108.5	11.7	120.2
Add back depreciation and amortization	143.5	156.7	100.4	83.0	110.0	116.5
Add back IFRS non-cash stock adjustment	—	—	13.8	—	—	—
Add back exceptional items	68.1	25.2	8.9	9.8	50.5	27.4
EBITDA	235.0	262.1	180.2	201.3	172.2	264.1

* The historical financial data for the year 2007 reflect the effects of the Rexam Acquisition only from June 21, 2007.

(6) Depreciation less capital grant amortization.

(7) Net interest costs represent net finance expense excluding interest cost on pension plan liabilities, foreign exchange gains and losses, expected return on pension plan assets, gains and losses on derivatives not designated as hedges and gains and losses on extinguishment of borrowings.

(8) Net borrowings equal total borrowings, plus premium on debt issuance above par, less cash and deferred financing costs.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA OF THE ACQUIRED BUSINESS

The following table sets forth the Acquired Business's summary financial and other data for the periods ended and as of the dates indicated below. The historical financial data presented in the following table do not reflect changes as a result of the Impress Acquisition, the Refinancing or the issuance of the Additional Senior Notes. For a detailed discussion of the presentation of financial data, see "Presentation of Financial and Other Data."

We have derived the summary consolidated financial data for the financial years ended and as of December 31, 2009, 2008 and 2007 from the audited non-statutory consolidated financial statements of Impress Coöperatieve U.A. and its subsidiaries included elsewhere in this Offering Memorandum.

We have derived the summary interim unaudited consolidated financial data for the nine-month periods ended and as of September 30, 2010 and 2009 from the interim unaudited consolidated financial information of Impress Coöperatieve U.A. and its subsidiaries included elsewhere in this Offering Memorandum.

The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 set forth below was derived by adding the consolidated financial data of Impress Coöperatieve U.A. for the year ended December 31, 2009 to the consolidated financial data of Impress Coöperatieve U.A. for the nine months ended September 30, 2010 and subtracting the consolidated financial data of Impress Coöperatieve U.A. for the nine months ended September 30, 2009. The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date.

The financial statements contained herein were prepared in accordance with IFRS. The summary financial data and other data should be read in conjunction with "Selected Consolidated Financial and Other Data of the Acquired Business," "Operating and Financial Review and Prospects" and the financial statements of Impress Coöperatieve U.A. and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results. In addition, our results for the nine months ended and as of September 30, 2010 should not be regarded as indicative of the Acquired Business's or our results expected for the year ending December 31, 2010.

	Audited Consolidated			Unaudited Consolidated		
	Year ended and as of December 31,			Nine months ended and as of September 30,		Twelve months ended and as of September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions, except ratios and where indicated)					
Income Statement Data						
Revenues	1,756.2	1,731.7	1,635.4	1,375.1	1,351.3	1,780.0
Cost of sales(1)	(1,491.4)	(1,485.0)	(1,410.0)	(1,130.3)	(1,149.4)	(1,472.3)
Gross profit	264.8	246.7	225.4	244.8	201.9	307.7
Sales, general and administration expenses(2)	(84.7)	(80.7)	(75.5)	(66.2)	(64.1)	(86.8)
Exceptional items(3)	(61.4)	(37.2)	(43.4)	(36.3)	(27.5)	(70.2)
Operating profit/(loss)	118.7	128.8	106.5	142.3	110.3	150.7
Net finance expense	(96.0)	(103.8)	(102.4)	(65.7)	(69.5)	(92.2)
(Loss)/profit before tax	22.7	25.0	4.1	76.6	40.8	58.5
Income tax expense	(5.6)	(8.4)	(10.7)	(24.3)	(12.9)	(17.0)
(Loss)/profit for the period	17.1	16.6	(6.6)	52.3	27.9	41.5
Balance Sheet Data						
Cash and cash equivalents	188.4	97.6	53.2	89.8	105.3	89.8
Working capital	151.7	172.1	188.1	219.7	259.3	219.7
Total assets	1,535.2	1,442.1	1,443.1	1,565.9	1,538.8	1,565.9
Total borrowings	1,099.4	1,067.5	1,071.4	1,117.0	1,108.0	1,117.0
Total equity	(262.5)	(303.6)	(296.3)	(276.5)	(260.5)	(276.5)

	Unaudited Consolidated			Unaudited Consolidated		
	Year ended and as of December 31,			Nine months ended and as of September 30,		Twelve months ended and as of September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions, except ratios and where indicated)					
Other Data						
Gross margin	15.1%	14.2%	13.8%	17.8%	14.9%	17.3%
EBITDA(4)	247.0	233.2	217.9	230.7	187.5	290.2
EBITDA margin	14.1%	13.5%	13.3%	16.8%	13.9%	16.3%
Depreciation(5)	66.9	67.2	68.0	52.1	49.7	69.3
Net interest costs(6)	83.5	97.7	88.3	53.6	59.1	78.0
Capital expenditure	82.2	90.7	103.5	67.2	52.5	96.9
Net borrowings(7)	895.6	942.5	986.2	1,014.4	979.5	1,014.4
Ratio of net borrowings to EBITDA	3.6x	4.0x	4.5x	—	—	3.5x
Ratio of EBITDA to net interest costs	3.0x	2.4x	2.5x	4.3x	3.2x	3.7x

(1) Cost of sales equals cost of sales plus the portion of depreciation and amortization allocable to cost of sales.

(2) Sales, general and administrative expenses equals (a) selling and administrative expenses excluding Contingent Transaction Charges plus (b) research expenses plus (c) other operating (expense)/income plus (d) the portion of depreciation and amortization allocable to selling and administrative expenses and research expenses.

(3) Exceptional items as outlined in footnote (4) below.

(4) EBITDA is operating profit before depreciation, amortization, exceptional items and non-cash items. EBITDA margin is calculated as EBITDA divided by revenues. EBITDA and EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the metal packaging

industry. However, other companies may calculate EBITDA and EBITDA margin in a manner different from ours. EBITDA and EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of operating profit is as follows:

	Audited Consolidated			Unaudited Consolidated		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Operating profit	118.7	128.8	106.5	142.3	110.3	150.7
Add back depreciation and amortization	66.9	67.2	68.0	52.1	49.7	69.3
Exceptional items:						
Add back restructuring expenses	28.2	27.5	16.3	8.7	11.3	25.6
Add back impairment charges	11.3	7.3	12.3	1.8	(0.2)	13.3
Add back Contingent Transaction Charges(i)	21.9	2.4	14.8	17.1	16.4	22.6
Add back other exceptional items(ii)	—	—	—	8.7	—	8.7
EBITDA	247.0	233.2	217.9	230.7	187.5	290.2

(i) Included in sales, general and administrative expenses in the audited consolidated financial statements of Impress.

(ii) Represents the write-off of expenses related to a potential initial public offering of the Acquired Business, which was abandoned as a result of the Impress Acquisition.

(5) Historically the Acquired Business has elected to present depreciation and amortization separately on the face of the income statement in its consolidated financial information. In the income statement data above, depreciation and amortization has been allocated by function of expense as follows:

	Audited Consolidated			Unaudited Consolidated		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Depreciation and amortization						
Cost of sales	60.8	62.8	64.0	46.6	45.6	61.8
Selling and administrative expense	1.5	1.1	1.1	2.1	1.1	2.5
Research expense	4.6	3.3	2.9	3.4	3.0	5.0
	66.9	67.2	68.0	52.1	49.7	69.3

(6) Net interest costs represent net finance expense excluding interest cost on pension plan liabilities, foreign exchange gains and losses, expected return on pension plan assets, gains and losses on derivatives not designated as hedges and gains and losses on extinguishment of borrowings.

(7) Net borrowings equal total borrowings, plus premium on debt issuance above par, less cash and deferred financing costs.

SUMMARY UNAUDITED PRO FORMA COMBINED FINANCIAL AND OTHER DATA

Under IFRS 3, Revised "Business Combinations," all business combinations should be accounted for by applying the purchase method of accounting. This involves measuring the cost of the business combination and allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Impress Acquisition was completed on December 7, 2010. Ardagh is currently evaluating the fair values of the assets and liabilities acquired as at the date of the Impress Acquisition. Thus, we are currently not in a position to measure fair values and make related adjustments to recorded values of the assets and liabilities of the Acquired Business as at September 30, 2010. As part of the evaluation, we will measure fair values and make any necessary adjustments to recorded values of the costs and liabilities of the Acquired Business. Ardagh currently expects that the majority of the adjustments will result in adjustments to fixed asset values, the creation of intangibles and goodwill, and an increase in the fair value of inventory. The adjustments to fixed assets and intangibles are likely to result in additional charges for the depreciation of fixed assets and the amortization of intangibles, which will have a negative effect on operating profit. Similarly, the adjustment to inventory will result in a corresponding increase in cost of sales which will be recognized and reduce operating profit during the period in which the acquired inventory is sold on a one-off basis. None of these effects from the application of purchase accounting to the Impress Acquisition has been reflected in the summary pro forma information set forth below or the pro forma information that appears elsewhere in this Offering Memorandum. The excess of consideration over net assets has been included in the unallocated goodwill line for purposes of the summary pro forma financial information set forth below and the pro forma information that appears elsewhere in this Offering Memorandum.

The summary pro forma financial information set forth below has not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities and Exchange Act of 1934 or U.S. GAAP. Neither the adjustments nor the resulting pro forma financial information has been audited in accordance with International Standards on Auditing (U.K. and Ireland) or U.S. GAAS. In evaluating the pro forma financial information you should carefully consider the audited financial statements of Ardagh Packaging Holdings Limited and the notes thereto.

The summary pro forma information set forth below has been prepared to show the balance sheet and income statement of Ardagh when added to the balance sheet and income statement of the Acquired Business, with limited adjustments for the effect of the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes. This aggregated data should therefore not be relied on to reflect what our revenues or EBITDA would have looked like had the Impress Acquisition occurred on October 1, 2009. Aggregated revenues and aggregated EBITDA are not measurements of financial performance under IFRS and should not be considered as such.

The following unaudited pro forma income statement information for the twelve months ended September 30, 2010 give effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes as if they had occurred at October 1, 2009. The following unaudited pro forma balance sheet information as of September 30, 2010 give effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes as if they had occurred on September 30, 2010. This unaudited pro forma financial information is based on available information and various assumptions, including with respect to prevailing market interest rates and average outstanding balances on revolving credit facilities, that management believes are reasonable. However, it does not purport to represent what our actual net finance costs would have been had we in fact completed the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes on the dates set forth above or to project our results of operations or financial condition for any future period or as of any date, respectively.

The summary unaudited pro forma combined financial and other data set forth below should be read in conjunction with the historical consolidated financial statements and notes thereto of Ardagh and Impress, respectively, included elsewhere in this Offering Memorandum, "Unaudited Pro Forma Consolidated Financial Information" and "Operating and Financial Review and Prospects."

	For the twelve months ended and as of September 30, 2010				
	Ardagh	Acquired Business	Impress Acquisition and Refinancing Adjustments	Additional Senior Notes Adjustments	Pro Forma Financial Data
	(in € millions, except ratios and where indicated)				
Income Statement Data					
Revenues	1,233.8	1,780.0	—	—	3,013.8
Cost of sales	(1,017.2)	(1,472.3)	—	—	(2,489.5)
Gross profit	216.6	307.7	—	—	524.3
Sales, general and administration expenses	(69.0)	(86.8)	—	—	(155.8)
Exceptional items	(27.4)	(70.2)	(33.4)[(1)]	—	(131.0)
Operating profit/(loss)	120.2	150.7	(33.4)	—	237.5
Net finance expense	(83.8)	(92.2)	(42.1)[(2)]	(18.9)[(3)]	(237.0)
Share of profit of joint venture	0.5	—	—	—	0.5
(Loss)/profit before tax	36.9	58.5	(75.5)	(18.9)	1.0
Income tax expense	(11.6)	(17.0)	—	—	(28.6)
(Loss)/profit for the period	25.3	41.5	(75.5)	(18.9)	(27.6)
Balance Sheet Data					
Cash and cash equivalents	82.0	89.8	(126.8)[(4)]	207.7[(5)]	252.7
Working capital[(6)]	291.9	219.7	—	—	511.6
Total assets	1,352.1	1,565.9	565.3	207.7	3,691.0
Total borrowings[(7)]	966.5	1,117.0	480.6[(7)]	200.0[(7)]	2,764.1
Total equity	(31.2)	(276.5)	243.0	—	(64.7)
Other Data					
Gross margin[(8)]	17.6%	17.3%	—	—	17.4%
EBITDA[(9)]	264.1	290.2	—	—	554.3
EBITDA margin	21.4%	16.3%	—	—	18.4%
Depreciation	116.5	69.3	—	—	185.8
Net interest costs	84.5	78.0	55.6	18.9	237.0
Capital expenditure	92.3	96.9	—	—	189.2
Net borrowings[(10)]	858.7	1,014.4	560.2[(11)]	—	2,433.3
Ratio of net borrowings to EBITDA	3.3x	3.5x	—	—	4.4x
Ratio of EBITDA to net interest costs	3.1x	3.7x	—	—	2.3x

(1) Adjustment represents the following:

	(in € millions)
Acquisition costs[(a)]	43.2
Loss on debt extinguishment[(b)]	12.8
Reversal of long-term incentive plan expense[(c)]	(22.6)
	33.4

(a) In accordance with IFRS 3 (revised) these estimated acquisition costs are expensed as incurred. The actual acquisition costs will be expensed in the period in which the Impress Acquisition was completed, which was the fourth quarter of 2010.

(b) Represents write-off of historical unamortized debt issuance costs associated with the debt repaid in the Refinancing.

(c) Represents expenses incurred during the period associated with the long-term incentive plan ("LTIP") of the Acquired Business. The LTIP, by its terms, will be paid by the vendor as a result of the Impress Acquisition and it is not management's current intention to replace the LTIP following completion.

(2) Represents the elimination of historical finance expense associated with the debt of Ardagh and the Acquired Business that was repaid and additional finance expense associated with the new debt incurred in connection with the Impress Acquisition and the Refinancing. The additional finance expense includes (a) interest expense on the 2010 Senior Secured Notes and the October 2010 Senior Notes, (b) commitment fees on the undrawn portion of the Revolving Credit Facility and (c) amortization of deferred financing costs associated with this debt.

(3) Represents the interest expense associated with the issuance of the Additional Senior Notes and amortization of deferred financing costs associated with this debt.

(4) Represents a reduction in cash and cash equivalents associated with cash of the combined pro forma balance sheet used to fund the purchase price for the Impress Acquisition.

(5) Represents the net cash proceeds from the issuance of the Additional Senior Notes (excluding the amount of accrued interest from October 8, 2010), after deducting initial purchaser's discounts and commissions and estimated issuance costs and expenses.

(6) Working capital is made up of inventories, trade and other receivables, and trade and other payables.

(7) Total borrowings includes all bank borrowings as well as vendor loan notes, subordinated loan notes and deferred consideration loan notes, before deduction of any unamortized debt issuance costs or premium on debt issuance above par. The amount of €480.6 million represents the increase in total borrowings following the issuance of the 2010 Senior Secured Notes and the October 2010 Senior Notes and the Refinancing. The amount of €200,000,000 excludes the premium on issuance of the Additional Senior Notes above par and the expected unamortised deferred financing cost associated therewith.

(8) Gross margin is calculated as gross profit excluding exceptional items, divided by revenues.

(9) EBITDA is operating profit before depreciation, amortization, exceptional items and non-cash items. EBITDA margin is calculated as EBITDA divided by revenues. EBITDA and EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the glass packaging industry. However, other companies may calculate EBITDA and EBITDA margin in a manner different from ours. EBITDA and EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of pro forma operating profit/(loss) to pro forma EBITDA is as follows:

	Ardagh	Acquired Business		
	Twelve months ended September 30, 2010	**Twelve months ended September 30, 2010**	**Pro Forma Adjustments**	**Pro Forma Financial Data**
		(in € millions)		
Group operating profit/(loss)	120.2	150.7	(22.4)	248.5
Add back depreciation and amortization	116.5	69.3	—	185.8
Add back exceptional items*	27.4	70.2	22.4	120.0
EBITDA	264.1	290.2	—	554.3

* Exceptional items comprise restructuring costs, termination benefits and aborted acquisition and disposal costs and, in respect of the Acquired Business, impairment charges and the Contingent Transaction Charges portion of selling and administrative expenses. See Note 19 to the audited consolidated non-statutory financial statements for the year ended December 31, 2009 and Note 6 to the unaudited consolidated interim financial information for the nine months ended September 30, 2010 of Ardagh Packaging Holdings Limited, for further analysis.

(10) Net borrowings equal total borrowings, plus premium on debt issuance above par, less cash and deferred financing costs.

(11) Reflects the increase in net borrowings following the offering of the 2010 Senior Secured Notes and the October 2010 Senior Notes and the Refinancing. See "Capitalization" and "Description of Other Indebtedness" for a description of the borrowings incurred in connection with the Refinancing.

RISK FACTORS

An investment in the Additional Senior Notes involves a high degree of risk. You should carefully consider the following risks, together with other information provided to you in this Offering Memorandum, in deciding whether to invest in the Additional Senior Notes. The occurrence of any of the events discussed below could materially adversely affect our business, financial condition or results of operations. If these events occur, the trading prices of the Additional Senior Notes could decline, and we may not be able to pay all or part of the interest or principal on the Additional Senior Notes, and you may lose all or part of your investment. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this Offering Memorandum. See "Forward-Looking Statements."

Risks Relating to our Debt, the Additional Senior Notes and the Guarantees

Our substantial debt could adversely affect our financial health and prevent us from fulfilling our obligations under the Additional Senior Notes.

We have a substantial amount of debt and significant debt service obligations. As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, we would have had (i) total debt (before deducting financing costs) of €2,764.1 million, of which €200.0 million would have been debt incurred in this offering; (ii) debt of €1,401.5 million of the Guarantors which would rank senior in right of payment to the Guarantees; and (iii) €2,105.1 million of debt which will mature prior to the maturity of the Senior Notes. As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, our main credit facilities permitted additional borrowings of up to €151.3 million, and all of these borrowings would effectively rank senior to the Senior Notes. See "Unaudited Pro Forma Consolidated Financial Information."

Our substantial debt could have important negative consequences for us and for you as a holder of the Senior Notes. For example, our substantial debt could:

- require us to dedicate a large portion of our cash flow from operations to service debt and fund repayments on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- limit our ability to raise additional debt or equity capital in the future;
- restrict us from making strategic acquisitions or exploiting business opportunities;
- make it difficult for us to satisfy our obligations with respect to the Senior Notes and our other debt; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

In addition, a portion of our debt bears interest at variable rates that are linked to changing market interest rates. Although we may hedge a portion of our exposure to variable interest rates by entering into interest rate swaps, we cannot assure you that we will do so in the future. As a result, an increase in market interest rates would increase our interest expense and our debt service obligations, which would exacerbate the risks associated with our leveraged capital structure.

Our credit facilities contain financial covenants which we could fail to meet.

The Revolving Credit Facility and certain of our other existing credit facilities require, and our future credit facilities may require, the Parent Guarantor and certain of its subsidiaries to satisfy specified financial tests and maintain specified financial ratios and covenants regarding a minimum level of EBITDA to net interest expenses, a minimum level of EBITDA to total debt, and a maximum amount of capital expenditures, all as defined in such credit facilities. See "Description of Other Indebtedness—Revolving Credit Facility."

The ability of the Parent Guarantor and its subsidiaries to comply with these ratios and to meet these tests may be affected by events beyond their control and we cannot assure you that they will continue to meet these tests. The failure of the Parent Guarantor and its subsidiaries to comply with these obligations could lead to a default under these credit facilities unless we can obtain waivers or consents in respect of any breaches of these obligations under these credit facilities. We cannot assure you that these waivers or consents will be granted. A breach of any of these covenants or the inability to comply with the required financial ratios could result in a default under these credit facilities. In the event of any default under these credit facilities, the lenders under these facilities will not be required to lend any additional amounts to us or our operating subsidiaries and could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due thereunder, to be immediately due and payable. In the event of a default, the relevant lenders (and, potentially, the trustee under any of the Existing Notes or the Additional Senior Notes) could also require us to apply all available cash to repay the borrowings or prevent us from making debt service payments on the Existing Notes and the Additional Senior Notes, any of which would be an event of default under these Additional Senior Notes. If the debt under our credit facilities, the Existing Notes or the Additional Senior Notes were to be accelerated, we cannot assure you that our assets would be sufficient to repay such debt in full.

We and our subsidiaries may be able to incur substantially more debt.

Subject to the restrictions in our credit facilities, the Existing Indentures, the Indenture and other outstanding debt, we may be able to incur substantial additional debt in the future, which could also be secured.

As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issue of the Additional Senior Notes, our main credit facilities permitted additional borrowings of up to €151.3 million, and all of these borrowings could be secured and would effectively rank senior to the Guarantees. Although the terms of these credit facilities and the indentures contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and debt incurred in compliance with these restrictions could be substantial. To the extent new debt is added to our currently anticipated debt levels, the substantial leverage related risks described above would increase. See also "—Risks Relating to Our Business—Our expansion strategy may adversely affect our business, financial condition and results of operations."

Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate cash required to service our debt.

Our ability to make scheduled payments on the Senior Notes and to meet our other debt service obligations or refinance our debt depends on our future operating and financial performance and ability to generate cash. This will be affected by our ability to successfully implement our business strategy, as well as general economic, financial, competitive, regulatory, technical and other factors beyond our control. If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, including the Senior Notes, obtain additional financing, delay planned acquisitions or capital expenditures or sell assets. We cannot assure you that we will be able to generate sufficient cash through any of the foregoing. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our obligations with respect to our debt, including the Senior Notes. See "Operating and Financial Review and Prospects—Liquidity and Capital Resources."

We expect to be able to repay or refinance the principal amounts outstanding under our outstanding notes (including the Senior Notes) upon maturity of each such series of notes between 2016 and 2020. If we are unable to do so, we expect to refinance such principal amounts with new debt. We may, however, be unable to refinance such principal amounts on terms satisfactory to us or at all.

Restrictions imposed by the Indenture, the Existing Indentures, the Revolving Credit Facility, the GE Commercial Finance Facility and certain of our other credit facilities limit our ability to take certain actions.

The Indenture, the Existing Indentures, the Revolving Credit Facility, the GE Commercial Finance Facility and certain of our other credit facilities limit our flexibility in operating our business. For example, these agreements restrict the ability of the Parent Guarantor and certain of its subsidiaries to, among other things:

- borrow money;
- pay dividends or make other distributions;
- create certain liens;
- make certain asset dispositions;
- make certain loans or investments;
- issue or sell share capital of our subsidiaries;
- guarantee indebtedness;
- enter into transactions with affiliates; or
- merge, consolidate or sell, lease or transfer all or substantially all of our assets.

We cannot assure you that the operating and financial restrictions and covenants in the Indenture, the Existing Indentures, the Revolving Credit Facility, the GE Commercial Finance Facility and certain of our other credit facilities will not adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. In addition, management believes that the future expansion of our packaging business is likely to require participation in the consolidation of the packaging industry by the further acquisition of existing businesses. We cannot guarantee that we will be able to participate in such consolidation or that the operating and financial restrictions and covenants in the Indenture, the Existing Indentures, the Revolving Credit Facility and certain of our other credit facilities will permit us to do so.

In addition to limiting our flexibility in operating our business, a breach of the covenants in the Indenture could cause a default under the terms of our other financing agreements, including the Revolving Credit Facility and the GE Commercial Finance Facility, causing all the debt under those agreements to be accelerated. If this were to occur, we can make no assurances that we would have sufficient assets to repay our debt.

We may be unable to repurchase the Senior Notes as required upon a Change of Control.

If the Parent Guarantor experiences a Change of Control (as defined in the Indenture), we would be required to make an offer to repurchase all outstanding Senior Notes and the Dollar Denominated Senior Notes at 101% of their principal amount plus accrued and unpaid interest, if any, to the date of repurchase. However, we may be unable to do so because we might not have enough available funds, particularly since a Change of Control could in certain circumstances cause part or all of our other debt to become due and payable.

See "Description of the Senior Notes—Purchase of Notes upon a Change of Control."

The insolvency laws of Ireland and other local insolvency laws may not be as favorable to you as U.S. bankruptcy laws or those of another jurisdiction with which you are familiar.

The Issuer and the Parent Guarantor are incorporated in Ireland, and each of the Initial Subsidiary Guarantors, being wholly owned subsidiaries of the Parent Guarantor, is incorporated in one of Denmark, Germany, Guernsey, Ireland, Italy, the Netherlands, Poland, Sweden or England and Wales. In addition, it is currently expected that the Senior Notes, on or prior to February 7, 2011 and subject to the Agreed Security Principles, will be guaranteed by certain subsidiaries of the Parent Guarantor, which are incorporated in one of Canada, the Czech Republic, France, Germany, Ireland, Hungary, the Netherlands, Poland, Puerto Rico, Spain, the State of Delaware (United States) and England and Wales. The insolvency laws of foreign jurisdictions may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. In the event that any one or more of the Issuer, the Guarantors or any other of Ardagh Packaging's subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

The Issuer's ability to pay principal and interest on the Senior Notes may be affected by our organizational structure. The Issuer is dependent upon payments from other members of our corporate group to fund payments to you on the Senior Notes, and such other members might not be able to make such payments in some circumstances.

The Issuer does not itself conduct any business operations and does not have any assets or sources of income of its own, other than the intercompany notes made to on-lend the net proceeds from the offering of the Senior Notes as described below. As a result, the Issuer's ability to make payments on the Senior Notes is dependent directly upon interest or other payments it receives from other members of our corporate group. Initially, the proceeds of the Additional Senior Notes will be loaned to other members of our corporate group pursuant to intercompany notes. These intercompany notes may be subordinated to senior debt of the relevant intercompany borrowers. The Indenture does not require the maintenance of these intercompany notes. Accordingly, you should only rely on the Guarantees of the Senior Notes, and not these intercompany notes, to provide credit support in respect of payments of principal or interest on the Senior Notes. The ability of other members of our corporate group to make payments to the Issuer will depend upon their cash flows and earnings which, in turn, will be affected by all of the factors discussed in these "Risk Factors."

Furthermore, some of our credit facilities contain certain restrictions on the borrowers thereunder from making certain distributions or payments of capital or income to their members. As a result, the amounts that the Issuer expects to receive from other members of our corporate group may not be forthcoming or sufficient to enable the Issuer to service its obligations on the Senior Notes.

The Parent Guarantor and the Subsidiary Guarantors will guarantee the Senior Notes. The Parent Guarantor is a holding company with no assets or sources of income of its own and thus is dependent on dividends and other distributions from its subsidiaries. The Subsidiary Guarantors are either intermediate holding companies or operating subsidiaries of the Parent Guarantor.

Enforcing your rights as a noteholder or under the Guarantees across multiple jurisdictions may prove difficult.

The Additional Senior Notes will be issued by the Issuer, a company which is incorporated under the laws of Ireland, and will be guaranteed by the Parent Guarantor, which is incorporated under the laws of Ireland. Each of the Initial Subsidiary Guarantors is incorporated under the laws of one of Ireland, Germany, England and Wales, Denmark, Sweden, the Netherlands, Poland, Guernsey or Italy. In addition, it is currently expected that the Senior Notes will be guaranteed on or prior to February 7, 2011 and subject to the Agreed Security Principles by certain other subsidiaries of the Parent Guarantor which are incorporated under the laws of one of Canada, the Czech Republic, France, Germany, Ireland, Hungary, the Netherlands, Poland, Puerto Rico, Spain, the State of Delaware (United States) and England and Wales. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these countries. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Senior Notes and the Guarantees will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of the Issuer's and the Guarantors' jurisdictions of organization may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Additional Senior Notes and the Guarantees in these jurisdictions or limit any amounts that you may receive.

The laws of certain of the jurisdictions in which the Subsidiary Guarantors are organized limit the ability of these subsidiaries to guarantee debt of a sister company. See "—Corporate benefit, capital maintenance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees of the Senior Notes."

Investors in the Additional Senior Notes may have limited recourse against the independent auditors.

See "Independent Accountants" for a description of the reports of the independent auditor of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited). The independent auditors' reports state that they were made solely to the directors, as a body, of Ardagh Packaging Holdings Limited; and neither independent auditor accepts or assumes responsibility to anyone other than the directors, as a body, of Ardagh Packaging Holdings Limited, for its audit work, for their reports or for the conclusions or opinions it has formed. The independent auditor's reports on the non-statutory consolidated financial statements of Ardagh Packaging Holdings Limited for the years ended December 31, 2009 and 2008 were unqualified and are included on pages F-21 and F-84, respectively, of this Offering Memorandum. PricewaterhouseCoopers was the auditor of Ardagh Packaging Holdings Limited for these accounting periods.

Investors in the Additional Senior Notes should understand that in making these statements, the respective independent auditor confirmed that it does not accept or assume any responsibility to parties (such as the purchasers of the Additional Senior Notes) other than to the directors, as a body, of Ardagh, with respect to their reports and to the independent auditor's audit work, conclusions and opinions. The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the U.S. Securities Act or in a report filed under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). If a U.S. court (or any other court) were to give effect to such limiting language, the recourse that investors in the Additional Senior Notes may have against the independent auditor based on its report or the consolidated financial statements to which it relates could be limited.

An active trading market may not develop for the Additional Senior Notes.

The Additional Senior Notes are new securities for which there is currently no existing market. Although the Original Senior Notes are listed, and we have made an application to list the Additional Senior Notes, on the Global Exchange Market of the Irish Stock Exchange, we cannot assure you that the Additional Senior Notes will become or will remain listed. We cannot assure you as to the liquidity of any market that may develop for the Additional Senior Notes (even though the Additional Senior Notes will be fully fungible with the Original Senior Notes), the ability of holders of the Additional Senior Notes to sell them or the price at which the holders of the Additional Senior Notes may be able to sell them. The liquidity of any market for the Senior Notes will depend on the number of holders of the Senior Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as recommendations by securities analysts. Historically, the market for non-investment-grade debt, such as the Senior Notes, has been subject to disruptions that have caused substantial price volatility. We cannot assure you that if a market for the Senior Notes were to develop, such a market would not be subject to similar disruptions. We have been informed by the initial purchaser that it intends to make a market for the Senior Notes after the offering is completed. However, the initial purchaser is not obligated to do so and may cease their market-making activity at any time without notice. In addition, such market-making activity will be subject to limitations imposed by the U.S. Securities Act and other applicable laws and regulations. As a result, we cannot assure you that an active trading market for the Senior Notes will develop or, if one does develop, that it will be maintained.

The Senior Notes are subject to restrictions on transfer.

The Senior Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. You may not offer the Senior Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement. We have not undertaken to register the Senior Notes or to effect any exchange offer for the Senior Notes in the future. Furthermore, we have not registered the Senior Notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the Senior Notes within the United States and other countries comply with applicable securities laws. See "Notice to Investors."

Certain considerations relating to book-entry interests.

Unless and until Senior Notes in definitive registered form, or definitive registered notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of Senior Notes. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream Banking will be the registered holder of the Regulation S Global Notes and the Rule 144A Global Notes (as such terms are defined in "Book-Entry; Delivery and Form"). After payment to the common depositary, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream Banking, as applicable, and if you are not a participant in Euroclear or Clearstream Banking, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture. See "Book-Entry; Delivery and Form."

Unlike the holders of the Senior Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Senior Notes and the Dollar Denominated Senior Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream Banking or, if applicable, a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream Banking. We cannot assure you that the procedures to be implemented through Euroclear of Clearstream Banking will be adequate to ensure the timely exercise of rights under the Senior Notes. See "Book-Entry; Delivery and Form."

You may be unable to serve process on us or our directors and officers in the United States and enforce U.S. judgments based on the Additional Senior Notes.

The Issuer and the Parent Guarantor are incorporated under the laws of Ireland, and most of the Initial Subsidiary Guarantors are incorporated under the laws of Denmark, Germany, Guernsey, Ireland, Italy, the Netherlands, Poland, Sweden or England and Wales. In addition, it is currently expected that the Senior Notes will be guaranteed on or prior to February 7, 2011 (and subject to the Agreed Security Principles) by certain other subsidiaries of the Parent Guarantor which are incorporated in one of Canada, the Czech Republic, France, Germany, Ireland, Hungary, the Netherlands, Poland, Puerto Rico, Spain, the State of Delaware (United States) and England and Wales. Furthermore, most of the directors and executive officers of the Issuer and such Guarantors live outside the United States. Substantially all of the assets of the Issuer and the Guarantors (other than the Subsidiary Guarantors in Delaware (United States) and Puerto Rico), and substantially all of the assets of their directors and executive officers, are located outside the United States. As a result, it may not be possible for you to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them based on the civil liability provisions of the securities laws of the United States. See "Service of Process and Enforcement of Judgments."

Corporate benefit, capital maintenance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees of the Senior Notes.

The laws of certain of the jurisdictions in which the Subsidiary Guarantors are organized limit the ability of these subsidiaries to guarantee debt of a related company or grant security on account of a related company's debts. These limitations arise under various provisions or principles of corporate law which include rules governing capital maintenance, under which, among others, the risks associated with a guarantee or grant of security on account of a parent company's debt need to be reasonable and economically and operationally justified from the guarantor's or grantor's perspective, as well as thin capitalization and fraudulent transfer principles. If these limitations were not observed, the Guarantees by these Subsidiary Guarantors could be subject to legal challenge. In these jurisdictions, the Guarantees will contain language limiting the amount of debt guaranteed so that applicable local law restrictions will not be violated. Accordingly, if you were to enforce the Guarantees by a Subsidiary Guarantor in one of these jurisdictions, your claims are likely to be limited. In some cases, where the amount that can be guaranteed or secured is limited by reference to the net assets and legal capital of the Subsidiary Guarantor or by reference to the outstanding debt owed by the relevant Subsidiary Guarantor to the Issuer under intercompany loans that amount might have reached zero or close to zero at the time of any insolvency or enforcement. Furthermore, although we believe that the Guarantees by these Subsidiary Guarantors will be validly given in accordance with local law restrictions, there can be no assurance that a third-party creditor would not challenge these Guarantees and prevail in court.

Upon any payment or distribution to creditors of a Subsidiary Guarantor in respect of an insolvency event, the holders of senior debt of such Subsidiary Guarantor will be entitled to be paid in full from the assets of such Subsidiary Guarantor before any payment may be made pursuant to such Guarantee. Until the senior debt of a Subsidiary Guarantor is paid in full, any distribution to which holders of the Senior Notes would be entitled but for the subordination provisions shall instead be made to holders of senior debt of such Subsidiary Guarantor as their interests may appear. As a result, in the event of insolvency of a Subsidiary Guarantor, holders of senior debt of such Subsidiary Guarantor may recover more, ratably, than the holders of Senior Notes, in respect of the Subsidiary Guarantor's Guarantee in respect thereof.

In addition, the subordination provisions relating to the Guarantees provide:

- customary turnover provisions by the Trustee and the holders of the Senior Notes for the benefit of the holders of senior debt of such Subsidiary Guarantor;
- that if a payment default on any senior debt of a Subsidiary Guarantor has occurred and is continuing, such Subsidiary Guarantor may not make any payment in respect of its Guarantee until such default is cured or waived;
- that if any other default occurs and is continuing on any designated senior indebtedness that permits the holders thereof to accelerate its maturity and the Trustee receives a notice of such default, such Subsidiary Guarantor may not make any payment in respect of the Senior Notes, or pursuant to its Guarantee, until the earlier of the default is cured or waived or 179 days after the date on which the applicable payment blockage notice is received; and
- that the holders of the Senior Notes and the Trustee are prohibited, without the prior consent of the applicable senior agent, from taking any enforcement action in relation to such Guarantee, except in certain circumstances.

The Indenture will also provide that, except under very limited circumstances, only the Trustee will have standing to bring an enforcement action in respect of the Senior Notes and the Guarantees. Moreover, the Intercreditor Agreement and the Indenture will restrict the rights of holders of the Senior Notes to initiate insolvency proceedings or take other legal actions against the Subsidiary Guarantors and by accepting any Senior Note you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Senior Notes will have limited remedies and recourse under the Guarantees in the event of a default by the Issuer or a Subsidiary Guarantor.

The Senior Notes and the Guarantees will be unsecured and the claims of secured creditors will have priority.

The Senior Notes and the Guarantees will be unsecured obligations of the Issuer and the Guarantors, respectively. Debt under the Existing Secured Notes, the Revolving Credit Facility and various of our other facilities are secured by liens on the property and assets of material operating subsidiaries of the Parent Guarantor, as well as shares held by the Parent Guarantor in its material operating subsidiaries. In addition, subject to the restrictions in our senior secured credit facilities, in the indentures governing our Existing Notes and in other outstanding debt, we may be able to incur substantial additional secured debt. The secured creditors of the Issuer and the Guarantors will have priority over the assets securing their debt to the extent of the value of such assets. In the event that any of such secured debt becomes due or a secured lender proceeds against the assets that secure the debt, the assets would be available to satisfy obligations under the secured debt before any payment would be made on the Senior Notes or under any of the Guarantees. Any assets remaining after repayment of our secured debt may not be sufficient to repay all amounts owing under the Senior Notes. As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, the Parent Guarantor and the Subsidiary Guarantors would have had €1,401.5 million of secured debt outstanding. See "Capitalization" and "Unaudited Pro Forma Consolidated Financial Information."

The right of holders of Senior Notes to receive payment under the Subsidiary Guarantors' Guarantees is contractually subordinated to senior debt.

The Parent Guarantor and the Subsidiary Guarantors will guarantee the Senior Notes. The obligations of each Subsidiary Guarantor under the Guarantees will be contractually subordinated in right of payment to the prior payment in full in cash of all obligations in respect of senior debt of such Subsidiary Guarantor. This senior debt includes, in respect of a Subsidiary Guarantor that is a borrower under the Revolving Credit Facility or a guarantor of the Existing Secured Notes and certain other credit facilities, such Subsidiary Guarantor's obligations thereunder and under its hedging arrangements. As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, all of the Subsidiary Guarantors would have had outstanding €1,401.5 million of senior debt, which would rank senior in right of payment to the Guarantees of the Senior Notes. See "Capitalization" and "Unaudited Pro Forma Consolidated Financial Information." Although the Indenture contains restrictions on the ability of the Subsidiary Guarantors to incur additional debt, any additional debt incurred may be substantial and senior to the Guarantees. For a complete summary of the terms of, and subordination provisions relating to, the Senior Notes and the Guarantees, see "Description of the Senior Notes—Ranking of the Notes and the Guarantees; Subordination."

The Senior Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries.

Some, but not all, of our subsidiaries will guarantee the Senior Notes. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to any Guarantor, as direct or indirect shareholders.

Accordingly, in the event that any of the non-guarantor subsidiaries becomes insolvent, liquidates or otherwise reorganizes:

- the creditors of the Guarantors (including the holders of the Senior Notes) will have no right to proceed against such subsidiary's assets; and
- creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before any Guarantor, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As of September 30, 2010, on a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes, our non-guarantor subsidiaries would have had €67.3 million of debt and approximately €166.8 million of liabilities, including trade payables but excluding intercompany obligations, all of which would have ranked structurally senior to the Senior Notes and the Guarantees. See "Unaudited Pro Forma Consolidated Financial Information."

Insolvency laws and other limitations on the Guarantees, including fraudulent conveyance statutes, may adversely affect their validity and enforceability.

Our obligations under the Senior Notes will be guaranteed by the Guarantors. The Initial Guarantors are organized under the laws of Denmark, Germany, Guernsey, Ireland, Italy, the Netherlands, Poland, Sweden or England and Wales. In addition, it is currently expected that the Senior Notes will be guaranteed on or prior to February 7, 2011 and subject to the Agreed Security Principles by certain other subsidiaries of the Parent Guarantor, which are incorporated in one of Canada, the Czech Republic, France, Germany, Ireland, Hungary, the Netherlands, Poland, Puerto Rico, Spain, the State of Delaware (United States) and England and Wales. Although laws differ among these jurisdictions, in general, applicable fraudulent transfer and conveyance and equitable principles, insolvency laws and, in the case of the Guarantees, limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of the Guarantee against a Guarantor. The court may also in certain circumstances avoid the Guarantee where the company is close to or in the vicinity of insolvency. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes generally applicable terms and principles, which are defined under the relevant jurisdiction's fraudulent transfer and insolvency statutes.

In an insolvency proceeding, it is possible that creditors of the Guarantors or the appointed insolvency administrator may challenge the Guarantees, and intercompany obligations generally, as fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to:

- avoid or invalidate all or a portion of a Guarantor's obligations under its Guarantee;
- direct that holders of the Senior Notes return any amounts paid under a Guarantee or any security to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors; and
- take other action that is detrimental to you.

If we cannot satisfy our obligations under the Senior Notes and any Guarantee is found to be a fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Senior Notes. In addition, the liability of each Guarantor under its Guarantee will be limited to the amount that will result in such Guarantee not constituting a fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of each. Also, there is a possibility that the entire Guarantee may be set aside, in which case the entire liability may be extinguished.

In order to initiate any of these actions under fraudulent transfer or other applicable principles, courts would need to find that, at the time the Guarantees were issued, the Guarantor:

- issued such Guarantee with the intent of hindering, delaying or defrauding current or future creditors or with a desire to prefer some creditors over others, or created such security after its insolvency;
- issued such Guarantee in a situation where a prudent businessman as a shareholder of such Guarantor would have contributed equity to such Guarantor; or
- received less than reasonably equivalent value for incurring the debt represented by the Guarantee on the basis that the Guarantee were incurred for our benefit, and only indirectly the Guarantor's benefit, or some other basis and (i) was insolvent or rendered insolvent by reason of the issuance of the Guarantee, or subsequently became insolvent for other reasons; (ii) was engaged, or was about to engage, in a business transaction for which the Guarantor's assets were

unreasonably small; or (iii) intended to incur, or believed it would incur, debts beyond its ability to make required payments as and when they would become due.

Different jurisdictions evaluate insolvency on various criteria, but a Guarantor generally may, in different jurisdictions, be considered insolvent at the time it issued a Guarantee or created any Security Interest if:

- its liabilities exceed the fair market value of its assets;
- it cannot pay its debts as and when they become due; and/or
- the present salable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute.

Although we believe that we are solvent, and will be so after giving effect to the offering of the Additional Senior Notes, there can be no assurance which standard a court would apply in determining whether a Guarantor was "insolvent" as of the date the Guarantees were issued or that, regardless of the method of valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Guarantee was issued, that payments to holders of the Senior Notes constituted fraudulent transfers on other grounds.

We do not present separate financial statements for each Subsidiary Guarantor.

We have not presented in this Offering Memorandum separate financial statements for each Subsidiary Guarantor, and we are not required to do so in the future under the Indenture.

Risks Relating to Our Business

We may not be able to integrate the Acquired Business effectively.

Even though we have acquired businesses in the past, the Impress Acquisition constitutes the largest acquisition we have ever undertaken and the magnitude of the Impress Acquisition may present significant integration challenges and costs to us. We are now in the process of integrating the Acquired Business into the Group. Realization of the benefits of the Impress Acquisition will require the integration of some or all of the sales and marketing, distribution, manufacturing, finance, information technology systems and administrative operations of the Acquired Business. If we cannot successfully integrate the Acquired Business within a reasonable time frame following the Impress Acquisition, we may not be able to realize the potential benefits anticipated from the Impress Acquisition. Our failure to successfully integrate the Acquired Business and the diversion of management attention and other resources from our existing operations could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, even if we are able to integrate successfully the operations of the Acquired Business, we may not be able to realize the cost savings, synergies and revenue enhancements that we anticipate from the Impress Acquisition, either in the amount or within the time frame that we currently anticipate, and the costs of achieving these benefits may be higher than, and the timing may differ from, what we expect. Our ability to realize anticipated cost savings, synergies and revenue enhancements may be affected by a number of factors, including the following:

- the use of more cash or other financial resources on integration and implementation activities than we expect, including restructuring and other exit costs; and
- increases in other expenses related to the Impress Acquisition, which may offset the cost savings and other synergies from the Impress Acquisition.

The pro forma financial information included in this Offering Memorandum may not necessarily reflect what the results of operations, financial condition and cash flows of the Acquired Business would have been if operated on a combined basis with Ardagh.

Glass Packaging and Metal Packaging have been operating their respective business operations separately prior to the Impress Acquisition. We have no prior history as a combined entity and our operations have not previously been managed on a combined basis. Therefore, the historical financial statements and pro forma financial information presented in this Offering Memorandum may not reflect what our results of operations, financial position and cash flows would have been had we operated on a combined basis and may not be indicative of what our results of operations, financial position and cash flows will be in the future.

This Offering Memorandum contains certain pro forma financial information that shows certain income statement and balance sheet items, including revenues and EBITDA, of Ardagh when added to the corresponding items, respectively, of the Acquired Business, without any adjustments for the effect of the Impress Acquisition, including the effects of IFRS purchase accounting. The pro forma financial information included in this Offering Memorandum has not been prepared in accordance with the requirements of Regulation S-X of the SEC or U.S. GAAP. Neither the adjustments nor the resulting pro forma financial information have been audited in accordance with International Standards on Auditing U.K. and Ireland or U.S. GAAS. This pro forma information should therefore not be relied on to reflect what our results of operations and financial condition would have looked like had the Impress Acquisition already occurred. See "Unaudited Pro Forma Consolidated Financial Information."

The Acquired Business may have liabilities that are not known to us.

As a result of the Impress Acquisition, we assumed certain of the Acquired Business' liabilities, including certain pension liabilities. There may be liabilities that we have not yet discovered since the closing of the Impress Acquisition. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. As we continue to integrate the Acquired Business, we may learn additional information about the Acquired Business that adversely affects us, such as unknown or contingent liabilities and issues relating to compliance with applicable laws.

We face additional costs associated with our post-retirement and post-employment obligations to employees of the Acquired Business which could have an adverse effect on our financial condition.

As part of the Impress Acquisition, we assumed liability for retiree pension obligations with respect to certain active and retired employees of the Acquired Business. As of September 30, 2010 (on a pro forma basis, after giving effect to the Impress Acquisition), our accumulated post-retirement benefit obligation was approximately €122.3 million related to those obligations assumed, and was approximately €230.2 million in total. The additional costs associated with these and other benefits to employees of the Acquired Business could have an adverse effect on our financial condition. In addition, in certain jurisdictions, these obligations may rank senior to the Guarantees of the Senior Notes in a bankruptcy of the relevant Guarantor as a matter of law.

We operate a number of pension and other post-retirement benefit schemes throughout Europe funded by a range of assets which may include property, derivatives, equities and/or bonds. The value of these assets is heavily dependent on the performance of markets which are subject to volatility. The liability structure of the obligations to provide such benefits is also subject to market volatility in relation to its accounting valuation and management. Additional significant funding of our pension and other post-retirement benefit obligations may be required if market underperformance is severe.

Our primary direct customers sell to consumers of food and beverages, pharmaceuticals, toiletries and healthcare products. If economic conditions affect consumer demand our customers may be affected and so reduce the demand for our products.

Continued weakness in consumer confidence and declining income and asset values in many areas as well as other adverse factors related to the current weak global economic conditions have resulted, and may continue to result, in reduced spending on our customers' products and, thereby, reduced or postponed demand for our products.

The global financial crisis has also led to more limited availability of credit, which may have a negative impact on the financial condition, and in particular on the purchasing ability, of some of our customers and distributors and may also result in requests for extended payment terms, and result in credit losses, insolvencies and diminished sales channels available to us. Our suppliers may have difficulties obtaining necessary credit, which could jeopardize their ability to provide timely deliveries of raw materials and other essentials to us. The current credit environment may also lead to suppliers requesting credit support or otherwise reducing credit, which may have a negative effect on our cash flows and working capital.

The volatility in exchange rates may also increase the costs of our products that we may not be able to pass on to our customers; impair the purchasing power of our customers in different markets; result in significant competitive benefit to certain of our competitors who incur a material part of their costs in other currencies than we do; hamper our pricing; and increase our hedging costs and limit our ability to hedge our exchange rate exposure.

The difficult global economic conditions may reduce our ability to forecast developments in our industry and plan our operations and costs, accordingly resulting in operational inefficiencies. Further negative developments in our business, results of operations and financial condition due to the current difficult global economic conditions or other factors could cause the ratings agencies to lower the credit ratings, or ratings outlook, of our short- and long-term debt and, consequently, impair our ability to raise new financing or refinance our current borrowings and increase our costs of issuing any new debt instruments.

In addition, some segments of the Group's markets are more cyclical than others. Sales of Metal Packaging's products in the paints and coatings segment depend mainly on the building and construction industries and the do-it-yourself home decorating market. Demand in these markets is cyclical, as to a lesser extent is demand in the aerosols and beer keg segments. Variations in the demand for packaging products in these market segments could have a material adverse effect on our business, financial condition and results of operations.

We face intense competition from other glass container and metal packaging producers, as well as from manufacturers of alternative forms of packaging.

Glass Packaging

We are subject to intense competition from other glass container producers against whom we compete on the basis of price, quality, customer service, reliability of delivery and marketing. Advantages or disadvantages in any of these competitive factors may be sufficient to cause customers to consider changing suppliers or to use an alternative form of packaging. Our principal competitors in Europe are Owens Illinois, Inc. ("O-I") and Verallia (the packaging division of Saint Gobain). Our principal regional competitors are O-I, Verallia, Vidrala, Vetropack, Quinn Glass, Wiegand Glas and Warta Glass Group. Furthermore, new threats from packaging and production innovations could disadvantage our existing business. If we are unable to respond to competitive technological advances, our future performance could be materially adversely affected.

In addition to competing directly with other large, well-established manufacturers in the glass container industry, we compete indirectly with manufacturers of other forms of rigid packaging, principally plastic containers, on the basis of quality, price, service and consumer preference. We also compete indirectly with manufacturers of non-rigid packaging alternatives, including flexible pouches and aseptic cartons, in serving the packaging needs of juice customers. We believe that the use of glass containers for alcoholic and non-alcoholic beverages is subject to consumer taste. In addition, the association of glass containers with premium items exposes glass containers to economic variations. Therefore, if economic conditions are poor, we believe that consumers may be less likely to prefer glass containers over other forms of packaging. We cannot assure you that our products will continue to be preferred by our customers' end-users and that consumer preference will not shift from glass containers to non-glass containers. A material shift in consumer preference away from glass containers, or competitive pressures from our direct and indirect competitors, could result in a decline in sales volume or pricing pressure that would have a material adverse effect on our business, financial condition and results of operations.

Metal Packaging

The metal packaging sectors in which Metal Packaging operates are mature, experiencing limited growth in demand in recent years, and competitive. The most competitive part of the metal packaging market is the sale of non-differentiated, standardized cans and containers. Prices for these products are primarily driven by raw materials costs and seasonal overcapacity, and price competition is sometimes fierce. Competition in the market for customized, differentiated packaging is based on price and, increasingly, on innovation, design, quality and service. To the extent that any one or more of our competitors become more successful with respect to any key competitive factor, our ability to attract and retain customers could be materially and adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

Metal Packaging is subject to substantial competition from producers of packaging made from plastic, carton and composites, particularly from producers of plastic containers and flexible packaging. Changes in consumer preferences in terms of food processing (e.g., fresh or frozen food content and dry versus wet pet food) or in terms of packaging materials, style and product presentation can significantly influence sales. An increase in Metal Packaging's costs of production or a decrease in the costs of, or a further increase in consumer demand for, alternative packaging could have a material adverse effect on our business, financial condition and results of operations.

An increase in glass or metal container manufacturing capacity without a corresponding increase in demand for glass or metal containers could cause prices to decline, which could have a material adverse effect on our business, financial condition and results of operations.

The profitability of glass or metal packaging companies is heavily influenced by the supply of, and demand for, glass containers or metal cans, respectively.

We cannot assure you that the glass or metal container manufacturing capacity in any of our markets will not increase further in the future, nor can we assure you that demand for glass or metal containers will meet or exceed supply. If glass or metal container manufacturing capacity increases and there is no corresponding increase in demand, the prices we receive for our products could materially decline, which could have a material adverse effect on our business, financial condition and results of operations.

Because our customers are concentrated, our business could be adversely affected if we were unable to maintain relationships with our largest customers.

For the year ended December 31, 2009, Glass Packaging's ten largest customers accounted for approximately 41% of Glass Packaging's glass container revenues and Metal Packaging's ten largest customers accounted for approximately 33% of its consolidated revenues. We believe our relationships with these customers are good, but we cannot assure you that we will be able to maintain these relationships. Metal Packaging manages its relationships with a majority of its customers by entering into short-term agreements, with the remainder of its sales (approximately 43% of its revenues for the year ended December 31, 2009) under multi-year supply agreements of varying term between two and ten years. Glass Packaging typically sells most of its glass containers directly to customers under one- to three-year arrangements. Although these arrangements have provided, and we expect they will continue to provide, the basis for long-term partnerships with our customers, they are not binding and there can be no assurance that our customers will not cease purchasing our products. If our customers unexpectedly reduce the amount of glass containers and/or metal cans they purchase from us, or cease purchasing our glass containers and/or metal cans altogether, our revenues could decrease and our inventory levels could increase, both of which could have an adverse effect on our business, financial condition and results of operations. In addition, while we believe that the arrangements that we have with our customers will be renewed, there can be no assurance that such arrangements will be renewed upon their expiration or that the terms of any renewal will be as favorable to us as the terms of the current arrangements. There is also the risk that our customers may shift their filling operations to locations in which we do not operate. The loss of one or more of these customers, a significant reduction in sales to these customers or a significant change in the commercial terms of our relationship with these customers could have a material adverse effect on our business, financial condition and results of operations.

The continuing consolidation of our customer base may intensify pricing pressures or result in the loss of customers, either of which could have a material adverse effect on our business, financial condition and results of operations.

Many of our largest customers have acquired companies with similar or complementary product lines. This consolidation has increased the concentration of our net sales with our largest customers. In many cases, such consolidation may be accompanied by pressure from customers for lower prices. Increased pricing pressures from our customers may have a material adverse effect on our business, financial condition and results of operations. In addition, this consolidation may lead manufacturers to rely on a reduced number of suppliers. If, following the consolidation of one of our customers with another company, a competitor was to be the main supplier to the consolidated companies, this could have a material adverse effect on our business, financial condition or results of operations.

Our profitability could be affected by varied seasonal demands.

Demand for the products of both Glass Packaging and Metal Packaging is seasonal. Demand for our glass packaging products is typically strongest during the summer months and in the period prior to the holidays in December because of the seasonal nature of beverage consumption. Unseasonably cool weather during the summer months can reduce demand for certain beverages packaged in our glass containers, which could have an adverse effect on our business, financial condition and results of operations for that year. In addition, we generally schedule shutdowns of our furnaces for rebuilding and repairs of machinery in the first quarter. If demand for glass containers should unexpectedly rise during such a shutdown, we would not have the ability to fulfill such demand and may lose potential revenues. These shutdowns and seasonal sales patterns could adversely affect profitability during the first quarter.

Metal packaging sales are typically greater in the second and third quarters of the year, with generally lower sales in the first and fourth quarters. Approximately 11% of Metal Packaging's total revenue (based upon 2009 revenue) is attributable to the seasonal canning of fruit and vegetables and hence is dependent on the fruit and vegetable harvest in certain regions. Weather conditions can reduce crop yields and adversely affect customer demand for fruit and vegetable cans. Metal Packaging's worldwide seafood canning activities are also affected by variations in local fish catches. The variable nature of the food and seafood packaging businesses and Metal Packaging's vulnerability to natural conditions could have a material adverse effect on our business, financial condition and results of operations.

Our profitability could be affected by the availability and cost of raw materials.

The raw materials that we use have historically been available in adequate supply from multiple sources. For certain raw materials, however, there may be temporary shortages due to weather, transportation, production delays or other factors. In such an event, no assurance can be given that we would be able to secure our raw materials from sources other than our current suppliers on terms as favorable as our current terms, or at all. Any such shortages, as well as material increases in the cost of any of the principal raw materials that we use, could have a material adverse effect on our business, financial condition and results of operations. Increases in the cost of raw materials could also have a material adverse effect on our business, financial condition and results of operations.

Raw material costs in 2009 represented on average approximately half of Metal Packaging's total revenue, the precise level depending on the segment. The primary raw materials that Metal Packaging uses are steel (both in tinplate and tin-free forms), which accounted for approximately 73% of Metal Packaging's raw material costs in 2009, and aluminum, which accounted for approximately 17% of Metal Packaging's raw material costs in 2009. Furthermore, the relative price of oil and its products may impact Metal Packaging, affecting transport, lacquer and ink costs.

Steel is generally obtained under one- to three-year contracts with prices that are usually fixed in advance for each year of the contract, although in some cases there are provisions for interim indexation adjustments. When such contracts are renewed in the future, our steel costs under such contracts will be subject to prevailing global steel and/or tinplate prices at the time of renewal, which may be different from historical prices.

Unlike steel, where there is no functioning hedging market, aluminum ingot is traded daily as a commodity (priced in U.S. dollars) on the London Metal Exchange, which has historically been subject to significant price volatility. Because aluminum is priced in U.S. dollars, fluctuations in the U.S. dollar/euro rate also affect the euro cost of aluminum ingot.

We may not be able to pass on all or substantially all raw material price increases, now or in the future. In addition, we may not be able to hedge successfully against raw material cost increases. Furthermore, while in the past sufficient quantities of steel and aluminum have been generally available for purchase, these quantities may not be available in the future, and, even if available, we may not be able to continue to purchase them at current prices. For instance, the significant increase in worldwide demand for steel in 2008 resulted in temporary tinplate shortages, and substantial price increases in 2008 and 2009 for supplies of tinplate and tin-free steel as contracts expired, initially in the United States and Asia and later in Europe. Further increases in the cost of these raw materials could adversely affect our operating margins and cash flows.

The supplier industries from which Metal Packaging receives its raw materials are relatively concentrated, and this concentration can impact raw material costs. Over the last ten years, the number of major tinplate and aluminum suppliers has decreased. Further consolidation could occur both among tinplate and aluminum suppliers, and such consolidation could hinder our ability to obtain adequate supplies of these raw materials and could lead to higher prices for tinplate and aluminum. The failure to obtain adequate supplies of raw materials or future price increases could have a material adverse effect on our business, financial condition and results of operations.

Currency, interest rate fluctuations and commodity prices may have a material impact on our business, financial condition and results of operations.

Our reporting currency is the euro. Insofar as possible, we intend to actively manage this exposure through the deployment of assets and liabilities throughout the Group and, when necessary and economically justified, entering into currency hedging arrangements, to manage our exposure to foreign currency fluctuations by hedging against rate changes with respect to the euro. However, we may not be successful in limiting such exposure, which could adversely affect our business, financial condition and results of operations.

A substantial portion of the assets, liabilities, revenues and expenses of Glass Packaging is denominated in pounds, Swedish kronor, Danish kroner and Polish złoty. Fluctuations in the value of these currencies with respect to the euro have had, and may continue to have, a significant impact on our financial condition and results of operations as reported in euro. For the twelve months ended December 31, 2009, approximately 44% of Glass Packaging revenues was denominated in currencies other than the euro.

In addition to currency translation risk, we are subject to currency transaction risk. Our policy is, where practical, to match net investments in foreign currencies with borrowings in the same currency. In order to provide a "natural" hedge, we currently have our borrowings that relate to our U.K. operations in pounds. Interest payments in pounds help to offset our exposure to fluctuations in pre-tax profits, as measured in euro, due to currency fluctuation, while pound-denominated debt is matched by pound-denominated assets. However, the debt and interest payments relating to our Swedish, Danish and Polish operations are all be denominated in euro. Fluctuations in the value of these currencies with respect to the euro may have a significant impact on our financial condition and results of operations as reported in euro.

Metal Packaging has production facilities in 22 different countries worldwide, including countries in regions such as central and eastern Europe. It also sells products to, and obtains raw materials from, companies located in these and other regions and countries. As a consequence, a significant portion of consolidated revenue, costs, assets and liabilities of Metal Packaging are denominated in currencies other than the euro, particularly the pound, the U.S. dollar, the Australian dollar, the New Zealand dollar and the yen. The exchange rates between some of these currencies, such as the euro, the pound and the U.S. dollar, have fluctuated significantly in the past and may continue to do so in the future.

Metal Packaging incurs currency transaction risks primarily on aluminum purchases (or the hedging of those purchases), as aluminum ingot prices are denominated in U.S. dollars, and on revenue denominated in pounds or yen fulfilled from euro-participant territories (or the hedging of those sales).

Changes in exchange rates can affect the Group's ability to purchase raw materials and sell products at profitable prices, reduce the value of the Group's assets and revenues, and increase liabilities and costs.

We are also exposed to interest rate risk. Fluctuations in interest rates may affect our interest expense on existing debt and the cost of new financing. We occasionally use swaps to manage this risk, but sustained increases in interest rates could nevertheless materially adversely affect our business, financial condition and results of operations. We currently have in place an interest rate swap that exceeds the amount of the underlying EURIBOR-based variable rate debt. Consequently, we are also subject to the incremental risk of the excess of the amount of the interest rate swap over the amount of such variable rate debt. As of December 31, 2009, we had €64.4 million of interest rate swaps in excess of the outstanding amount of such EURIBOR-based variable rate debt, which was subsequently terminated in connection with the Refinancing.

In addition, we are exposed to movements in the price of natural gas. We try to ensure that natural gas prices are fixed for future periods but do not always do so because the future prices can be far in excess of the spot price. We do not use commodity futures contracts to limit the fluctuations in prices paid and the potential volatility in earnings and cash flows from future market price movements. If the spot price of natural gas rises unexpectedly, and we have not fixed the price of natural gas in advance of our usage requirements, our earnings and cash flows could be adversely affected.

For a further discussion of these matters and the measures we have taken to seek to protect our business against these risks, see "Operating and Financial Review and Prospects—Quantitative and Qualitative Disclosures about Market Risk."

Higher energy costs and interrupted energy supplies may have a material adverse effect on our business, financial condition and results of operations.

We use natural gas, electrical power, oil, oxygen and, in limited circumstances, liquefied petroleum gas to manufacture our products. These energy sources are vital to our operations and we rely on a continuous power supply to conduct our business. In recent years, the cost of natural gas and electricity has increased substantially in all locations in which we have operations. The cost increases in the United Kingdom have been particularly sharp and accompanied by considerable volatility. Despite recent falls in prices, energy prices remain at historically high levels and are still subject to volatility. We are not able to predict to what extent energy prices will vary in the future. If energy costs increase further in the future, we could experience a significant increase in operating costs, which could, if we are not able to recover these costs increases from our customers through selling price increases, have a material adverse effect on our business, financial condition and results of operations.

In addition, certain locations in which we have operations, such as Italy and Poland, have experienced power shortages. Frequent power interruptions may have a material adverse effect on our operations and therefore our business, financial condition and results of operations.

We are involved in a continuous manufacturing process with a high degree of fixed costs. Any interruption in the operations of our manufacturing facilities may adversely affect our business, financial condition and results of operations.

All of the Group's manufacturing activities take place at facilities owned or leased by the Group. We conduct regular maintenance on all of our operating equipment. However, due to the extreme operating conditions inherent in some of our manufacturing processes, we cannot assure you that we will not incur unplanned business interruptions or that such interruptions will not have an adverse impact on our business, financial condition and results of operations. There can be no assurance that alternative production capacity would be available in future if a major disruption were to occur or, if it were available, that it could be obtained on favorable terms. A disruption in such circumstances could have a material adverse effect on our business, financial condition and results of operations.

To the extent that we experience any furnace breakdowns or similar manufacturing problems, we will be required to make capital expenditures even though we may not have available resources at such time and we may not be able to meet customer demand, which would result in a loss of revenues. As a result, our liquidity may be impaired as a result of such expenditures and loss of revenues.

A mechanical failure or disruption affecting any major operating line may result in a disruption to our ability to supply its customers, and standby capacity may not be available. The potential impact of any disruption would depend on the nature and extent of the damage caused to such facility. Further, the Group's facilities in geographically vulnerable areas such as American Samoa may be disrupted by the occurrence of natural phenomena, such as earthquakes and tsunami.

Our business requires relatively high levels of capital investments, which we may be unable to fund.

Our business requires relatively high levels of capital investments, including maintenance and expansionary expenditures. We may not be able to make such capital expenditures if we do not generate sufficient cash flow from operations, have funds available for future borrowing under our existing credit facilities to cover these capital expenditure requirements or if we were restricted from incurring additional debt to cover such expenditures or as a result of a combination of these factors. If we are unable to meet our capital expenditure plans, we may not be able to maintain our manufacturing capacity, which may negatively impact our competitive position and ultimately, our revenues and profitability. If we are unable to meet our maintenance capital expenditure plans, our manufacturing capacity may decrease, which may have a material adverse effect on our profitability.

Our expansion strategy may adversely affect our business, financial condition and results of operations.

We aim over the longer term to continue to capitalize on strategic opportunities to expand our glass packaging and metal packaging activities. We believe that such future expansion is likely to require the further acquisition of existing businesses. Because we believe that such businesses may be acquired with modest equity and relatively high levels of financial leverage given the cash-generating capabilities of both our business streams, we may need to contemplate further increases in our leverage in the future in connection with any acquisitions. This could have an adverse affect on our business, financial condition and results of operations. In addition, any future expansion is subject to various risks and uncertainties, including the inability to integrate effectively the operations, personnel or products of acquired companies and the potential disruption of existing businesses and diversion of management's attention from our existing businesses. Furthermore, we cannot assure you that any future expansions will achieve positive results.

We are subject to various environmental and other legal requirements and may be subject to new requirements of this kind in the future that could impose substantial costs upon us.

Our operations and properties are subject to extensive international, EU, national, provincial, regional and local laws, ordinances, regulations and other legal requirements relating to environmental protection. Such laws and regulations which may affect our business include requirements regarding remediation of contaminated soil, groundwater and buildings, water supply and use, water discharges, air emissions, waste management, noise pollution, asbestos and other deleterious materials; the generation, storage, handling and transportation of hazardous materials; product safety; and workplace health and safety.

The scope of such laws and regulations varies across the different jurisdictions in which we operate. Our operations and properties in the Member States of the European Union must comply with the legal requirements in each jurisdiction, as well as EU and international legal requirements. These requirements may have a material adverse effect on our business, financial condition and results of operations.

We have incurred, and expect to continue to incur, costs for our operations to comply with such legal requirements, and these costs could increase in the future. Environmental laws and regulations that affect our business have become and are becoming increasingly stringent. We require a variety of permits to conduct our operations, including operating permits such as those required under various U.S. laws and the EU Directive on Integrated Pollution Prevention and Control, water and trade effluent discharge permits, water abstraction permits and waste permits. We are in the process of applying for, or renewing, permits at a number of our sites. Failure to obtain the relevant permits, as well as non-compliance, could have a material adverse effect on our business, financial condition and results of operations. If we were to violate or fail to comply with these laws and regulations or our permits, we could be subject to criminal, civil and administrative sanctions and liabilities, including substantial fines and orders.

Sites at which we operate often have a long history of industrial activities and may be, or have been in the past, engaged in activities involving the use of materials and processes that could give rise to contamination and result in potential liability to remediate, as well as claims for alleged damage to persons or property. Liability may be imposed on us as owners, occupiers or operators of contaminated facilities. These legal requirements may apply to contamination at sites that we presently own, occupy or operate, or that we formerly owned, occupied or operated, or were formerly, owned, occupied or operated by companies we acquired. Regarding companies acquired by us, including the businesses acquired in the Impress Acquisition, we cannot assure you that our due diligence investigations identified or accurately quantified all material environmental matters related to the acquired facilities. Furthermore, from time to time our group of companies, including the businesses acquired in the Impress Acquisition, closes manufacturing or other industrial sites. The closure of a site may accelerate the need to investigate and remediate any contamination at the site.

Soil and groundwater contamination has been identified at a number of our sites and other sites have been identified as sites that have potential for contamination. At certain sites, remediation work has already been, or is currently being, undertaken, in consultation with regulatory authorities where necessary. Should our operations cause environmental damage in the future or currently unknown conditions be discovered, we may be required to undertake additional remedial measures. The costs associated with remediation works can be substantial and could have a material adverse effect on our business, financial condition and results of operations.

Asbestos is present, or may be present, at a number of our sites. It is possible that remediation measures will be required. Remediation costs can be significant and could have a material adverse effect on our business, financial condition and results of operations.

Our business is energy intensive, which results in the emission of products of combustion and the high temperature oxidation of atmospheric nitrogen (i.e., sulphur dioxide, carbon dioxide and oxides of nitrogen). We are subject to laws and regulations which restrict air emissions. In order to comply with air emission restrictions, significant upgrade works may be necessary at some sites, which could potentially involve significant capital investment. In Germany, for example, technical guidelines, TA Luft, set forth emission thresholds which could potentially result in stricter limits in the future and require additional investment in our operations in Germany in order to meet them. Our business is also affected by the EU Emissions Trading Scheme ("EU ETS"), which applies greenhouse gases and was introduced in the European Union from January 1, 2005. See "Our Business—Environmental, Health and Safety and Product Safety Regulation." This scheme and any future changes to it and any additional measures required to control the emission of greenhouse gases that may apply to Ardagh's operations could have a material adverse effect on Ardagh's business, financial condition and results of operations.

An EU Directive on packaging and packaging waste requires that certain rates of recycling and recovery be achieved. Some Member States have enacted legislation that imposes more-onerous obligations in relation to packaging, including packaging taxes and mandatory deposit schemes. In Germany, provisions concerning an obligatory refund for single-serving beverages packaging are in force (*Verpackungsverordnung*), and could have a material adverse effect on Ardagh's market position. For example, if beverage producers switch to packaging that is not subject to the obligatory refund, this could have a material adverse effect on Ardagh's operating results. The obligations imposed by this directive, and any amendments to it, could have a material adverse effect on our business, financial condition and results of operations.

Changes to the laws and regulations governing the materials that are used in our manufacturing operations may impact on the price of such materials or result in such materials no longer being available, which could have a material adverse effect on our business, financial condition and results of operations. The European Union passed regulations concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"), which place onerous obligations on the manufacturers and importers of substances, preparations and articles containing substances, and which may have a material adverse effect on Ardagh's business. Furthermore, substances used by Ardagh may have to be removed from the market (under REACH's authorization and restriction provisions) or need to be substituted for alternative chemicals which may also adversely impact upon Ardagh's operations.

Changes in product requirements and their enforcement may have a material impact on our operations.

Changes in laws and regulations relating to deposits on, and the recycling of, glass or metal containers could adversely affect our business if implemented on a large scale in the major markets in which we operate. Changes in laws and regulations laying down restrictions on, and conditions for use of, food contact materials or on the use of materials and agents in the production of our products could likewise adversely affect our business. Changes to health and food safety regulations could increase costs and also might have a material adverse effect on revenues if, as a result, the public attitude toward end products, for which we provide packaging, were substantially affected.

Changes in consumer lifestyle, nutritional preferences and health-related concerns could adversely affect our business.

Certain end products represent a significant proportion of our packaging market. In the past, the occurrence of diseases such as bovine spongiform encephalopathy and swine fever have sometimes led to reduced demand for associated canned products, such as sauces, soups and ready meals, and publicity about the supposed carcinogenic effect of coatings used on some cans may have affected sales of canned products. Any decline in the popularity of these product types as a result of lifestyle, nutrition and health considerations could have a significant impact on our customers and could have a material adverse impact on our business, financial condition and results of operations.

Organized strikes or work stoppages by unionized employees may have a material adverse effect on our business, financial condition and results of operations.

Many of our operating companies are party to collective bargaining agreements with trade unions. These agreements cover the majority of our employees. Upon the expiration of any collective bargaining agreement, our operating companies' inability to negotiate acceptable contracts with trade unions could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. If the unionized workers were to engage in a strike or other work stoppage, we could experience a significant disruption of operations and/or higher ongoing labor costs, which may have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing facilities are subject to operating hazards.

Our manufacturing processes involve heating glass to extremely high temperatures and operating heavy machinery and equipment, which entail a number of risks and hazards, including industrial accidents, leaks and ruptures, explosions, fires, mechanical failures and environmental hazards, such as spills, storage tank leaks, discharges or releases of hot glass or toxic or hazardous substances and gases, all with potential requirements for environmental remediation and civil, criminal and administrative sanctions and liabilities. These hazards may cause unplanned business interruptions, unscheduled downtime, transportation interruptions, personal injury and loss of life, severe damage to or the destruction of property and equipment, environmental contamination and other environmental damage, civil, criminal and administrative sanctions and liabilities, and third-party claims, any of which may have a material adverse effect on our business, financial condition and results of operations.

Failure of control measures and systems resulting in faulty or contaminated product could have a material adverse effect on our business.

We have strict control measures and systems in place to ensure that the maximum safety and quality of our products is maintained. The consequences of a product not meeting these rigorous standards, due to, among other things, accidental or malicious raw materials contamination or due to supply chain contamination caused by human error or equipment fault, could be severe. Such consequences might include adverse effects on consumer health, litigation exposures, loss of market share, financial costs and loss of revenues.

In addition, if our products fail to meet our usual rigorous standards, we may be required to incur substantial costs in taking appropriate corrective action (up to and including recalling products from consumers) and to reimburse customers and/or end consumers for losses that they suffer as a result of this failure. Customers and end consumers may seek to recover these losses through litigation and, under applicable legal rules, may succeed in any such claim despite there being no negligence or other fault on our part. Placing an unsafe product on the market, failing to notify the regulatory authorities of a safety issue, failing to take appropriate corrective action and failing to meet other regulatory requirements relating to product safety could lead to regulatory investigation, enforcement action and/or prosecution. Any product quality or safety issue may also result in adverse publicity, which may damage our reputation. This could in turn have a material adverse effect on our business, financial condition and results of operations. Although we have not had material claims for damages for defective products in the past, and have not conducted any substantial product recalls or other material corrective action in recent years, these events may occur in the future.

In certain contracts, we provide warranties in respect of the proper functioning of our products and the conformity of a product to the specific use defined by the customer.

In addition, if the product contained in packaging manufactured by us is faulty or contaminated, it is possible that the manufacturer of the product in question may allege that the packaging provided by Ardagh is the cause of the fault or contamination, even if the packaging complies with contractual specifications.

In case of the failure of packaging produced by us to open properly or to preserve the integrity of its contents, we could face liability to our customers and to third parties for bodily injury or other tangible or intangible damages suffered as a result. Such liability, if it were to be established in relation to a sufficient volume of claims or to claims for sufficiently large amounts, could have a material adverse effect on our business, financial condition and results of operations.

A subsidiary of our Metal Packaging business is being investigated in the Netherlands in relation to competition law matters. The matters under investigation, if substantiated, could result in material adverse effects on our business, financial condition or results of operations.

A subsidiary of our Metal Packaging business is currently under investigation by the competition authorities in the Netherlands in relation to potential competition law violations. The staff of the relevant competition authority initiated the investigation in July 2010. There has been no ruling or allegation of improper conduct to date. Because of the fact-intensive nature of the issues involved and the inherent uncertainty of such investigation, we cannot provide any assurance that there would be no allegation of improper conduct, adverse ruling, formal proceeding or penalty in connection with this investigation. We believe that the investigation in the Netherlands is without merit and intend to defend our position vigorously. However, we are unable to predict the ultimate outcome of this investigation or its impact on us. Any future adverse ruling in any potential proceedings could subject the Group to administrative penalties and could lead to awards for civil damages, which could be substantial depending on the facts and circumstances. In addition to administrative and civil damages, any adverse outcome of future litigation or proceedings could result in reputational damage for our business, restrict our ability to conduct or expand our operations in certain countries, result in loss of key employees or customer relationships. Furthermore, we cannot provide any assurance that competition authorities in other countries will not initiate similar or other investigations or proceedings against other members of the Group operating in those other countries. Any such adverse development could have material adverse effects on our business, results of operations or financial condition.

Our existing insurance coverage may be insufficient and future coverage may be difficult or expensive to obtain.

Although we believe that our insurance policies provide adequate coverage for the risks inherent in our business, these insurance policies typically exclude certain risks and are subject to certain thresholds and limits. We cannot assure you that our property, plant and equipment and inventories will not suffer damages due to unforeseen events or that the proceeds available from our insurance policies will be sufficient to protect us from all possible loss or damage resulting from such events. As a result, our insurance coverage may prove to be inadequate for events that may cause significant disruption to our operations, which may have a material adverse effect on our business, financial condition and results of operations.

We may suffer indirect losses, such as the disruption of our business or third-party claims of damages, as a result of an insured risk event. While we carry business interruption insurance and general liability insurance, they are subject to certain limitations, thresholds and limits, and may not fully cover all indirect losses.

We renew our insurance policies on an annual basis. The cost of coverage may increase to an extent that we may choose to reduce our policy limits or agree to certain exclusions from our coverage. Among other factors, adverse political developments, security concerns and natural disasters in any country in which we operate may materially adversely affect available insurance coverage and result in increased premiums for available coverage and additional exclusions from coverage.

The Group's food packaging sales could be affected adversely by changes in EU agricultural subsidy rules.

Certain subsidies are provided to agricultural producers under EU rules governing the production of various fruit, vegetable and dairy products. The availability of these subsidies may affect levels of production for certain agricultural products. Any reduction in existing subsidy levels could lead to a reduction in harvest or canning operations and therefore could have a material adverse effect on our business, financial condition and results of operations.

National political and economic instability in the countries in which we operate could have a material adverse effect on our business.

We are a multinational company operating in countries and regions with varied economic and political conditions and sensitivities. Our operations and earnings may, therefore, be adversely affected by political or economic instability and unrest in some of these countries including financial crisis, civil unrest, wars, international conflicts, greater and tighter government regulation on cross-border trading, production, pricing and the environment.

It is difficult to compare our results of operations from period to period.

It is difficult to make period-to-period comparisons of our results of operations. Ardagh Packaging has been created as a result of a series of acquisitions, demergers and other corporate transactions over a number of years. These acquisitions have had and, in the case of the Impress Acquisition, are expected to continue to have a positive effect on our results of operations in subsequent periods following their acquisition. Furthermore, our sales and, therefore, our net operating income is variable within the fiscal year due to the seasonality described above. Thus, for all of these reasons a period-to-period comparison of our results of operations may not be meaningful.

Our business may suffer if we do not retain our senior management.

We depend on our senior management. Although we do not anticipate that we will have to replace any of our senior management team in the near future, the loss of services of any of the members of our senior management could adversely affect our business until a suitable replacement can be found. There may be a limited number of persons with the requisite skills to serve in these positions and we cannot assure you that we would be able to locate or employ such qualified personnel on terms acceptable to us or at all.

One of Ardagh's existing shareholders can exert considerable control over Ardagh.

The interests of some controlling shareholders may not be entirely consistent with our interests or those of other shareholders or our debt holders. It is possible that the controlling shareholders may take actions in relation to our business that are not entirely in our best interests or the best interests of the shareholders of Ardagh Group S.A. (previously named Ardagh Glass Group S.A.), our ultimate parent company, or our debt holders. Paul Coulson is Chairman of the board of directors of Ardagh Group S.A. and individually owns approximately 21% of the share capital of Ardagh Group S.A. Through his investment in the Yeoman group of companies he has an interest in a further approximately 39% of the outstanding shares of Ardagh Group S.A. He is also a member of the board of directors of various Yeoman group companies. A further approximately 9.5% of such shares is owned by Niall Wall, our Chief Executive Officer.

Directors and members of our senior management team, other than Paul Coulson and Niall Wall, currently own approximately 11.1% of the share capital of Ardagh Group S.A.

Paul Coulson, Wolfgang Baertz, Brendan Dowling and Herman Troskie are members of the board of directors of Ardagh Group S.A. and directors of member companies of the Yeoman group of companies. As a result of their ownership and positions, Yeoman and Messrs. Coulson, Baertz, Dowling and Troskie are each able to significantly influence, through Ardagh Group S.A., all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. See "Board of Directors and Senior Management" and "Major Shareholders and Related Party Transactions."

We have established several committees, including an audit committee and a remuneration committee, in order to ensure that the control exercised by our major shareholders is exercised through appropriate corporate governance structures.

USE OF PROCEEDS

The gross proceeds from the sale of the Additional Senior Notes will be €211.7 million, plus accrued interest. We will use the net proceeds from the issuance of the Additional Senior Notes for general corporate purposes (which may include acquisitions in the near and medium term).

CAPITALIZATION

The following table shows our unaudited total cash and capitalization as of September 30, 2010, on a historical basis and as adjusted to give effect to the Impress Acquisition, the Refinancing and the offering of the Additional Senior Notes. The information set forth below should be read in conjunction with the consolidated financial information of Ardagh and the consolidated financial information of the Acquired Business, in each case together with the notes thereto, included elsewhere in this Offering Memorandum. See also "Unaudited Pro Forma Consolidated Financial Information."

	As of September 30, 2010			
	Historical	Impress Acquisition and Refinancing Adjustments	Additional Senior Notes Adjustments	As Adjusted
	(in € millions)[1]			
Cash	82.0	(37.0)	207.7[2]	252.7
Debt[3]				
Revolving Credit Facility[4]	—	—	—	—
Anglo Senior Secured Facility—Term Debt	180.6	(180.6)	—	—
Anglo Senior Secured Facility—Revolving Credit Facility[5]	—	—	—	—
GE Commercial Finance Facility[6]	—	—	—	—
2009 Secured Notes[7]	295.4	—	—	295.4
2010 Secured Notes offered in October 2010	—	1,081.0	—	1,081.0
Australasia Senior Bank Facility	—	67.3	—	67.3
U.S. Finance Facility	—	18.2	—	18.2
Finance lease obligations	0.5	6.3	—	6.8
Bank and other short-term debt	—	0.1	—	0.1
Total Senior Secured Debt	476.5	992.3	—	1,468.8
2007 Notes	310.0	—	—	310.0
January 2010 Notes	180.0	—	—	180.0
October 2010 Senior Notes	—	604.2	—	604.2
Additional Senior Notes offered hereby[8]	—	—	200.0	200.0
Other borrowings	—	1.1	—	1.1
Total debt	966.5	1,597.6	200.0	2,764.1
Total shareholders' funds	(31.2)	(43.2)	—	(74.4)
Total capitalization	935.3	1,554.4	200.0	2,689.7

(1) Pound-denominated borrowings have been translated at an exchange rate of €1.00=£0.8613, the exchange rate used in preparing Ardagh's balance sheet on September 30, 2010. The aggregate principal amount of dollar denominated Existing Notes has been converted to an equivalent amount in euro at an assumed conversion rate.

(2) Cash includes the net proceeds from the issuance of the Additional Senior Notes (excluding the amount of accrued interest from October 8, 2010), after deducting initial purchaser's discounts and commissions and estimated issuance costs and expenses.

(3) Debt includes both short-term and long-term debt and is presented before deferred financing costs.

(4) As of the date of this Offering Memorandum, we have €100.0 million availability under the Revolving Credit Facility.

(5) Terminated concurrently with the closing of the Impress Acquisition.

(6) On an historical and as adjusted basis, Ardagh would have undrawn availability under this facility of €40.6 million.

(7) Original issue discount has been deducted from debt and not included in deferred financing costs for the purposes of this presentation.

(8) This amount excludes the premium on issuance of the Additional Senior Notes above par and the expected unamortised deferred financing cost associated therewith.

For further details relating to the debt instruments described above, see "Operating and Financial Review and Prospects—Liquidity and Capital Resources—External Financings" and "Description of Other Indebtedness."

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA OF ARDAGH

The following table sets forth Ardagh's selected financial data and other data for the periods ended and as of the dates indicated below. The historical financial data presented in the following table do not reflect changes as a result of the Refinancing, the Impress Acquisition or the issuance of the Additional Senior Notes. The historical profit and loss account data for the year 2007 only partially reflect changes as a result of the Rexam Acquisition which occurred on June 21, 2007. For a detailed discussion of the presentation of financial data, see "Presentation of Financial and Other Data."

We have derived the selected consolidated financial data for the financial years ended and as of December 31, 2009, 2008 and 2007, from the audited non-statutory consolidated financial statements of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) included elsewhere in this Offering Memorandum.

We have derived the selected unaudited consolidated financial data for the nine-month periods ended and as of September 30, 2010 and 2009 from the unaudited consolidated interim financial information of Ardagh Packaging Holdings Limited included elsewhere in this Offering Memorandum.

The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 set forth below was derived by adding the consolidated financial data of Ardagh for the year ended December 31, 2009 to the consolidated financial data of Ardagh for the nine months ended September 30, 2010 and subtracting the consolidated financial data of Ardagh for the nine months ended September 30, 2009. The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date.

The financial statements contained herein were prepared in accordance with IFRS. The selected financial data and other data should be read in conjunction with the "Operating and Financial Review and Prospects" and the financial statements and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results. In addition, our results for the nine months ended and as of September 30, 2010 should not be regarded as indicative of our results expected for the year ended December 31, 2010.

	Audited Consolidated			Unaudited Consolidated		
	Year ended and as of December 31,			Nine months ended and as of September 30,		Twelve months ended and as of September 30,
	2009	2008	2007*	2010	2009	2010
	(in € millions, except ratios and where indicated)					
Income Statement Data						
Revenues	1,235.8	1,357.2	1,025.0	933.2	935.2	1,233.8
Cost of sales	(1,081.2)	(1,178.1)	(887.6)	(761.9)	(825.9)	(1,017.2)
IFRS non-cash stock adjustment**	—	—	(13.8)	—	—	—
Gross profit	154.6	179.1	123.6	171.3	109.3	216.6
Sales, general and administration expenses	(63.1)	(73.7)	(57.6)	(53.0)	(47.1)	(69.0)
Exceptional items(1)	(68.1)	(25.2)	(8.9)	(9.8)	(50.5)	(27.4)
Operating profit/(loss)	23.4	80.2	57.1	108.5	11.7	120.2
Net finance expense	(74.3)	(84.0)	(53.0)	(66.8)	(57.3)	(83.8)
Share of profit of joint venture	0.7	0.8	0.3	0.2	0.4	0.5
(Loss)/profit before tax	(50.2)	(3.0)	4.4	41.9	(45.2)	36.9
Income tax (expense)/credit	(1.8)	6.5	0.2	(11.1)	(1.3)	(11.6)
(Loss)/profit for the period	(52.0)	3.5	4.6	30.8	(46.5)	25.3
Balance Sheet Data						
Cash and cash equivalents	120.8	61.9	62.6	82.0	84.8	82.0
Working capital(2)	266.8	281.1	230.2	291.9	289.8	291.9
Total assets	1,342.2	1,342.9	1,400.8	1,352.1	1,349.9	1,352.1
Total borrowings(3)	987.0	958.0	935.2	966.5	990.8	966.5
Total equity	(42.8)	31.2	105.2	(31.2)	(13.5)	(31.2)

	Unaudited Consolidated			Unaudited Consolidated		
	Year ended and as of December 31,			Nine months ended and as of September 30,		Twelve months ended and as of September 30,
	2009	2008	2007*	2010	2009	2010
	(in € millions, except ratios and where indicated)					
Other Data						
Gross margin(4)	12.5%	13.2%	13.4%	18.4%	11.7%	17.6%
EBITDA	235.0	262.1	180.2	201.3	172.2	264.1
EBITDA margin(5)	19.0%	19.3%	17.6%	21.6%	18.4%	21.4%
Depreciation(6)	143.5	156.7	100.4	83.0	110.0	116.5
Net interest costs(7)	77.7	74.6	53.2	63.4	56.6	84.5
Capital expenditure	100.5	128.8	99.4	67.6	75.8	92.3
Net borrowings(8)	840.5	874.8	845.5	858.7	874.4	858.7
Ratio of net borrowings to EBITDA(5)(8)	3.6x	3.3x	4.7x	—	—	3.3x
Ratio of EBITDA to net interest costs(5)(7)	3.0x	3.5x	3.4x	3.2x	3.0x	3.1x

* The historical financial data for the year 2007 reflect the effects of the Rexam Acquisition only from June 21, 2007.

** IFRS non-cash stock adjustment—This adjustment arose as a result of the fair value exercise carried out in accordance with IFRS 3 Business Combinations. This adjustment had the effect of writing up the value of the inventory of the acquired glass division of Rexam plc, such that there was no profit element recognized when this inventory was subsequently sold to customers post-acquisition. The full stock uplift was released in the third quarter of 2007 as all acquired inventory was sold in this period.

(1) Exceptional items includes items identified as other income and expenses in Ardagh's financial statements for the fiscal years ended December 31, 2009, 2008 and 2007.

The following table is a bridge between exceptional items as presented in the table above and items as presented in the columnar presentation of the income statement in the consolidated financial statements of Ardagh included in this Offering Memorandum.

	Audited Consolidated			Unaudited Consolidated		
	Year ended and as of December 31,			Nine months ended and as of September 30,		Twelve months ended and as of September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Cost of sales	(11.6)	(0.3)	—	4.4	(2.1)	(5.1)
Sales, general and administrative expenses	(48.1)	(24.9)	(8.9)	(5.8)	(41.1)	(12.8)
Net finance expense	(8.4)	—	—	(8.4)	(7.3)	(9.5)
Exceptional items	(68.1)	(25.2)	(8.9)	(9.8)	(50.5)	(27.4)

(2) Working capital is made up of inventories, trade and other receivables, and trade and other payables.

(3) Total borrowings includes all bank borrowings as well as vendor loan notes, subordinated loan notes and deferred consideration loan notes, before deduction of any unamortized debt issuance costs.

(4) Gross margin is calculated as gross profit excluding exceptional items divided by revenues.

The reconciliation of gross profit is as follows:

	Audited Consolidated			Unaudited Consolidated		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Gross profit	154.6	179.1	123.6	171.3	109.3	216.6
Add back IFRS non-cash stock adjustment	—	—	13.8	—	—	—
Gross profit excluding other items	154.6	179.1	137.4	171.3	109.3	216.6

(5) EBITDA is operating profit before depreciation, amortization, exceptional items and non-cash items. EBITDA margin is calculated as EBITDA divided by revenues. EBITDA and EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the glass packaging industry. However, other companies may calculate EBITDA and EBITDA margin in a manner different from ours. EBITDA and EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of operating profit/(loss) to EBITDA is as follows:

	Audited Consolidated			Unaudited Consolidated		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007*	2010	2009	2010
	(in € millions)					
Group operating profit/(loss)	23.4	80.2	57.1	108.5	11.7	120.2
Add back depreciation and amortization	143.5	156.7	100.4	83.0	110.0	116.5
Add back IFRS non-cash stock adjustment	—	—	13.8	—	—	—
Add back exceptional items	68.1	25.2	8.9	9.8	50.5	27.4
EBITDA	235.0	262.1	180.2	201.3	172.2	264.1

* The historical financial data for the year 2007 reflect the effects of the Rexam Acquisition only from June 21, 2007.

(6) Depreciation less capital grant amortization.

(7) Net interest costs represent net finance expense excluding interest cost on pension plan liabilities, foreign exchange gains and losses, expected return on pension plan assets, gains and losses on derivatives not designated as hedges and gains and losses on extinguishment of borrowings.

(8) Net borrowings equal total borrowings less cash and deferred financing costs.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA OF THE ACQUIRED BUSINESS

The following table sets forth the Acquired Business's selected financial and other data for the periods ended and as of the dates indicated below. The historical financial data presented in the following table do not reflect changes as a result of the Impress Acquisition, the Refinancing or the issuance of the Additional Senior Notes. For a detailed discussion of the presentation of financial data, see "Presentation of Financial and Other Data."

We have derived the selected consolidated financial data for the financial years ended and as of December 31, 2009, 2008 and 2007 from the audited non-statutory consolidated financial statements of Impress Coöperatieve U.A. and its subsidiaries included elsewhere in this Offering Memorandum.

We have derived the selected interim unaudited consolidated financial data for the nine-month periods ended and as of September 30, 2010 and 2009 from the interim unaudited consolidated financial information of Impress Coöperatieve U.A. and its subsidiaries included elsewhere in this Offering Memorandum.

The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 set forth below was derived by adding the consolidated financial data of Impress Coöperatieve U.A. for the year ended December 31, 2009 to the consolidated financial data of Impress Coöperatieve U.A. for the nine months ended September 30, 2010 and subtracting the consolidated financial data of Impress Coöperatieve U.A. for the nine months ended September 30, 2009. The unaudited consolidated financial information for the twelve months ended and as of September 30, 2010 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date.

The financial statements contained herein were prepared in accordance with IFRS. The selected financial data and other data should be read in conjunction with the "Operating and Financial Review and Prospects" and the financial statements of Impress Coöperatieve U.A. and related notes included elsewhere in this Offering Memorandum. Historical results are not necessarily indicative of future expected results. In addition, our results for the nine months ended and as of September 30, 2010 should not be regarded as indicative of the Acquired Business's or our results expected for the year ending December 31, 2010.

	Audited Consolidated			Unaudited Consolidated		
	Year ended and as of December 31,			Nine months ended and as of September 30,		Twelve months ended and as of September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions, except ratios and where indicated)					
Income Statement Data						
Revenues	1,756.2	1,731.7	1,635.4	1,375.1	1,351.3	1,780.0
Cost of sales[(1)]	(1,491.4)	(1,485.0)	(1,410.0)	(1,130.3)	(1,149.4)	(1,472.3)
Gross profit	264.8	246.7	225.4	244.8	201.9	307.7
Sales, general and administration expenses[(2)]	(84.7)	(80.7)	(75.5)	(66.2)	(64.1)	(86.8)
Exceptional items[(3)]	(61.4)	(37.2)	(43.4)	(36.3)	(27.5)	(70.2)
Operating profit/(loss)	118.7	128.8	106.5	142.3	110.3	150.7
Net finance expense	(96.0)	(103.8)	(102.4)	(65.7)	(69.5)	(92.2)
(Loss)/profit before tax	22.7	25.0	4.1	76.6	40.8	58.5
Income tax expense	(5.6)	(8.4)	(10.7)	(24.3)	(12.9)	(17.0)
(Loss)/profit for the period	17.1	16.6	(6.6)	52.3	27.9	41.5
Balance Sheet Data						
Cash and cash equivalents	188.4	97.6	53.2	89.8	105.3	89.8
Working capital	151.7	172.1	188.1	219.7	259.3	219.7
Total assets	1,535.2	1,442.1	1,443.1	1,565.9	1,538.8	1,565.9
Total borrowings	1,099.4	1,067.5	1,071.4	1,117.0	1,108.0	1,117.0
Total equity	(262.5)	(303.6)	(296.3)	(276.5)	(260.5)	(276.5)

	Unaudited Consolidated			Unaudited Consolidated		
	Year ended and as of December 31,			Nine months ended and as of September 30,		Twelve months ended and as of September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions, except ratios and where indicated)					
Other Data						
Gross margin	15.1%	14.2%	13.8%	17.8%	14.9%	17.3%
EBITDA[(4)]	247.0	233.2	217.9	230.7	187.5	290.2
EBITDA margin	14.1%	13.5%	13.3%	16.8%	13.9%	16.3%
Depreciation[(5)]	66.9	67.2	68.0	52.1	49.7	69.3
Net interest costs[(6)]	83.5	97.7	88.3	53.6	59.1	78.0
Capital expenditure	82.2	90.7	103.5	67.2	52.5	96.9
Net borrowings	895.6	942.5	986.2	1,014.4	979.5	1,014.4
Ratio of net borrowings to EBITDA	3.6x	4.0x	4.5x	—	—	3.5x
Ratio of EBITDA to net interest costs	3.0x	2.4x	2.5x	4.3x	3.2x	3.7x

(1) Cost of sales equals cost of sales plus the portion of depreciation and amortization allocable to cost of sales.

(2) Sales, general and administrative expenses equals (a) selling and administrative expenses excluding Contingent Transaction Charges plus (b) research expenses plus (c) other operating (expense)/income plus (d) the portion of depreciation and amortization allocable to selling and administrative expenses and research expenses.

(3) Exceptional items as outlined in footnote (4) below.

(4) EBITDA is operating profit before depreciation, amortization, exceptional items and non-cash items. EBITDA margin is calculated as EBITDA divided by revenues. EBITDA and EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the metal packaging

industry. However, other companies may calculate EBITDA and EBITDA margin in a manner different from ours. EBITDA and EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of operating profit is as follows:

	Audited Consolidated			Unaudited Consolidated		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Operating profit	118.7	128.8	106.5	142.3	110.3	150.7
Add back depreciation and amortization	66.9	67.2	68.0	52.1	49.7	69.3
Exceptional items:						
Add back restructuring expenses	28.2	27.5	16.3	8.7	11.3	25.6
Add back impairment charges	11.3	7.3	12.3	1.8	(0.2)	13.3
Add back Contingent Transaction Charges(i)	21.9	2.4	14.8	17.1	16.4	22.6
Add back other exceptionals items(ii)	—	—	—	8.7	—	8.7
EBITDA	247.0	233.2	217.9	230.7	187.5	290.2

(i) Included in sales, general and administrative expenses in the audited consolidated financial statements of Impress.

(ii) Represents the write-off of expenses related to a potential initial public offering of the Acquired Business, which was abandoned as a result of the Impress Acquisition.

(5) Historically the Acquired Business has elected to present depreciation and amortization separately on the face of the income statement in its consolidated financial information. In the income statement data above, depreciation and amortization has been allocated by function of expense as follows:

	Audited Consolidated			Unaudited Consolidated		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Depreciation and amortization						
Cost of sales	60.8	62.8	64.0	46.6	45.6	61.8
Selling and administrative expense	1.5	1.1	1.1	2.1	1.1	2.5
Research expense	4.6	3.3	2.9	3.4	3.0	5.0
	66.9	67.2	68.0	52.1	49.7	69.3

(6) Net interest costs represent net finance expense excluding interest cost on pension plan liabilities, foreign exchange gains and losses, expected return on pension plan assets, gains and losses on derivatives not designated as hedges and gains and losses on extinguishment of borrowings.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Under IFRS 3, Revised "Business Combinations," all business combinations should be accounted for by applying the purchase method of accounting. This involves measuring the cost of the business combination and allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Impress Acquisition was completed on December 7, 2010. Ardagh is currently evaluating the fair values of the assets and liabilities acquired as at the date of the Impress Acquisition. Thus, we are currently not in a position to measure fair values and make related adjustments to recorded values of the assets and liabilities of the Acquired Business as at September 30, 2010. As part of the evaluation, we will measure fair values and make any necessary adjustments to recorded values of the costs and liabilities of the Acquired Business. Ardagh currently expects that the majority of the adjustments will result in adjustments to fixed asset values, the creation of intangibles and goodwill, and an increase in the fair value of inventory. The adjustments to fixed assets and intangibles are likely to result in additional charges for the depreciation of fixed assets and the amortization of intangibles, which will have a negative effect on operating profit. Similarly, the adjustment to inventory will result in a corresponding increase in cost of sales which will be recognized and reduce operating profit during the period in which the acquired inventory is sold on a one-off basis. None of these effects from the application of purchase accounting to the Impress Acquisition has been reflected in the summary pro forma information set forth below or the pro forma information that appears elsewhere in this Offering Memorandum. The excess of consideration over net assets has been included in the unallocated goodwill line for the purposes of the pro forma financial information set forth below and the summary pro forma information that appears elsewhere in this Offering Memorandum.

The pro forma financial information set forth below has not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities and Exchange Act of 1934 or U.S. GAAP. Neither the adjustments nor the resulting pro forma financial information has been audited in accordance with International Standards on Auditing (U.K. and Ireland) or U.S. GAAS. In evaluating the pro forma financial information you should carefully consider the audited financial statements of Ardagh Packaging Holdings Limited and the notes thereto.

The pro forma information set forth below has been prepared to show the balance sheet and income statement of Ardagh when added to the balance sheet and income statement of the Acquired Business, with limited adjustments for the effect of the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes. This aggregated data should therefore not be relied on to reflect what our revenues or EBITDA would have looked like had the Impress Acquisition occurred on October 1, 2009. Aggregated revenues and aggregated EBITDA are not measurements of financial performance under IFRS and should not be considered as such.

The following unaudited pro forma income statement information for the twelve months ended September 30, 2010 give effect to the Impress Acquisition, and the Refinancing and the issuance of the Additional Senior Notes as if they had occurred at October 1, 2009. The following unaudited pro forma balance sheet information as of September 30, 2010 give effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes as if they had occurred on September 30, 2010. This unaudited pro forma financial information is based on available information and various assumptions, including with respect to prevailing market interest rates and average outstanding balances on revolving credit facilities, that management believes are reasonable. However, it does not purport to represent what our actual net finance costs would have been had we in fact completed the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes on the dates set forth above or to project our results of operations or financial condition for any future period or as of any date, respectively.

The unaudited pro forma financial information and aggregated data set forth below should be read in conjunction with the historical consolidated financial statements and notes thereto of Ardagh and the Acquired Business, respectively, included elsewhere in this Offering Memorandum and "Operating and Financial Review and Prospects."

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT DATA

	For the twelve months ended and as of September 30, 2010				
	Ardagh	Acquired Business	Impress Acquisition and Refinancing Adjustments	Additional Senior Notes Adjustments	Pro Forma Financial Data
	(in € millions, except ratios and where indicated)				
Income Statement Data					
Revenues	1,233.8	1,780.0	—	—	3,013.8
Cost of sales	(1,017.2)	(1,472.3)	—	—	(2,489.5)
Gross profit	216.6	307.7	—	—	524.3
Sales, general and administration expenses	(69.0)	(86.8)	—	—	(155.8)
Exceptional items	(27.4)	(70.2)	(33.4)(1)	—	(131.0)
Operating profit/(loss)	120.2	150.7	(33.4)	—	237.5
Net finance expense	(83.8)	(92.2)	(42.1)(2)	(18.9)(3)	(237.0)
Share of profit of joint venture	0.5	—	—	—	0.5
(Loss)/profit before tax	36.9	58.5	(75.5)	(18.9)	1.0
Income tax expense	(11.6)	(17.0)	—	—	(28.6)
(Loss)/profit for the period	25.3	41.5	(75.5)	(18.9)	(27.6)

(1) Adjustment represents the following:

	(in € millions)
Acquisition costs[(a)]	43.2
Loss on debt extinguishment[(b)]	12.8
Reversal of long-term incentive plan expense[(c)]	(22.6)
	33.4

(a) In accordance with IFRS 3 (revised) these estimated acquisition costs are expensed as incurred. The actual acquisition costs will be expensed in the period in which the Impress Acquisition was completed, which was the fourth quarter of 2010.

(b) Represents write-off of historical unamortized debt issuance costs associated with the debt repaid in the Refinancing.

(c) Represents expenses incurred during the period associated with the long-term incentive plan ("LTIP") of the Acquired Business. The LTIP, by its terms, will be paid by the vendor as a result of the Impress Acquisition and it is not management's current intention to replace the LTIP following completion.

(2) Represents the elimination of historical finance expense associated with the debt of Ardagh and the Acquired Business that was repaid and additional finance expense associated with the new debt incurred in connection with the Impress Acquisition and the Refinancing. The additional finance expense includes (a) interest expense on the 2010 Senior Secured Notes and the October 2010 Senior Notes, (b) commitment fees on the undrawn portion of the Revolving Credit Facility and (c) amortization of deferred financing costs associated with this debt.

(3) Represents the interest expense associated with the issuance of the Additional Senior Notes and amortization of deferred financing costs associated with this debt.

ARDAGH PACKAGING HOLDINGS LIMITED
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET DATA

	As of September 30, 2010				
	Ardagh	Acquired Business	Impress Acquisition and Refinancing Adjustments	Additional Senior Notes Adjustments	Pro Forma Financial Data
			(in € millions)		
Non-current assets					
Goodwill	55.7	187.4	692.1[1]	—	935.2
Intangible assets	3.4	35.2	—	—	38.6
Property, plant and equipment	695.0	602.3	—	—	1,297.3
Investments in joint ventures	2.9	—	—	—	2.9
Other investments	0.6	3.6	—	—	4.2
Deferred tax assets	38.9	54.7	—	—	93.6
Other non-current assets	—	7.9	—	—	7.9
Total Non-Current Assets	796.5	891.1	692.1	—	2,379.7
Current assets					
Inventories	233.2	260.6	—	—	493.8
Trade and other receivables	240.4	255.8	—	—	496.2
Financial derivatives	—	10.7	—	—	10.7
Prepaid expenses and other current assets	—	57.9	—	—	57.9
Cash and cash equivalents	82.0	89.8	(126.8)[2]	207.7[3]	252.7
Total Current Assets	555.6	674.8	(126.8)	207.7	1,311.3
Total Assets	1,352.1	1,565.9	565.3	207.7	3,691.0
Shareholder's equity	(31.2)	(363.7)	320.5[4]	—	(74.4)
C Interests	—	77.5	(77.5)[5]	—	—
Total shareholder equity	(31.2)	(286.2)	243.0	—	(74.4)
Minority interest	—	9.7	—	—	9.7
Total equity	(31.2)	(276.5)	243.0	—	(64.7)
Non-current liabilities					
Borrowings	928.0	1,068.5	469.1[6]	207.7[3]	2,673.3
Deferred income—government grants	6.9	—	—	—	6.9
Retirement benefit obligations	107.9	122.3	—	—	230.2
Deferred tax liabilities	78.6	37.6	—	—	116.2
Provisions for other liabilities	10.1	29.3	—	—	39.4
Financial derivatives	12.9	—	(12.9)[7]	—	—
Total non-current liabilities	1,144.5	1,257.7	456.2	207.7	3,066.0
Current liabilities					
Borrowings	12.7	35.7	(35.7)[6]	—	12.7
Interest payables	16.0	20.0	(20.0)[8]	—	16.0
Deferred income—government grants	1.7	—	—	—	1.7
Trade and other payables	186.7	296.7	—	—	483.4
Other current liabilities	—	180.8	(64.4)[9]	—	116.4
Financial derivatives	—	13.8	(13.8)[7]	—	—
Payables to parent company	0.5	—	—	—	0.5
Provisions for other liabilities and charges	12.0	14.2	—	—	26.2
Current income tax payable	9.3	23.5	—	—	32.8
Total current liabilities	238.9	584.7	(133.9)	—	689.7
Total equity and liabilities	1,352.1	1,565.9	565.3	207.7	3,691.0

(1) Does not reflect any adjustment in respect of the fair value of acquired assets and liabilities as required by IFRS and for purposes of the above pro forma balance sheet information; reflects the entire excess of purchase price over book value of the acquired assets and liabilities to the goodwill line. The estimate of fair values and adjustment of the carrying values in respect of acquired assets and liabilities following completion of the Impress Acquisition, is expected to be completed before the end of 2011.

The estimated goodwill amount shown above will differ from the goodwill arising on completion of the fair value estimates.

(2) Represents a reduction in cash and cash equivalents associated with cash on the combined pro forma balance sheet used to fund the purchase price for the Impress Acquisition.

(3) Includes the net proceeds from the issuance of the Additional Senior Notes (excluding the amount of accrued interest from October 8, 2010), after deduction of initial purchaser's discounts and commissions and estimated issuance costs and expenses.

(4) Reflects the impact of:

		(€ in millions)
(A)	Estimated Impress Acquisition transaction fees required to be expensed in accordance with IFRS	(43.2)
(B)	Elimination of accrued liability in respect of the LTIP of the Acquired Business	64.4
(C)	Elimination of the historical shareholders' deficit of the Acquired Business	299.3
		320.5

(5) Elimination of C Interests not redeemed on July 23, 2010.

(6) Reflects the increase in net borrowings following the issuance of the 2010 Senior Secured Notes and the October 2010 Senior Notes and the refinancing of certain finance obligations of the Acquired Business. See "Capitalization" for a description of the borrowings incurred in connection with the Refinancing and the amounts refinanced.

(7) Reflects the liquidation of existing derivatives of both Ardagh (€12.9 million) and the Acquired Business (€13.8 million).

(8) Elimination of accrued interest relating to historical debt of the Acquired Business repaid as part of the Impress Acquisition and the Refinancing.

(9) Comprises the payment by the vendor of the LTIP accrual (shown in Note 4 above) recorded on the Acquired Business's September 30, 2010 balance sheet. The LTIP, by its terms, will be paid by the vendor as a result of the Impress Acquisition and it is not management's current intention to replace the LTIP following completion.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read together with, and is qualified in its entirety by reference to our audited non-statutory consolidated financial information for the three-year period from 2007 to 2009 and unaudited consolidated interim financial information for the nine months ended September 30, 2010 and 2009, and the Acquired Business's audited consolidated financial statements for the three-year period from 2007 to 2009 and the consolidated unaudited interim financial information for the nine months ended September 30, 2010 and 2009, in each case, including the related notes thereto, included in this Offering Memorandum, beginning on page F-1. The following discussion should also be read in conjunction with "Presentation of Financial and Other Data," "Selected Consolidated Financial and Other Data of Ardagh," "Selected Consolidated Financial and Other Data of the Acquired Business" and "Unaudited Pro Forma Consolidated Financial Information." Except for the historical information contained herein, the discussions in this section contain forward-looking statements that reflect Ardagh's plans, estimates and beliefs and involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly in "Risk Factors" and "Forward-Looking Statements."

Some of the measures used in this Offering Memorandum are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities as a measure of liquidity or an alternative to operating profit/(loss) or profit/(loss) for the period as indicators of our operating performance or any other measures of performance derived in accordance with IFRS.

Overview of the Historical Operations of Ardagh ("Glass Packaging")

Glass Packaging is one of the leading suppliers of glass packaging to the food and beverage sectors in Europe. The business has manufacturing operations in Denmark, Germany, Italy, the Netherlands, Poland, Sweden and the United Kingdom. In addition, Glass Packaging's Glass Engineering division provides technology, engineering and mold manufacturing activities.

Glass Packaging operates 20 glass plants with 40 glass furnaces and 101 production lines in seven countries. In 2009, the aggregate production of Glass Packaging's glass container businesses was approximately 2.9 million tonnes. For the year ended December 31, 2009, Glass Packaging had an approximate one-third share of the Northern European glass container production by volume and an approximate 16% share of the total European glass container production by volume, based on management estimates.

Glass Packaging has pursued an acquisition strategy of careful evaluation, selection and pursuit of strategic opportunities. During the periods under review, Glass Packaging has completed a number of acquisitions which affect results from period to period. See "Our Business—Glass Packaging—History and Development."

Glass Packaging generates its revenues principally from its glass container manufacturing business and its glass engineering business. Revenues are principally dependent on sales volumes and sales prices.

Sales volumes are affected by a number of factors, including factors impacting customer demand, seasonality and the capacity of Glass Packaging's plants. Demand for glass containers may be influenced by trends in the consumption of beverages, industry trends in packaging, including marketing decisions, and the impact of environmental regulations. The beverage industry is seasonal in nature, with demand being stronger during the summer and during periods of warm weather, as well as during the period leading up to holidays in December. Accordingly, Glass Packaging's shipment volume of glass containers is typically lower in the first quarter. Glass Packaging builds inventory in the first quarter in anticipation of these seasonal demands. In addition, Glass Packaging generally schedules shutdowns of its plants for rebuilding and repairs of machinery in the first quarter. These planned shutdowns and seasonal sales patterns adversely affect profitability in Glass Packaging's glass manufacturing operations during the first quarter of the year. Plant shutdowns may also affect the comparability of results from period to period. Glass Packaging's working capital requirements are typically greatest at the end of the first quarter of the year.

The prices Glass Packaging receives for its goods are directly affected by the supply and demand for glass containers. The glass container market has historically been characterized by a steady growth of manufacturing capacity with only modest growth in demand. Overcapacity can create particular challenges for pricing decisions limiting the ability of container manufacturers to recover increased costs.

In recent periods, particularly 2007 and 2008, Glass Packaging has experienced increases in certain components of its cost of sales. The elements of Glass Packaging's cost of sales for its glass container manufacturing business include (i) variable costs, such as natural gas and electricity, raw materials (including the cost of cullet (crushed recycled glass)), packaging materials, decoration and freight and other distribution costs, and (ii) fixed costs, such as labor and other plant-related costs including depreciation, maintenance, sales, marketing and administration costs. Glass Packaging's variable costs have typically constituted approximately 40% and fixed costs approximately 60% of its total cost of sales for its glass container manufacturing business. Because a high percentage of Glass Packaging's cost of sales is fixed, its results of operations are significantly dependent upon sales volumes.

As a result of macroeconomic challenges currently affecting many of the economies in which we operate, customers may experience serious cash flow problems and as a result, may modify, delay or curtail plans to purchase our products. These factors are likely to have an adverse impact on the level of price increases that we can obtain in our core markets.

Historically, Glass Packaging has been able to maintain or improve its margins by increasing its selling prices in line with, or in excess of, its cost base inflation. In the current economic climate and despite the stabilization of the European glass container market, it will be more difficult to achieve this than in the recent past.

Overview of the Operations of the businesses acquired in the Impress Acquisition (“Metal Packaging”)

The ability of the businesses acquired in the Impress Acquisition to grow both earnings and cash flows depends primarily upon its ability to maintain its operating margins through recovery in its selling prices of changes in the cost of its raw materials and other input costs, while reducing operating costs. Over the last five years, new long-term sales contracts have generally incorporated pass-through mechanisms for raw materials prices, which can be volatile, as well as other input costs. Short-term contracts are renegotiated annually, with a view to recovering cost inflation through selling prices.

Metal Packaging has focused on its customers, markets, products and margins rather than on volumes. In addition to producing and selling large quantities of standard cans and ends, it has invested in innovative, higher-margin, value-added and value-adding products that meet its customers' needs for new features, provide additional convenience to the end-consumer or improve the ease of handling in customers' distribution channels, as well as in improved production processes.

Revenue growth is primarily achieved through acquisitions. Certain acquisitions allow Metal Packaging to consolidate its leading position in developed markets and to realize significant cost synergies with its existing operations, while others seek to exploit the opportunities afforded by emerging markets.

Metal Packaging has managed its cost base through the optimization of its operations such that certain activities, such as print and component production, are centralized in large “platform” plants, while can assembly takes place in "service" plants, located as close to customers as economically viable. It has also implemented a large number of cost reduction projects. These may involve capital expenditure as well as the restructuring and reorganization of specific plants, coupled with smaller projects such as reducing the amount of metal in a can or the amount of spoilage in the manufacturing process.

The main factors affecting the results of operations of Metal Packaging are the following: (i) global economic trends and end-consumer demand for the products packaged in its cans; (ii) prices of raw materials used in its business, primarily tinplate and aluminum, and its ability to pass through these and other cost increases to its customers, through contractual pass-through mechanisms under multi-year contracts, or through annual renegotiation in the case of annual contracts; (iii) investment in operating cost reductions; (iv) acquisitions; and (v) foreign exchange rate fluctuations and currency translation risks arising from various currency exposures, primarily with respect to the pound, the U.S. dollar and Canadian, Australian and New Zealand dollars, as well as currency transaction risk, in particular relating to sales denominated in pounds for goods manufactured in the eurozone. Metal Packaging incurs currency transaction risks primarily on aluminum purchases (or the hedging of those purchases), as aluminum ingot prices are denominated in U.S. dollars, and on revenue denominated in pounds or yen fulfilled from euro-participant territories (or the hedging of those sales).

Recent Acquisitions

Ardagh's acquisition strategy has been to participate in the consolidation of the European packaging industry through the careful evaluation, selection and pursuit of strategic opportunities throughout Europe.

Glass Packaging

Acquisition of the Glass Division of Rexam plc. In June 2007, Ardagh acquired the glass container manufacturing business of Rexam plc for a consideration equal to its enterprise value of €657.0 million, less net debt. This acquisition expanded Ardagh's holdings in Germany and Poland and allowed it to enter new markets in the Nordic and Benelux regions. Following this acquisition, all of the existing trading units and active legal entities comprising the Ardagh glass container business were rebranded and renamed Ardagh Glass.

Acquisition of Busch & Spreen. In December 2008, Glass Engineering acquired 100% of the share capital of Busch & Spreen through its technology subsidiary, Heye International. The company, based in Nienburg, Germany, supplies cold end inspection equipment to the international glass container industry.

Acquisition of Shares in Heye FFS. In April 2009, Ardagh Glass Holding GmbH acquired 42% of the shares in Heye FFS from the Polish State Treasury and recently a further 6.9% from former and current employees of the company. This brings its current holding in Heye FFS to 99.9%. Heye FFS, based in Piensk, Poland, is a manufacturer of molds for glass container operations and is a key supplier of molds to Ardagh companies.

Acquisition of Impress. In December 2010, Ardagh Group S.A. (previously Ardagh Glass Group S.A.) acquired 100% of the equity interests of Impress Coöperatieve U.A. for a total purchase price of €1.7 billion, comprising an equity acquisition price of €380.0 million and assumed liabilities of €1.3 billion. The businesses acquired in the Impress Acquisition now comprise our Metal Packaging division.

Metal Packaging

Acquisition of Can-Making Interests of Amcor. In October 2007, Impress acquired the can-making interests of Amcor in Australia and New Zealand for total consideration of €100.0 million. The business is a leading provider of metal packaging in Australasia and currently comprises four factories in Australia and two in New Zealand, manufacturing steel food cans and steel and aluminum aerosols.

Acquisition of Megasa's Vilagarcia Plant. In June 2009, Impress acquired the assets of Megasa at Vilagarcia, Galicia in northwest Spain, a plant which specializes in serving the Spanish seafood market, for a consideration, net of cash acquired, of €7.1 million.

Critical Accounting Policies—Ardagh

Ardagh prepares its financial statements in accordance with IFRS. A summary of Ardagh's significant accounting policies is contained in Note 2 to the non-statutory consolidated financial statements of Ardagh for the year ended December 31, 2009 beginning on page F-25. In applying many accounting principles, Ardagh needs to make assumptions, estimates and judgments which are often subjective and may be affected by changing circumstances or changes in its analysis. Material changes in these assumptions, estimates and judgments have the potential to materially alter its results of operations. We have identified below those of Ardagh's accounting policies that we believe could potentially produce materially different results if Ardagh were to change its underlying assumptions, estimates and judgments.

Revenue Recognition

Glass Container Manufacturing. Most of Ardagh's sales of glass containers are generally unconditional sales that are recognized in the income statement when product is delivered and invoiced to Ardagh's customers. Customers have the right to rescind the sale if the goods are damaged. Ardagh recognizes all revenues net of returns. Ardagh believes that, based on past experience, the rate of customer returns is less than 1% of revenues.

Glass Engineering. Certain large project sales of Heye International are recorded on a percentage-of-completion basis where they relate to revenues earned from long-term construction contracts.

Pension Liabilities

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has defined benefit, defined contribution and other long-term employee benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Surpluses on defined benefit plans are recognized to the extent that they are fully recoverable.

The expected returns on plan assets and the increase during the year in the present value of plan liabilities arising from the passage of time are recognized as components of finance income and finance expense, respectively. Differences between the expected and the actual return on plan assets, together with the effect of changes in the current or prior assumptions underlying the liabilities, are recognized in the statement of comprehensive income.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as of the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

Settlements and curtailments trigger immediate recognition of the consequent change in obligations and related assets in the income statement together with any previously unrecognized past service costs that relate to the obligations being settled or curtailed.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary on the date of acquisition.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose for the purpose of assessing impairment. Goodwill is tested annually for impairment. In respect of joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the joint venture.

The excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost, arising on an acquisition is recognized directly in the income statement.

Intangible Assets (Other than Goodwill)

An intangible asset is recognized to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable (i.e., capable of being divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability) or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Intangible assets acquired as part of a business combination are capitalized separately from goodwill if the intangible asset meets the definition of an asset and the fair value can be reliably measured on initial recognition.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The carrying values of intangible assets with finite useful lives are reviewed for indicators of impairment on each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The amortization of intangible assets is calculated to write off the book value of finite-lived intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, finite-lived intangible assets are amortized over periods ranging from three to five years, depending on the nature of the intangible asset as detailed in Note 3 to the non-statutory consolidated financial statements of Ardagh for the year ended December 31, 2009 included elsewhere in this Offering Memorandum.

Exceptional Items (Other Income and Expense)

The Group has adopted an income statement format which seeks to highlight significant items within Group results for the year. The Group believe that this presentation provides additional analysis as it highlights one-off items. Such items include where significant, restructuring, redundancy and other costs relating to permanent capacity realignment, profit or loss on disposal or termination of operations, start-up costs incurred in relation to new furnace builds, major litigation costs and settlements, profit or loss on the disposal of assets and the impairment of assets. Judgment is used by the Group in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Group income statement and related notes as exceptional items (other income and expense).

Critical Accounting Policies—Impress

Impress prepares its financial statements in accordance with IFRS, which require that management make numerous estimates and assumptions. Actual results could differ from those estimates and assumptions, impacting the reported results of operations and financial position of Impress. Impress's significant accounting policies are more fully described in Note 2.2 to the accompanying consolidated financial statements of Impress beginning on page F-154. Certain accounting policies, however, are considered to be critical in that (i) they are most important to the depiction of Impress's financial condition and results of operations, and (ii) their application requires management's subjective judgment in making estimates about the effect of matters that are inherently uncertain. These policies reflect the historical accounting policies for the financial statements of the Acquired Business prior to the Impress Acquisition.

Impairment Testing

Impress tests property, plant and equipment when an indication of impairment exists. Impress tests all fixed assets and goodwill for impairment on (i) an annual basis and (ii) when an indication of impairment exists. When considering impairment, Impress's policy is to compare the carrying value of the item being considered, to either a discounted cash flow calculation or by reference to known market values, if available. Impress's estimate of future cash flows is based on assumptions about a number of factors, including future operating performance, the realization of sales forecasts, economic conditions and technological changes, and may differ from actual future cash flows. Also, the evaluation of fair value using a discounted cash flow means that assumptions about the timing of cash flows, relative to the date of the evaluation, impact upon the result of that evaluation. Where reliance is placed on observed prices, the actual price realized may differ from those observed in the marketplace for similar equipment.

Restructuring

Impress recognizes liabilities for employee severance and other costs in connection with a restructuring program once it meets certain recognition criteria. The requirements are that Impress has made a commitment to a plan, that this plan has been announced and its benefits communicated, and that the timescale for completion means that significant changes to the plan are unlikely. The liabilities recognized represent management's best estimate of a program's cost, but involve the use of assumptions and estimates with regard to the timing and scale of costs to be incurred. The actual expenditure required may differ as a program is implemented.

Deferred Tax

Impress recognizes deferred tax assets to the extent that it is probable that future taxable profit will be available against which unused tax losses and unused tax credits can be utilized, based on enacted tax law. The estimate of the amount that is more likely than not to be realized requires the use of assumptions concerning Impress's future income.

Actual results may differ from those estimates and tax law may change. Should Impress change its estimate of the amount of its deferred tax assets that it would be able to realize, this would result in an increase or decrease in net income in the period such a change in estimate was made.

Pension Costs and Other Post-retirement Benefits

Accounting for pensions and post-retirement benefit plans requires the use of estimates and assumptions regarding numerous factors, including discount rate, rate of return on plan assets, compensation increases, health care cost increases, mortality and employee turnover. Actual results may differ from Impress's actuarial assumptions, which may have an impact on the amount of reported expense or liability for pensions or post-retirement benefits.

Off-balance Sheet Arrangements

Other than certain receivable factoring facilities which will be terminated shortly after closing, Impress has not historically used special-purpose vehicles or similar financing arrangements. In addition, Impress does not have any off-balance sheet arrangements with any of its affiliates or with any unconsolidated entities.

Results of Operations of Ardagh

Nine month periods ended September 30, 2010 and 2009.

Revenue

Group revenue decreased by €2.0 million, or 0.2%, to €933.2 million in the nine month period ended September 30, 2010, from €935.2 million in the nine month period ended September 30, 2009. The movement of average translation rates applied to the nine month period ended September 30, 2010, compared to the nine month period ended September 30, 2009, increased the euro value of revenue by €21.1 million. Excluding foreign exchange effects, Group revenue decreased by €23.1 million, or 2.5%.

Glass Container Manufacturing. Glass Container Manufacturing revenue in the nine month period ended September 30, 2010 was €904.8 million, compared to €891.6 million for the same period in 2009, an increase of €13.2 million or 1.5%. Excluding foreign currency translation impacts, Glass Container Manufacturing revenue decreased by €7.7 million or 0.9% in the nine month period ended September 30, 2010. Year-on-year sales volumes increased by €20.6 million during the nine month period ended September 30, 2010 which were offset by selling price reductions.

Glass Engineering. Glass Engineering revenue was €28.4 million for the nine month period ended September 30, 2010 compared to €43.6 million for the same period in 2009, a decrease of €15.2 million or 34.9%. This decrease was a result of reduced sales volumes. The movement of average translation rates applied to 2010, compared to those applied to 2009, increased the euro value of revenue by €0.2 million.

EBITDA

Group EBITDA increased by €29.1 million, or 16.9%, to €201.3 million in the nine month period ended September 30, 2010 from €172.2 million in the nine month period ended September 30, 2009. The movement of average translation rates applied to the nine month period ended September 30, 2010 compared to the nine month period ended September 30, 2009 increased the euro value of EBITDA by €5.2 million. Excluding foreign exchange effects, Group EBITDA increased by €23.9 million, or 13.9%.

Glass Container Manufacturing. Glass Container Manufacturing EBITDA in the nine month period ended September 30, 2010 was €194.7 million compared to €163.4 million for the same period in 2009, an increase of €31.3 million or 19.2%. On a constant currency translation basis the year-on-year increase was €26.2 million.

Included in the Glass Container Manufacturing EBITDA in the nine month period ended September 30, 2010, was a realized gain on the sale of surplus carbon credits of €7.3 million (2009: €Nil). This gain was primarily due to the capacity curtailment program we carried out in 2009. €10.8 million of the year-on-year movement related to sales price reductions exceeding cost price reductions, €20.5 million related to an increase in sales volumes and improved sales mix, and €9.2 million was due to productivity improvements.

Glass Engineering. Glass Engineering EBITDA was €6.6 million for the nine month period ended September 30, 2010 compared to €8.8 million for the same period in 2009, a decrease of €2.2 million or 25.0%, due to sales volume reductions. The movement of average translation rates applied to 2010 compared to those applied to 2009 increased the euro value of revenue by €0.1 million.

Exceptional items. Exceptional items in the nine month period ended September 30, 2010 were as follows:

Cost of Sales expenses

- €4.4 million related to the past service credit recognized due to benefit changes made to one of the UK pension schemes.

SG&A expenses

- €5.0 million related to the acquisition costs accrued to the end of September, associated with the Impress Acquisition; and
- €0.8 million related to redundancy costs results resulting from a capacity realignment initiative.

Finance expenses

- €6.5 million related to early redemption costs associated with the €175,000,000 $8\frac{7}{8}$% Senior Notes due 2013 which were redeemed in full in January 2010. These costs comprised €5.2 million of an early redemption premium and €1.3 million of other early redemption costs relating to the period of redemption notice; and
- €1.9 million for the write off of unamortized deferred finance costs relating to the €175,000,000 $8\frac{7}{8}$% Senior Notes due 2013.

Net finance expense before exceptional items

Excluding exceptional items, net finance expense for the nine month period ended September 30, 2010 was €66.8 million compared to €57.3 million in 2009, an increase of €9.5 million or 16.6%. Foreign currency exchange losses accounted for €2.6 million of the increase in net interest cost, which was partially offset by a reduction of interest on pensions of €1.1 million. The balance was primarily due to the increased interest cost on borrowings after the refinancing in June 2009.

Tax on profit/(loss) on ordinary activities

Income tax was an expense of €11.1 million in the nine month period ended September 30, 2010 an increase of €9.8 million over an expense of €1.3 million in the same period in the prior year. The year-on-year movement was primarily due to the reduction of €8.8 million of deferred tax credited to the income statement.

Years Ended December 31, 2009 and 2008

This discussion is based on a comparison of the audited consolidated financial statements of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) for the years ended December 31, 2009 and 2008.

Revenue

Group revenue decreased by €121.4 million, or 8.9%, to €1,235.8 million in the year ended December 31, 2009 from €1,357.2 million in the year ended December 31, 2008. Excluding foreign exchange effects, Group revenue decreased by €46.4 million, or 3.4%.

Glass Container Manufacturing. Glass Container Manufacturing revenue in the year ended December 31, 2009 was €1,178.6 million compared to €1,307.5 million for the same period in 2008, a decrease of €128.9 million, or 9.9%. The movement of average translation rate applied to the year ended December 31, 2009 compared to the year ended December 31, 2008 decreased the euro value of revenue by €75.0 million. Excluding the foreign exchange impact, Glass Container Manufacturing revenue decreased by €53.9 million, or 4.1%, in the year ended December 31, 2009. Year-on-year selling prices increased by €52.3 million but were offset by lower volume/mix changes of €106.2 million.

Glass Engineering. Glass Engineering revenue was €57.2 million for the year ended December 31, 2009 compared to €49.7 million for the same period in 2008, an increase of €7.5 million, or 15.1%. The movement of average translation rates applied to 2009 compared to those applied to 2008 decreased the euro value of revenue by €0.9 million. Excluding the foreign exchange impact, engineering revenue increased by €8.4 million, or 16.9%, in the year ended December 31, 2009.

EBITDA

EBITDA of €235.0 million for the year ended December 31, 2009 decreased by €27.1 million, or 10.3%, from €262.1 million for the year ended December 31, 2008. Short-term capacity restrictions, which were designed to reduce inventory levels, reduced EBITDA by €27.2 million and year-on-year foreign currency translation rate movements had an adverse effect on EBITDA of €16.1 million.

Glass Container Manufacturing. Glass Container Manufacturing EBITDA decreased by €26.3 million, or 10.5%, from €251.3 million for the year ended December 31, 2008 to €225.0 million for the same period in 2009. Short-term capacity restrictions, which were designed to reduce inventory levels, reduced EBITDA by €27.2 million and year-on-year translation rate movements had a €16.1 million adverse impact on the EBITDA of this business compared to 2008. Excluding the impact of short-term capacity closures and the impact of exchange rate movements, the underlying EBITDA increased by €17.0 million, or 6.8%, during the year ended December 31, 2009. This increase is largely due to higher selling prices, a year-on-year reduction in selling, general and administrative expenses (“SG&A”) of approximately €11.1 million, both offset by higher input costs and adverse changes to volume/mix. The reduction in SG&A is primarily due to reduced salary and wage costs in the Glass Container Manufacturing business. Also, year-on-year translation rate movements accounted for €2.4 million of the reduction in SG&A.

Glass Engineering. Glass Engineering EBITDA decreased from €10.8 million in the year ended December 31, 2008 to €10.0 million for the same period in 2009, a decrease of €0.8 million. Year-on-year translation rate movements accounted for €0.3 million of this movement.

Net Finance Expenses

Excluding other income and expense, net finance expense for the year ended December 31, 2009 was €74.3 million compared to €84.0 million in 2008, a decrease of €9.7 million. The year-on-year movement on foreign exchange gains and losses accounted for a decrease of €14.9 million which was partially offset by a year-on-year increase in net finance costs associated with pension schemes of €2.7 million.

Tax on Profit on Ordinary Activities

Income tax was a charge of €1.8 million in the year ended December 31, 2009 and a credit of €6.5 million in the year ended December 31, 2008. The low level of tax charge reflects the reversal of deferred tax provisions from prior years.

Profit for the Year

Excluding other income and expense, profit for the year ended December 31, 2009 was €16.1 million compared with a profit in the same period in 2008 of €28.7 million; profits decreased by €12.6 million as a result of the items explained above.

Other Income and Expense

Total other income and expenses of €68.1 million were incurred in the year ended December 31, 2009 compared to €25.2 million in 2008. The components of this net charge were as follows:

Cost of Sales. Other income and expenses recognized in arriving at gross profit amounted to €11.6 million for the year ended December 31, 2009 and €0.3 million for the year ended December 31, 2008. In both years, these one-time, non-cash charges related to asset write-downs associated with permanent capacity reductions in the Glass Container Manufacturing business.

SG&A. Other income and expenses incurred in 2009 amounted to €48.1 million (2008: €24.9 million) and included the following:

- €44.3 million relating to redundancy costs resulting from permanent capacity closures;
- €2.0 million for start-up costs relating to the new furnace in Moerdijk;
- €1.9 million to scrap raw materials, packaging materials, spare parts, molds and demolition costs as a result of permanent capacity changes;
- Non-cash loss on disposal of assets of €0.5 million as a result of permanent capacity closures; and
- (€0.6) million cash received for a doubtful receivable which predated Ardagh’s Italian acquisition in 2002.

Net Finance Expenses. Other income and expense included in net finance costs amounted to €8.4 million for the year ended December 31, 2009 (2008: €0). This amount is made up of two elements:

- €5.3 million relating to the de-designated cash flow hedge. This arises due to the value of EURIBOR interest rate hedges exceeding the value of euro-denominated variable rate debt, following the partial repayment of the Anglo Irish Credit Facilities; and
- €3.1 million for borrowing extinguishment costs representing the write-off of unamortized deferred finance costs relating to the partial repayment of the Anglo Irish Credit Facilities.

Years Ended December 31, 2008 and 2007

This discussion is based on a comparison of the audited consolidated financial statements of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) for the years ended December 31, 2008 and 2007.

Revenue

Group revenue increased by €332.2 million, or 32.4%, to €1,357.2 million in the year ended December 31, 2008 from €1,025.0 million in the year ended December 31, 2007. The significant increase in revenue was largely due to the acquisition of Rexam plc's glass division which was completed in June 2007.

Glass Container Manufacturing. Glass Container Manufacturing revenue in the year ended December 31, 2008 was €1,307.6 million compared to €962.8 million for the same period in 2007, an increase of €344.8 million, or 35.8%. The significant increase in revenue was largely due to the acquisition of Rexam plc's glass division which was completed in June 2007.

Glass Engineering. Glass Engineering revenue was €49.6 million for the year ended December 31, 2008 compared to €62.2 million for the same period in 2007, a decrease of €12.6 million, or 20.3%. The movement of average translation rates applied to 2008 compared to those applied to 2007 increased the euro value of revenue by €0.5 million. Excluding the foreign exchange impact, engineering revenue decreased by €13.1 million, or 21.1%, in the year ended December 31, 2008. This reduction was due to reduced volumes on major technology projects.

EBITDA

EBITDA of €262.1 million for the year ended December 31, 2008 increased by €81.9 million, or 45.4%, from €180.2 million for the year ended December 31, 2007. The significant increase in EBITDA was largely due to the acquisition of Rexam plc's glass division which was completed in June 2007.

Glass Container Manufacturing. Glass Container Manufacturing EBITDA increased by €82.4 million, or 48.8%, from €168.9 million for the year ended December 31, 2007 to €251.3 million for the same period in 2008. The significant increase in EBITDA was largely due to the acquisition of Rexam plc's glass division which was completed in June 2007. Other factors which affected the EBITDA in 2008 were a range of cost base increases in 2008 over 2007, in particular raw materials and energy costs. However these were offset by significant selling price and mix changes improvements as well as efficiency gains and cost reductions.

Glass Engineering. Glass Engineering EBITDA decreased from €11.3 million in the year ended December 31, 2007 to €10.8 million for the same period in 2008, a decrease of €0.5 million.

Net Finance Expenses

Excluding other income and expense, net finance expense for the year ended December 31, 2008 was €84.0 million compared to €53.0 million in 2007, an increase of €31.0 million. This increase is due to the increase in net debt that happened midway through 2007 as a result of the acquisition of Rexam plc's glass division. There are also other amounts included other than debt servicing costs. The 2008 amount includes a notional net income of €1.3 million relating to pension funds, an expense of €10.7 million due to foreign exchange losses on group loans. The 2007 amount includes a notional net income of €1.5 million relating to pension funds and an expense of €1.4 million due to foreign exchange losses on group loans.

Tax on Profit on Ordinary Activities

Tax on profit on ordinary activities was a credit of €6.5 million in 2008 as compared with a credit of €0.2 million in 2007, an increase of €6.3 million. The tax credit reflects the availability of tax losses forward from prior years as well as Ardagh's policy of locating debt within the operating businesses to maximize interest relief.

Profit for the Year

Profit for the financial year was €3.5 million compared with €4.6 million in 2007, a decrease of €1.1 million as a result of the items explained above.

Other Income and Expense

Total other income and expenses of €24.9 million were incurred in the year ended December 31, 2008 compared to €8.9 million in 2007. The components of this net charge were as follows:

SG&A. Other income and expenses incurred in 2008 amounted to €24.9 million (2007: €8.9 million) and included the following:

2008

- €12.9 million relating to redundancy costs resulting from permanent capacity closures;
- €1.2 million for start-up costs relating to the new furnaces in Moerdijk and Germersheim;
- €9.8 million of costs were incurred on an aborted acquisition opportunity;
- €0.7 million on an abandoned disposal of a subsidiary; and
- €0.3 million was incurred in non-trade-related legal costs in the United Kingdom.

2007

- €8.8 million of redundancy costs were incurred throughout Ardagh due to a headcount reduction program as a result of the integration of Rexam plc's glass division; and
- €0.1 million was incurred in non-trade-related legal costs in the United Kingdom.

Results of Operations of Impress

Nine Months Ended September 30, 2010 Compared To Nine Months Ended September 30, 2009

This discussion is based on a comparison of the unaudited consolidated interim financial information of the Acquired Business for the nine month periods ended September 30, 2010 and 2009.

Revenue

Revenue in the first nine months of 2010 at €1,375.1 million was €23.8 million (1.8%) higher than in the first nine months of 2009 (€1,351.3 million). The increase included €39.8 million of net foreign exchange translation and transaction gains as well as €16.1 million from the acquisition of the Megasa operations in Galicia, Spain and €8.2 million from our Thai joint venture, Royal Impress.

At constant exchange rates and parameters, sales therefore declined by €40.3 million (3.0%). The reduction was substantially due to decreases in selling prices following the reduction in tinplate prices. Overall, sales volumes were little changed year on year.

Sales by reporting segment in the first nine months of 2010 and 2009 were as follows:

Reporting segment	Nine months ended September 30, 2010	Nine months ended September 30, 2009	Change
	(in € millions)		
Processed Food	708.3	712.8	(4.5)
International	282.5	255.7	26.8
Specialities	384.3	382.8	1.5
Total	**1,375.1**	**1,351.3**	**23.8**

Total revenue at the Processed Food segment of the Acquired Business decreased by €4.5 million against last year. Allowing for €3.4 million of foreign exchange translation and transaction gains and revenues of €16.1 million from the Megasa acquisition and €8.2 million from the Royal Impress joint venture, at constant exchange rates and parameters Processed Food sales decreased by €32.2 million 4.5%. This decrease was driven by selling price decreases following the reduction in tinplate prices, as well as some reduction in volumes.

Total revenue at the International segment of the Acquired Business increased by €26.8 million (10.5%) against last year, including foreign exchange gains of €33.7 million. At constant exchange rates, sales decreased by €6.9 million (2.7%), primarily due to lower selling prices following the reduction in tinplate prices.

Total revenue at the Specialities segment of the Acquired Business increased by €1.5 million (0.4%) against last year, including foreign exchange gains of €2.7 million. At constant exchange rates, sales therefore decreased by €1.2 million (0.4%). The decrease in sales was essentially due to lower selling prices, largely offset by higher volumes.

Exceptional Items

Exceptional items increased by €8.8 million in the first nine months of 2010 to €36.3 million compared to €27.5 million in the first nine months of 2009. The increase in impairment charges by €2.0 million to €1.8 million and the write-off of expenses related to the abandoned initial public offering were offset by the decrease in restructuring expenses from €11.3 million in 2009 to €8.7 million in 2010.

The accrual for Contingent Transaction Charges was €17.1 million (2009: €16.4 million). This relates to the Company's recapitalization on September 22, 2006 and was paid upon completion of the Impress Acquisition.

The Processed Food segment recognized restructuring charges of €2.9 million (2009: €1.7 million) mainly related to restructuring of one of its plants in Germany, as well as impairment charges of €1.8 million (2009: €0.2 million). Specialities recognized restructuring and impairment charges of €5.6 million in the nine months ended September 30, 2010 (2009: €9.0 million), mainly relating to headcount reduction projects in France and Germany. The Corporate Costs segment recognized €0.6 million of restructuring charges (2009: €0.5 million).

EBITDA

EBITDA increased by €43.2 million (23.0%) to €230.7 million in the first nine months of 2010 (16.8% of net sales), compared to €187.5 million in the first nine months of 2009 (13.9% of net sales). This increase reflected the Megasa acquisition and the Thai joint venture, more favourable foreign exchange rate effects, the impact of the Acquired Business's ongoing cost reduction programmes, improved production efficiencies and reduced raw material prices, as well as the absence this year of a provision made last year against the carrying value of the Acquired Business's inventory. These benefits were, however, offset by the absence of last year's one-off gain resulting from the sale at 2009 prices of inventory acquired in 2008.

The following table shows EBITDA by reporting segment:

EBITDA	Nine months ended September 30, 2010	Nine months ended September 30, 2009	Change
	(in € millions)		
Processed Food	126.2	107.1	19.1
International	52.5	32.3	20.2
Specialities	68.5	64.0	4.5
Corporate Costs (unallocated)	(16.5)	(15.9)	(0.6)
Total	**230.7**	**187.5**	**43.2**

EBITDA in the Processed Food segment increased by €19.1 million to €126.2 million (17.8% of net sales) in the first nine months of 2010 (2009: €107.1 million, 15.0% of net sales). Excluding net foreign exchange gains of €0.5 million and €3.0 million related to the acquisition of the Megasa operations and the Royal Impress joint venture, EBITDA increased by €15.6 million (14.6%). The increase was driven by our cost reduction programs, better efficiencies, reduced raw material prices and the absence of certain provisions made last year.

EBITDA in the International segment increased by €20.2 million to €52.5 million (18.6% of net sales) in the first nine months of 2010 (2009: €32.3 million, 12.6%). Excluding net foreign exchange gains of €4.1 million, EBITDA increased by €16.1 million (49.8%). The increase was mainly driven by higher volumes, cost reductions and lower metal costs, partly offset by lower selling prices.

EBITDA in the Specialities segment increased by €4.5 million to €68.5 million (17.8% of net sales) in the first nine months of 2010, compared to €64.0 million (16.7% of net sales) in the first nine months of 2009. Excluding net foreign exchange gains of €0.4 million, the €4.1 million increase was mainly driven by higher volumes in all business units, cost reduction programs, better efficiencies and lower raw material costs, partly offset by reduced selling prices and the absence of last year's one off inventory benefit.

EBITDA in Corporate Costs segment decreased by €0.6 million to €(16.5) million (1.2% of total sales of the Acquired Business) in the first nine months of 2010, compared to €(15.9) million last year (1.2%). The decrease was mainly driven by higher MIS costs and one-off items.

Net finance cost

Net finance cost comprised the following:

	Nine months ended September 30, 2010	Nine months ended September 30, 2009	Change
	(in € millions)		
Interest expense	(49.7)	(55.1)	5.4
Interest income	0.5	0.4	0.1
Net interest expense	**(49.2)**	**(54.7)**	**5.5**
Amortization of deferred costs	(4.4)	(4.4)	—
Defined benefit obligation finance expense	(6.2)	(5.5)	(0.7)
Other financial costs	(5.9)	(4.9)	(1.0)
Net finance costs	**(65.7)**	**(69.5)**	**(3.8)**

Net finance cost decreased by €3.8 million (7.1%) to €65.7 million in the first nine months of 2010 (2009: €69.5 million).

Within this, net interest expense decreased by €5.5 million (10.1%) to €49.2 million in the first nine months of 2010, compared to €54.7 million in the first nine months of 2009. Interest expense decreased by €5.4 million, primarily due to decreases in interest rates. Cash paid for interest in the first nine months of 2010 amounted to €43.1 million (2009: €52.2 million).

Other financial charges included foreign exchange losses of €3.9 million (2009: €3.9 million losses) and bank commissions and charges of €2.0 million (2009: €1.0 million).

Taxation

The tax expense for the first nine months of 2010 increased to €24.3 million, compared to €12.9 million in the first nine months of 2009, mainly due to higher profit before tax. The effective tax rate was 31.7% (2009: 31.6%).

Profit for the period

The first nine months of 2010 saw net profit after tax of €52.3 million, compared to €27.9 million last year.

Minority Interest

The provision for minority interests was €0.8 million (2009: €0.5 million).

Year Ended December 31, 2009 and 2008

Revenue

Revenue increased by €24.5 million, or 1.4%, to €1,756.2 million in 2009, compared to €1,731.7 million in 2008. This increase included €20.8 million of sales generated by the newly acquired plant in Vilagarcia, Spain, offset by €13.6 million of net foreign exchange translation and transaction losses.

At constant exchange rates and perimeters, sales therefore increased by €17.3 million, or 1.0%, reflecting selling price increases to recover increases in tinplate prices and other costs, partly offset by significantly lower volumes across the Acquired Business, primarily due to the global economic downturn.

Revenue by Segment

Reporting segment	Revenue 2009	2008	Change
	(in € millions)		
Processed Food	928.0	886.2	41.8
International	330.4	324.4	6.0
Specialities	497.8	521.1	(23.3)
Total	**1,756.2**	**1,731.7**	**24.5**

In 2009 revenue in the Processed Food segment increased by €41.8 million, or 4.7%, to €928.0 million from €886.2 million in 2008. This increase included €20.8 million of additional sales following the Megasa acquisition but also included a net reduction in sales of €7.1 million due to foreign exchange translation and transaction losses. At constant exchange rates and perimeters, sales increased by €28.1 million, or 3.2%. This increase was due to higher selling prices, which more than offset volume losses in this segment.

Revenue in the International segment increased by €6.0 million, or 1.8%, to €330.4 million in 2009, compared to €324.4 million in 2008. This increase included €3.7 million net foreign exchange translation and transaction gains. At constant exchange rates and perimeters, sales were €2.3 million, or 0.7%, higher than in 2008. This was due to selling price increases, partly offset by lower volumes.

Revenue in the Specialities segment decreased by €23.3 million, or 4.5%, to €497.8 million in 2009, compared to €521.1 million in 2008. The decrease included €10.2 million of net foreign exchange translation and transaction losses. At constant exchange rates and perimeters, sales decreased by €13.1 million, or 2.5%. The decrease in sales was due to significantly lower volumes, particularly in the first half of the year, reflecting the effects of recession and related destocking especially on the Acquired Business's non-food businesses, partly offset by selling price increases.

Exceptional Items

Exceptional items increased by €24.2 million to €61.4 million, compared to €37.2 million in 2008.

The increase was due to the increase of €19.5 million in the accrual for Contingent Transaction Charges to €21.9 million (2008: €2.4 million), relating to the Acquired Business's recapitalization on September 22, 2006 and an increase of €4.7 million in restructuring and impairments charges to €39.5 million (2008: €34.8 million).

The charge recognized for restructuring in 2009 was €28.2 million. The Processed Food segment incurred charges of €8.4 million, while International incurred €2.5 million, both mainly relating to headcount reduction projects. Specialities incurred charges of €14.4 million, including further costs in respect of the closure of its Aerosol plant in Laon, France, the closure of a plant at Doesburg in the Netherlands and other cost reduction projects, partly driven by reduced volumes due to the recession. Corporate Costs also incurred charges of €2.9 million, for the downsizing of certain corporate functions.

The restructuring charge recognized in 2008 was €27.5 million. Processed Food incurred charges of €6.2 million and International incurred charges of €1.0 million, both mainly relating to plant closures and headcount reductions. Specialities incurred charges of €19.2 million, primarily relating to the closure of its Aerosols plant in Laon, France, as well as other cost reduction projects. The Corporate Costs segment incurred charges of €1.1 million.

Impairment charges of €11.3 million were recognized in 2009, in part due to the need to write down underused assets to fair value following the plant closures and other restructuring projects mentioned above. Processed Food recorded charges of €5.1 million while International incurred €2.1 million and Specialities €3.9 million.

Impairment charges of €7.3 million were recognized in 2008. Processed Food recorded charges of €1.3 million and Specialities €5.7 million, including writing down to fair value surplus manufacturing assets in Laon, France, following the decision to close the plant.

EBITDA

EBITDA increased by €13.8 million, or 5.9%, to €247.0 million (14.1% of revenue), compared to €233.2 million (13.5% of revenue) in 2008. The increase included a €1.8 million part-year contribution from the Megasa acquisition and €0.5 million of net foreign exchange transaction and translation losses. This reflected the recovery in selling prices of a significant increase in tinplate purchase prices and other input costs, the Acquired Business's urgent efforts to downsize the parts of its activities—particularly the non-food businesses—most severely hit by the recession, its ongoing cost reduction programs and a one-off inventory gain.

The following table shows EBITDA by reporting segment:

Reporting segment	2009	2008	Change
	(in € millions)		
Processed Food	142.1	122.9	19.2
International	41.7	53.0	(11.3)
Specialities	83.2	71.8	11.4
Corporate Costs (unallocated)	(20.0)	(14.5)	(5.5)
Total	**247.0**	**233.2**	**13.8**

EBITDA in the Processed Food segment increased by €19.2 million, or 15.6%, to €142.1 million in 2009 (15.3% of revenue), compared to €122.9 million in 2008 (13.9% of revenue). The increase included €1.8 million in relation to the Megasa acquisition as well as €0.4 million net foreign exchange transaction and translation losses. At constant exchange rates and perimeters, there was a €17.8 million, or 14.5%, increase in EBITDA, driven by selling price increases to recover increased costs of raw materials and other costs, cost reductions, lower bad debt charges and a one-off inventory gain, partly offset by the effect of lower volumes.

EBITDA in the International segment decreased by €11.3 million, or 21.3%, to €41.7 million (12.6% of revenue) compared to €53.0 million in 2008 (16.3% of revenue). The fall was net of €0.2 million net foreign exchange transaction and translation gains. At constant exchange rates and perimeters, EBITDA declined by €11.5 million, or 21.7%, due primarily to lower volumes and higher input costs, partly offset by selling price increases and cost reductions.

In the Specialities segment, EBITDA increased by €11.4 million, or 15.9%, to €83.2 million (16.7% of revenue) in 2009, compared to €71.8 million (13.8% of revenue) in 2008. The increase was net of foreign exchange transaction and translation losses of €1.3 million. At constant perimeters and exchange rates, EBITDA rose €12.7 million, or 17.7%, due to selling price rises to recover higher input costs, the efforts to downsize and reduce costs to compensate for significantly lower sales volumes, and a one-off inventory gain.

EBITDA in the Corporate Costs segment decreased by €5.5 million, or 37.9%, to €(20.0) million in 2009, compared to €(14.5) million in 2008. The decrease was driven by increased R&D expenses, higher pension costs, net operational exchange losses and the absence of certain one-off gains last year.

Net Finance Cost

	Year ended December 31,		
	2009	**2008**	**Change**
	(in € millions)		
Interest expense	(71.3)	(93.5)	22.2
Interest income	1.1	1.3	(0.2)
Net interest expense	**(70.2)**	**(92.2)**	**22.0**
Amortization of deferred finance costs	(13.3)	(5.5)	(7.8)
Expenses related to initial public offering	—	(1.3)	1.3
Other financial costs	(12.5)	(4.8)	(7.7)
Net finance costs	**(96.0)**	**(103.8)**	**7.8**

Net finance cost decreased by €7.8 million, or 7.5%, to €96.0 million in 2009, compared to €103.8 million in 2008.

Within this, net interest expense declined by €22.0 million to €70.2 million in 2009, compared to €92.2 million in 2008, driven by lower interest rates and lower debt levels.

Net finance cost also included a non-cash charge of €6.2 million (2008: €5.5 million) for the regular amortization of bond and bank finance arrangement fees. In 2009 the Acquired Business also recognized an additional charge of €7.1 million in respect of these fees, to reflect the Acquired Business's intention to list on the London Stock Exchange and to use a significant portion of the IPO proceeds to redeem part of the debt to which the fees relate.

In 2008, the Acquired Business wrote off expenses of €1.3 million relating to its previous proposed listing on the London Stock Exchange, announced in November 2007 and postponed due to adverse market conditions.

Other financial expenses in 2009 amounted to €12.5 million, consisting mainly of the financing element of the pension charge, net foreign exchange differences, commitment fees and discount charges (2008: €4.8 million charge).

Tax Expense

Income tax expense for 2009 was a charge of €5.6 million, or 24.7%, of pre-tax profit (2008: €8.4 million, or 33.6%).

The income tax expense that would have resulted from applying the tax rates in force in the territories in which the Acquired Business operates to the income or loss before tax generated in those territories was a charge of €2.9 million (2008: €7.0 million charge). The actual tax charge was higher mainly because of the impact of non-deductible expenses and exempted income (2009: €1.3 million benefit; 2008: €0.5 million charge), an increase in valuation allowance for operating losses (2009: €1.1 million charge; 2008: €0), changes in the tax rate applied to net deferred tax balances (2009: €0.5 million benefit; 2008: €0.3 million benefit), taxes levied on a different measure of income than income before tax (2009: €4.1 million charge; 2008: €5.8 million charge) and adjustments with regard to prior year balances (2009: €0.8 million benefit; 2008: €4.0 million benefit).

Net Profit

Net profit in 2009 was €17.1 million, compared to €16.6 million in 2008. The €0.5 million increase in net profit reflected an improved EBITDA, lower net financial expenses and a lower tax charge, partly offset by the €19.5 million increase in Contingent Transaction Charges.

Minority Interests

The provision for minority interests was €0.7 million (2008: €0.4 million).

Year Ended December 31, 2008 Compared To Year Ended December 31, 2007

Revenue

Revenue increased by €96.3 million, or 5.9%, to €1,731.7 million in 2008, compared to €1,635.4 million in 2007. This increase included €121.1 million of additional sales in Australia and New Zealand following the acquisition of Amcor's food and aerosol can business in Australia and New Zealand (the "Australasian Acquisition") on October 31, 2007. However, the increase was also net of approximately €38.1 million of net foreign exchange translation and transaction losses, primarily due to significant falls in the value of sterling and the U.S., Canadian, Australian and New Zealand dollars, relative to the euro.

At constant exchange rates and perimeters, sales therefore increased by €13.3 million, or 0.8%. This increase was driven by price increases as well as higher Processed Food and International volumes, offset by lower volumes in the Paints & Coatings and Aerosols business units within Specialities.

Revenue by Segment

	Revenue		
Reporting segment	**2008**	**2007**	**Change**
	(in € millions)		
Processed Food	886.2	880.9	5.3
International	324.4	196.4	128.0
Specialities	521.1	558.1	(37.0)
Total	**1,731.7**	**1,635.4**	**96.3**

Revenue in the Processed Food segment increased by €5.3 million, or 0.6%, to €886.2 million in 2008 compared to €880.9 million in 2007. This increase included €15.3 million of net foreign exchange translation and transaction losses, mainly due to the fall in sterling against the euro. At constant exchange rates and perimeters, sales increased €20.6 million, or 2.3%, mainly due to higher Processed Food volumes and selling price increases.

Revenue in the International segment increased by €128.0 million, or 65.2%, to €324.4 million in 2008, compared to €196.4 million in 2007. This increase included €121.1 million of additional sales from the Australasian Acquisition, partly offset by net foreign exchange translation and transaction losses of €11.7 million, due to the weaker U.S., Canadian, Australian and New Zealand dollars against the euro. At constant exchange rates and perimeters, therefore, sales were €18.6 million, or 9.5%, higher than in 2007, driven mainly by selling price increases, plus higher volumes in North America.

Revenue in the Specialities segment decreased by €37.0 million, or 6.6%, to €521.1 million in 2008, compared to €558.1 million in 2007. The decrease included €11.1 million of net foreign exchange translation and transaction losses, mainly due to the fall in sterling. At constant exchange rates and perimeters, sales therefore decreased by €25.9 million, or 4.6%, due to significantly lower volumes in the Paints & Coatings and Aerosols business units, partly offset by higher selling prices.

Exceptional Items

Exceptional items decreased by €6.2 million to €37.2 million (2007: €43.4 million).

The decrease was the result of a €12.4 million decrease in Contingent Transaction Charges, relating to the Acquired Business's recapitalization on September 22, 2006 offset by an increase in restructuring and impairment charges of €6.2 million to €34.8 million (2007: €28.6 million).

The Acquired Business recognized restructuring charges of €27.5 million in 2008. Processed Food incurred charges of €6.2 million, mainly related to the closure of its plant in Sofrino, Russia and headcount reduction projects. The International segment incurred charges of €1.0 million, mainly relating to the closure of the Wiri plant in New Zealand. Specialities incurred charges of €19.2 million, primarily relating to the closure of its Aerosols plant in Laon, France, as well as ongoing headcount reduction projects elsewhere. The Corporate Costs segment incurred charges of €1.1 million.

In 2007 the Acquired Business recognized restructuring charges of €16.3 million. Processed Food incurred charges of €8.9 million, mainly related to restructuring projects in the European food plants acquired from U.S. Can. The International segment incurred no restructuring charge. Specialities incurred charges of €6.9 million, relating to the restructuring of the European aerosols operations acquired from U.S. Can and ongoing headcount reduction projects elsewhere. Corporate Costs incurred charges of €0.5 million.

Impairment charges of €7.3 million were recognized in 2008. Processed Food recorded charges of €1.3 million and Specialities €5.7 million, including writing down to fair value surplus manufacturing assets in Laon, France, following the decision to close the plant.

Impairment charges of €12.3 million were recognized in 2007. These included a €5.6 million write-down of goodwill arising from Processed Food's investment in Russia. The remaining charges were mainly to write down under-utilized or surplus manufacturing assets in Processed Food (€2.7 million) and Specialities (€0.8 million). The International segment recorded no impairment charges. Within Corporate Costs, impairment charges of €3.2 million mainly related to the Acquired Business's unsold property in Düsseldorf, Germany.

EBITDA

EBITDA increased by €15.3 million, or 7.0%, to €233.2 million (13.5% of revenue), compared to €217.9 million, or 13.3%, in 2007. The increase included €21.4 million relating to acquisitions and foreign exchange transaction and translation losses totalling €11.5 million.

At constant perimeters and exchange rates, on a like-for-like basis EBITDA increased by €5.4 million, or 2.5%. This reflected difficult trading conditions, especially in the Paints & Coatings and Aerosols business units within the Specialities segment due to the onset of recession. Other factors included a partial under-recovery through selling prices of 2008's unexpectedly large increase in oil-related input costs, particularly energy, transport, inks and lacquers, as well as significant operational disruption owing to unprecedented tinplate shortages for much of the year. These negative variances were offset by the net savings generated by the Acquired Business's ongoing cost reduction programs, as well as lower pension expenses.

The following table shows EBITDA by reporting segment:

Reporting segment	**2008**	**2007**	**Change**
		(in € millions)	
Processed Food	122.9	119.5	3.4
International	53.0	29.5	23.5
Specialities	71.8	83.7	(11.9)
Corporate Costs (unallocated)	(14.5)	(14.8)	0.3
Total	**233.2**	**217.9**	**15.3**

EBITDA in the Processed Food segment increased by €3.4 million, or 2.8%, to €122.9 million in 2008 (13.9% of revenue), compared to €119.5 million in 2007, or 13.6%. This increase was net of €7.5 million net foreign exchange transaction and translation losses. At constant exchange rates and perimeters there was therefore a €10.9 million, or 9.1%, increase in underlying EBITDA. This reflected higher sales volumes, selling price increases, cost reduction programs, lower pension expenses and a gain on asset disposals. These gains were partly offset by higher energy-related input costs, disruption due to tinplate shortages and increased bad debt charges.

EBITDA in the International segment increased by €23.5 million to €53.0 million (16.3% of revenue) compared to €29.5 million in 2007, or 15.0%. The Australasian Acquisition contributed €21.5 million. These gains were offset by a loss of €1.8 million due to net foreign exchange transaction and translation effects. At constant exchange rates and perimeters EBITDA increased by €3.9 million, or 13.2%. This reflected higher sales volumes, selling price increases and cost reduction programs. These gains were partly offset by sharply higher input costs and some disruption due to tinplate shortages.

In the Specialities segment, EBITDA declined by €11.9 million, or 14.2%, to €71.8 million (10.4% of revenue) in 2008, compared to €83.7 million (15.0% of revenue) in 2007. The decrease was net of foreign exchange transaction and translation losses of €2.0 million. The underlying €9.9 million, or 11.8%, decrease in EBITDA, at constant perimeters and exchange rates, was mainly driven by lower volumes in the Paints & Coatings and Aerosols business units due to the onset of recession, as well as sharply higher energy-related input costs and disruption due to tinplate shortages. These negatives were partly offset by price increases, lower pension expenses and cost reductions.

EBITDA in the Corporate Costs segment decreased by €0.3 million, or 2.0%, to €(14.5) million in 2008, compared to €(14.8) million in 2007.

Net Finance Cost

	Year ended December 31,		
	2008	**2007**	**Change**
	(in € millions)		
Interest expense	(93.5)	(83.2)	(10.3)
Interest income	1.3	0.4	0.9
Net interest expense	**(92.2)**	**(82.8)**	**(9.4)**
Amortization of deferred costs	(5.5)	(5.5)	—
Expenses related to initial public offering	(1.3)	(10.6)	9.3
Other financial income/(costs)	(4.8)	(3.5)	(1.3)
Net finance costs	**(103.8)**	**(102.4)**	**(1.4)**

Net finance cost increased by €1.4 million, or 1.4%, to €103.8 million in 2008, compared to €102.4 million in 2007.

Within this, the net interest expense increased by €9.4 million to €92.2 million in 2008, compared to €82.8 million in 2007, primarily due to the increase in debt following the Australasian Acquisition.

Net finance cost also included a non-cash charge of €5.5 million, unchanged from 2007, for the amortization of bond and bank finance arrangement fees.

In 2008, the Acquired Business wrote off expenses of €1.3 million relating to its intended listing on the London Stock Exchange, announced in November 2007 (2007: €10.6 million).

Other financial expenses amounted to €4.8 million, consisting mainly of pension expenses, net foreign exchange differences, commitment fees and discount charges (2007: €3.5 million).

Tax Expense

Income tax expense for 2008 was a charge of €8.4 million, compared to €10.7 million in 2007.

The income tax expense that would have resulted from applying the tax rates in force in the territories in which the Acquired Business operates to the income or loss before tax generated in those territories was a charge of €7.0 million (2007: €2.5 million charge). The actual tax charge was higher mainly because of the impact of non-deductible expenses (2008: €0.5 million charge; 2007: €2.1 million charge), changes in the tax rate applied to net deferred tax balances (2008: €0.3 million benefit; 2007: €1.4 million charge), taxes levied on a different measure of income than income before tax (2008: €5.8 million charge; 2007: €5.5 million charge) and adjustments with regard to prior year balances (2008: €4.0 million benefit; 2007: €0.5 million charge).

Net Profit

Net profit in 2008 was €16.6 million, compared to a €6.6 million loss in 2007. The €23.2 million increase in net profit was due to the €22.3 million increase in operating profit and a lower tax charge, partly offset by increased net financial expenses.

Minority Interests

The provision for minority interests was €0.4 million (2007: €0.5 million).

Liquidity and Capital Resources

Cash Requirements Related to Operations

Ardagh's principal sources of cash are cash generated from operations and external financings, including borrowings and revolving credit facilities.

Ardagh's principal funding arrangements include borrowings available under the Revolving Credit Facility, the GE Commercial Finance Facility, Australasian Senior Bank Facility and the HVB Working Capital and Performance Guarantee Credit Lines. These and other sources of external financing are described further under "Description of Other Indebtedness."

The Metal Packaging division's sales and cash flow are subject to seasonal fluctuations, particularly in relation to agricultural harvest periods. The investment in working capital for Metal Packaging generally builds over the first three quarters of the year, in line with the seasonal pattern, and then unwinds in the fourth quarter, with the calendar year-end being the low point.

We intend to manage the seasonality of Metal Packaging's working capital by supplementing operating cash flows with drawings under the Revolving Credit Facility. In the event of a significant reduction in cash flow from operations, we may need to reduce our capital expenditure and/or cease to undertake further acquisitions and/or otherwise reduce our discretionary expenditure.

Historical Development (Ardagh)

The following table sets forth certain information (without giving effect to the Impress Acquisition) reflecting Ardagh's ability to make principal and interest payments in respect of its existing debt.

	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007	2010	2009	2010
	(€ millions)					
EBITDA[1]	235.0	262.1	180.2	201.3	172.2	264.1
(Increase)/decrease in working capital[2]	14.3	(50.9)	2.6	(25.1)	(8.7)	(2.1)
Taxation paid	(13.5)	(18.2)	(5.3)	(9.1)	(8.6)	(14.0)
Cash generated from operations	235.8	193.0	177.5	167.1	154.9	248.0
Gross purchase of fixed assets[3]	(100.5)	(128.8)	(99.4)	(67.6)	(75.8)	(92.3)
Cash generated from operations after capital expenditures	135.3	64.2	78.1	99.5	79.1	155.7

(1) EBITDA is operating profit before depreciation, amortization, exceptional items and non-cash items. EBITDA margin is calculated as EBITDA divided by revenues of the Acquired Business. EBITDA and EBITDA margin are presented because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating companies in the glass container industry. However, other companies may calculate EBITDA and EBITDA margin in a manner different from ours. EBITDA and EBITDA margin are not measurements of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to profit/(loss) on ordinary activities as indicators of operating performance or any other measures of performance derived in accordance with IFRS.

(2) The (increase)/decrease in working capital is derived from the working capital amounts set forth under "Selected Consolidated Financial and Other Data of Ardagh."

(3) Represents cash consideration paid in respect of the purchase of fixed assets excluding the cash proceeds from the sale of fixed assets.

Working Capital

Working capital increased by €2.1 million from September 30, 2009 to September 30, 2010. The movement in working capital was made up of a decrease in the level of inventories of €5.6 million, an increase in receivables of €6.9 million and a decrease in trade and other payables of €0.8 million. Inventories were reduced in line with the capacity realignment program. The increase in receivables was primarily due to renewed contract terms with customers and the reduction in inventories was due to sales demand exceeding production capacity.

Working capital decreased by €14.3 million from December 31, 2008 to December 31, 2009. This movement was primarily a result of a decrease of €30.8 million due to inventory reductions, a decrease in receivables of €8.9 million and a decrease in trade and other payables of €25.4 million. Inventories were reduced in line with the capacity realignment program. The decrease in receivables was in line with the reduction in turnover. The reduction in trade and other payables was influenced by the lower level of manufacturing activity in 2009 compared to 2008, the year-on-year reduction in manufacturing input prices and the reduction in capital spending in 2009 compared to 2008.

Working capital of Ardagh at December 31, 2008 was €281.1 million, compared to €230.2 million as of December 31, 2007, representing an increase of €50.9 million during the year ended December 31, 2008, which is mainly due to increased stock levels.

Taxation Paid

During the nine months ended September 30, 2010, Ardagh paid €1.5 million corporation tax compared to €2.5 million in the same period in 2009.

During 2009, Ardagh paid €13.5 million in corporation tax compared to €18.2 million in 2008 and €5.3 million in 2007.

Capital Expenditures

During the nine months ended September 30, 2010, €67.6 million was invested in fixed asset additions compared to €75.8 million in the same period in 2009.

During 2009, Ardagh invested €100.5 million in fixed asset additions compared to €128.8 million in 2008. Excluding the new furnace at Moerdijk, the investment in fixed asset additions for the year ended December 31, 2009 was €60.0 million.

During 2008, Ardagh invested €128.8 million in fixed asset additions compared to €99.4 million in 2007.

Ardagh expects to focus its capital expenditures on capital replacement, equipment upgrades and efficiency improvement projects. Ardagh funded such expenditures from operating cash flow after providing for interest and tax payments.

Historical Development (Impress)

The cash flows for the Acquired Business for the years ended December 31, 2009, 2008 and 2007 and the nine months ended September 30, 2010 and 2009 were as follows:

	Audited			Unaudited		
	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2009	2008	2007	2010	2009	2010
	(in € millions)					
Cash flows provided by/(used in) operations	158.6	137.1	96.4	44.4	34.4	168.6
Cash flows used in investing activities	(86.4)	(90.2)	(200.2)	(66.1)	(57.6)	(94.9)
Cash flows provided by/(used in) financing activities	17.4	(0.2)	70.3	(81.6)	30.9	(95.1)

Working Capital

Net trade working capital was €224.3 million as of September 30, 2010, compared to €259.3 million as of September 30, 2009 and €151.7 million at December 31, 2009. When compared to the same seasonal point last year, net trade working capital decreased by €35.0 million, or 13.5%. The decrease is mainly related to the sale of receivables, reducing trade accounts receivable by €59.0 million at the end of September. Increased inventories were partially offset by higher payables.

Days sales invested in trade working capital decreased to 41.6 days as of September 30, 2010, on the basis of the last three months of sales, compared to 49.4 days as of September 30, 2009.

The net investment in trade working capital decreased by €20.4 million, or 11.9%, during 2009 to €151.7 million at December 31, 2009. This decrease was mainly driven by the sale of receivables under factoring facilities, partly offset by higher receivables due to price increases and lower trade payables.

Non-cash foreign exchange translation movements of €7.2 million increased the trade working capital balances, mainly due to the stronger Australian dollar and New Zealand dollar versus the euro. This increase was partly offset by an increase in provisions of €5.9 million.

The net investment in trade working capital decreased by €16.0 million, or 8.5%, during 2008 to €172.1 million at December 31, 2008, reflecting the continued efforts made by the Acquired Business to reduce both inventory (reduction of €8.8 million, or 3.4%) and trade receivables (reduction of €15.6 million, or 6.6%). Trade payables also decreased, by €8.4 million, or 2.7%.

The above reduction in 2008 in trade working capital balances, however, included non-cash foreign exchange translation movements of €9.5 million, mainly due to the weaker U.S. dollar, pound and Australian and New Zealand dollars versus the euro, as well as increases in provisions of €4.5 million. In terms of cash movements, trade receivables reduced by €3.4 million, while inventories increased by €3.0 million, mainly due to raw materials prices (especially in Australasia). Payables rose by €4.2 million, in large part also due to higher metal prices. The overall cash movement in trade working capital was therefore a €4.6 million, or 2.4%, reduction.

External Financings

The following table outlines the principal financing arrangements of Ardagh as of September 30, 2010.

Concurrently with the closing of the Impress Acquisition, we repaid certain of the facilities listed in the table below. In addition, on October 8, 2010, Ardagh Packaging Finance plc issued the 2010 Senior Secured Notes and the October 2010 Senior Notes, and on December 7, 2010, Ardagh entered into the Revolving Credit Facility, which were undrawn as of December 31, 2010. In connection with the

Impress Acquisition, we acquired certain other financing arrangements of the Acquired Business. See "Description of Other Indebtedness" and "Capitalization".

Facility	Currency	Maximum Amount Drawable Local Currency (millions)	Final Maturity Date	Facility Type	Amount drawn as of September 30, 2010 Local Currency	Amount drawn as of September 30, 2010 (€ millions)	Undrawn Amount (€ millions)
8¾% Senior Notes due 2020	EUR	180.0	February 1, 2020	Bullet	180.0	180.0	—
9.25% First Priority Senior Secured Notes due 2016	EUR	300.0	July 1, 2016	Bullet	295.4	295.4	—
7.125% Senior Notes due 2017	EUR	310.0	June 15, 2017	Bullet	310.0	310.0	—
Anglo Senior Secured Facility—Acquisition(1)	EUR	92.9	June 30, 2014	Amortizing/ Bullet	91.1	91.1	—
Anglo Senior Secured Facility—Acquisition(1)	GBP	59.8	June 30, 2014	Amortizing/ Bullet	57	67.0	—
Anglo Senior Secured Facility—Capex & Restructuring(1)	EUR	50.0	June 30, 2014	Bullet	22.5	22.5	27.5
Anglo Senior Secured Facility—Revolving Credit Facility(1)	EUR	150.0	June 30, 2014	Revolving	—	—	150.0
Ardagh Glass Limited GE Commercial Finance Facility	GBP	35.0	October 1, 2011	Revolving	—	—	40.6
HVB Working Capital and Performance Guarantee Credit Lines	EUR	1.0	August 31, 2010	Revolving	—	—	1.0
Finance lease arrangements	EUR/PLN			Amortizing	—	0.5	—
Total borrowings/ undrawn facilities						966.5	219.1
Deferred financing costs						(25.8)	—
Borrowings less deferred finance costs						940.7	219.1
Cash, cash equivalents and restricted cash						(82.0)	82.0
Net borrowings/available liquidity						858.7	301.1

(1) On the completion of the Impress Acquisition, Ardagh fully repaid and terminated the Anglo Irish Credit Facilities.

The terms of the senior debt facilities require Ardagh to maintain certain financial ratios. For the period ended September 30, 2010 these financial ratios were maintained in accordance with the debt covenants.

The euro bank borrowings bear interest based on EURIBOR and sterling bank loans based on LIBOR.

On a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Notes offered hereby, as of September 30, 2010, we would have had undrawn credit lines of up to €151.3 million at our disposal together with cash resources of

€252.0 million, giving rise to pro forma available liquidity of €403.3 million as of September 30, 2010. See "Capitalization" and "Description of Other Indebtedness."

For a brief summary of our principal financing arrangements, see "Description of Other Indebtedness."

Debt Repayment Schedule

The following table outlines the minimum debt repayments Ardagh and its subsidiaries will be obligated to make in 2010 and 2011 under facilities outstanding as of September 30, 2010. This table assumes that the minimum net principal repayment will be made as provided for under each credit facility. It also assumes that the revolving credit lines will be renewed or replaced with similar facilities as they mature.

Concurrently with the closing of the Impress Acquisition, we repaid certain of the facilities listed in the table below. In addition, on October 8, 2010, Ardagh Packaging Finance plc issued the 2010 Senior Secured Notes due 2017 and the October 2010 Senior Notes due 2020, and on December 7, 2010, Ardagh entered into the Revolving Credit Facility, which matures in 2013. In connection with the Impress Acquisition, we acquired certain other financing arrangements of the Acquired Business. See "Description of Other Indebtedness" and "Capitalization."

		Maximum Amount Issuable			Minimum Net Repayment	
Indebtedness	**Currency**	**Local Currency**	**Final Maturity Date**	**Facility Type**	**2010**	**2011**
		(millions)			**(€ millions)**	
8¾% Senior Notes due 2020	EUR	180.0	February 1, 2020	Bullet	—	—
9.25% First Priority Senior Secured Notes due 2016	EUR	300.0	July 1, 2016	Bullet	—	—
7.125% Senior Notes due 2017	EUR	310.0	June 15, 2017	Bullet	—	—
Anglo Senior Secured Facility—Acquisition(1)	EUR	110.4	June 30, 2014	Amortizing/Bullet	7.2	7.2
Anglo Senior Secured Facility—Acquisition(1)	GBP	61.8	June 30, 2014	Amortizing/Bullet	9.5	9.5
Anglo Senior Secured Facility—Capex & Restructuring(1)	EUR	50.0	June 30, 2014	Bullet	—	—
Anglo Senior Secured Facility—Revolving Credit Facility(1)	EUR	150.0	June 30, 2014	Revolving	—	—
Ardagh Glass Limited GE Commercial Finance Facility	GBP	35.0	October 1, 2011	Revolving	—	—
HVB Working Capital and Performance Guarantee Credit Lines	EUR	1.0	August 31, 2010	Revolving	—	—
Finance lease arrangements	EUR/PLN			Amortizing	0.5	0.5
Minimum net repayment					17.2	17.2

(1) On the completion of the Impress Acquisition, Ardagh fully repaid and terminated the Anglo Irish Credit Facilities.

Off-Balance Sheet Items

Ardagh has historically not engaged in off-balance sheet financing activities. Other than the Receivables Arrangement described under "Description of Other Indebtedness—Limited Recourse Receivables Discounting Arrangement," which Ardagh acquired in connection with the Impress Acquisition, Ardagh does not have any off-balance sheet finance obligations.

Quantitative and Qualitative Disclosures about Market Risk

The statements about market risk below relate to the historical financial information of Ardagh and the Acquired Business prior to the Impress Acquisition as described in the financial statements set out on pages F-2 and F-160 elsewhere in this Offering Memorandum.

Interest Rate Risk

Glass Packaging

The policy of Ardagh's board of directors, in the management of interest rate risk, is to strike the right balance between the Group's fixed and floating rate financial instruments. The balance struck by the board of directors is dependent on prevailing interest rate markets at any point in time.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to variability in cash flows. During 2009 and 2008, the Group's borrowings at variable rate were denominated in euro and the pound.

The Group manages its variability in cash flows by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, when the Group raises long-term borrowings at floating rates it swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

At December 31, 2009, the Group's borrowings were 97% (2008: 77%) fixed (after including the impact of interest rate swaps) with a weighted average interest rate of 7.72% (2008: 7.54%).

Holding all other variables constant, including levels of indebtedness, at December 31, 2009 a one percentage point increase in variable interest rates would have had a €0.3 million estimated impact on pre-tax interest expense (including the effect of interest rate swaps) (2008: €1.6 million).

Metal Packaging

Impress's policy is to manage its interest cost using a mix of fixed and variable rate debts. Borrowings at variable rates expose Impress to cash flow interest rate risk. Impress manages its interest rate risk by using floating-to-fixed interest rate swaps. Under the interest rate swaps, Impress agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Holding all other variables constant, for the year ended December 31, 2009, for a one percentage point increase in interest rates, the impact on post-tax profit and other components of equity would have been €4.4 million and €2.3 million, respectively (2008: €2.8 million and €2.9 million, respectively).

Currency Exchange Risk

Glass Packaging

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the pound but also Swedish krona, Danish kroner and Polish złoty. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Ardagh is subject to currency translation risk. Ardagh's policy is, where practical, to match net investments in foreign currencies with borrowings in the same currency. In order to provide a "natural" hedge, Ardagh currently has some of its borrowings that relate to the U.K. operations in pounds. Interest payments in pounds help to offset exposure to fluctuations in pre-tax profits, as measured in euro, due to currency fluctuation, while pound-denominated debt is matched by pound-denominated assets. However, the debt and interest payments relating to the Swedish, Danish and Polish operations are all denominated in euro.

Fluctuations in the value of these currencies with respect to the euro may have a significant impact on Ardagh's financial condition and results of operations as reported in euro. The Group believes that a strengthening of the euro exchange rate by 1% against all other foreign currencies from the December 31, 2009 rate would decrease shareholders' equity by approximately €0.9 million (in 2008 this would have been a decrease of €0.4 million).

Metal Packaging

Impress operates internationally including in emerging markets in central and eastern Europe. The international spread exposes Impress to foreign exchange risk arising from various currency exposures, primarily with respect to the pound, the U.S. dollar, Australian and New Zealand dollars, and the Japanese yen. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. In order to manage this risk, Impress hedges a portion of its currency translation risk by financing its operations within Impress through borrowings denominated in the relevant local currencies. Part of the transactional exposure is hedged via forward contracts to mitigate the effect on Impress's trading results.

For a change in the euro/pound exchange rate of 10%, with all other variables held constant, the impact on both post-tax profit and other components of equity arising from the retranslation for the nine months ended September 30, 2010 would have been immaterial and for the year ended December 31, 2009 this would have been €1.2 million. For 2008 the effect would have been immaterial.

For all other currencies, for a change in the exchange rate of 10%, with all other variables held constant, the impact on both post-tax profit and other components of equity arising from the retranslation of amounts denominated in currencies other than the functional currencies of Impress's reporting entities would have been immaterial for all reporting periods.

Commodity Price Risk

Glass Packaging

The cost of producing the Glass Packaging products is also sensitive to the price of energy. The Group's main energy exposure is to the cost of gas and electricity. These energy costs have experienced significant price increases and volatility in recent years with a corresponding effect on Group production costs. The main driver for the general increase in energy costs in recent years has been the increase in the price of crude oil varying from $34 up to $77 per barrel. In addition to the increased cost of oil, the price of electricity is also influenced by decreasing over-capacity in electricity production facilities and the increasing influence of carbon dioxide costs on electricity price.

Group policy is to purchase its natural gas requirements on the spot market and if economical by entering into forward price-fixing arrangements with its suppliers. In continental Europe fixed price or index tracking contracts tend to be the norm while economic hedging strategies are little used. In the United Kingdom, however, fixed price and index tracking contracts are very rare. As a result of this and the volatility of gas and electricity prices in the United Kingdom, Ardagh has developed an active hedging strategy to fix a proportion of its energy costs through contractual arrangements directly with its suppliers. Ardagh typically economically hedges in tranches of 10% of volumes. Currently, Ardagh has hedged 72% of its energy for 2011 and 22% for 2012.

Ardagh does not use commodity futures contracts to limit the fluctuations in prices paid and the potential volatility in earnings and cash flows from future market price movements.

Metal Packaging

Impress is exposed to changes in prices of its main raw materials, primarily steel and aluminum. It is Impress's objective to reduce the effect of these price changes on its results, either by means of variable pass-through contracts with customers in which products are indexed to the price of the underlying raw material, or by entering into exchange-traded futures contracts on the London Metal Exchange to hedge the price movement of the aluminum ingot and the related euro/U.S. dollar exposure via forward contracts.

At September 30, 2010, if the price of aluminum had moved by +/− 10%, with all other variables held constant, the impact on post-tax profit and other components of equity arising from the revaluation of open futures and forward exchange contracts would have been €nil and €3.0 million (December 31, 2009: nil and €4.2 million, 2008 : €nil and €4.1 million, 2007: €nil and €3.2 million, respectively).

OUR BUSINESS

Overview

Ardagh Packaging is one of the world's leading suppliers of glass and metal packaging, with a focus on the food and beverage end markets. With one of the broadest product lines in the rigid packaging industry, we derive the majority of our sales from market sectors in which we hold the first or second market positions. Ardagh Packaging operates 82 plants throughout 24 countries across five continents. The company has a significant European presence with 66 plants in 15 countries.

We operate two divisions, Glass Packaging and our newly acquired Metal Packaging division.

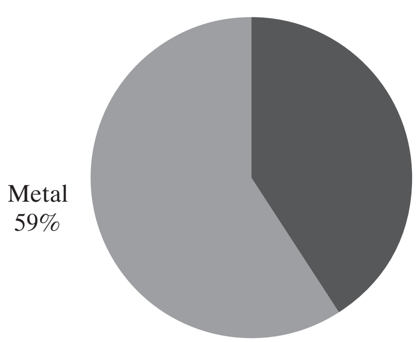
Glass Packaging produces glass containers for some of the world's most recognized food and beverage brands. Our glass containers are either 'proprietary' (i.e., the glass is produced to a customer's specification in terms of design and shape) or 'non-proprietary' (i.e., it is available to purchase 'off the shelf' and can then be decorated with one of many techniques to create the final branded packaging). In addition, through our best-in-class facilities, we provide innovative solutions in decoration, including value-added features such as embossing, light weighting, coating, base pad printing and pressure sensitive labeling.

Metal Packaging manufactures a comprehensive line of tinplate and aluminum standard, custom and value-added metal packaging products, including two- and three- piece cans, a wide range of customized shapes and sizes, high-quality graphic designs, easy-open ends, and Easy Peel® and Easip® peelable lids.

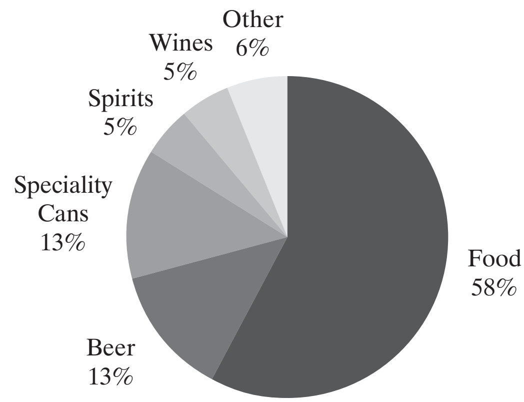
Ardagh Packaging products serve a diverse range of end markets including fruit, vegetables, soups, sauces, seafood, pet food, beer, wine, spirits, non-alcoholic beverages, personal care, household, paints and industrial coatings.

The following illustrates the breakdown of Ardagh Packaging's revenues by product division and by end market based on 2009 data.

Revenue by Product



Revenue by End Markets



We sell our products to over 2,000 customers globally, including a diverse mix of leading international, blue-chip companies and large national and regional companies, as well as small local businesses. We believe that our scale, high quality of service, advanced technology and manufacturing capabilities provide us with a competitive advantage in the markets in which we operate.

We believe the combination of Glass Packaging with our newly acquired Metal Packaging division increases our scale, expands our manufacturing footprint globally and enhances our presence in Europe. Simultaneously, the combination significantly diversifies our product, geographic and end market business mix.

On a pro forma basis, after giving effect to the Impress Acquisition, the Refinancing and the issuance of the Additional Senior Notes offered hereby, revenues and EBITDA for Ardagh Packaging for the last twelve months ended September 30, 2010 would have been €3,013.8 million and €554.3 million, respectively. See "Unaudited Pro Forma Consolidated Financial Information."

Our Divisions

Glass Packaging

Glass Packaging is one of the leading suppliers of glass packaging to the food and beverage sectors in Europe. The business has manufacturing operations in Denmark, Germany, Italy, the Netherlands, Poland, Sweden and the United Kingdom. Glass Packaging operates 20 glass plants with 40 glass furnaces and 101 production lines. In 2009, the aggregate production of Glass Packaging was approximately 2.9 million tonnes of glass containers. For the year ended December 31, 2009, we believe Glass Packaging had an approximate one-third share of Northern European glass container production by volume and an approximate 16% share of total European glass container production by volume, based on management estimates.

In addition, Glass Packaging has the largest range of in-house decoration facilities in Europe for a glass container manufacturer, providing value-added features such as embossing, coating, base pad printing and pressure sensitive labeling.

The following table illustrates our market position in the glass container market based on 2009 glass container production volumes.

Country/Region	Market Position of Glass Packaging on the basis of 2009 Glass Container Production Volumes
Europe	3
Germany	1
United Kingdom	1
Benelux	2
Nordic region	1
Poland	2

Source: Management estimate.

Our Glass Engineering unit brings together our main technology business, Heye International, and the mold manufacturing and repair operations within the Group. Through Heye International, with headquarters in Germany and operating internationally, Ardagh Packaging designs and supplies glass packaging machinery and spare parts for existing glass packaging machinery. It also provides technical assistance to users of its equipment and licensees of its technology. In 2009, these activities represented approximately 5% of Glass Packaging revenues.

Revenues and EBITDA for Glass Packaging for the twelve months ended September 30, 2010 were €1,233.8 million and €264.1 million, respectively.

Metal Packaging

Metal Packaging is a market leader in the consumer metal packaging industry and has attained strong positions in selected, value-added market segments for cans and ends. These comprise processed food (including seafood), aerosols, paints and coatings and other specialist end uses, including infant and nutritional powders and beer kegs. Impress does not currently produce or sell 'single serve' beverage cans.

In addition to producing large volumes of standard cans, Metal Packaging has significant expertise in the production of value-added metal packaging, made from either tinplate or aluminum, with features such as high-quality graphic designs, a wide range of shapes and sizes and special convenience features, such as easy-open ends and Easy Peel® and Easip® peelable lids.

Metal Packaging currently has three business segments: Processed Foods, International and Specialities. The Processed Food business segment groups those activities which are primarily focused on producing and selling packaging for retorted foods—i.e., foods that are cooked in the can after filling. The International business unit includes Metal Packaging's operations in North America and Australasia. The Specialities business segment groups a number of specialist, value-added businesses in Europe, generally serving non-food or dry food customers.

Metal Packaging has 58 production facilities, comprising 29 Processed Food plants, 13 International plants and 16 Specialities plants in 22 countries, and approximately 7,100 employees. The plants are located in 14 European countries (the Czech Republic, Denmark, France, Germany, Hungary, Italy, Latvia, the Netherlands, Poland, Romania, Russia, Spain, Ukraine and the United Kingdom), as well as Australia, Canada, Japan, Korea, Morocco, New Zealand, the Seychelles and the United States (including American Samoa and Puerto Rico).

We estimate that Metal Packaging holds the following market positions, based on revenue in 2009:

Business Segment	Market Position of Metal Packaging
Processed Food	
Global Seafood	1
European Processed Food	2
International	
Australia & New Zealand Processed Food	2
North American Seafood & Petfood	2
Specialities	
European Aerosols	1
European Paints & Coatings	1
European Dairy & Custom	1

Source: Management estimate.

Revenues and EBITDA of Metal Packaging for the twelve months ended September 30, 2010 were €1,780.0 million and €290.2 million, respectively.

Our Competitive Strengths

We believe Ardagh has a number of competitive strengths that differentiate it from its competitors, including:

- ***Leading market position in our principal markets.*** We believe Ardagh Packaging is one of the leading suppliers of glass and metal packaging in the world. We believe Glass Packaging is one of the leading suppliers of glass containers in Northern Europe with strong market positions in the food, beer, spirits, wine, non-alcoholic beverages and pharmaceutical sectors. In addition, we believe that Metal Packaging is a market leader in the consumer metal packaging industry and has attained strong positions in selected value-added market segments for cans and ends.

  Ardagh Packaging derives the majority of its sales from market sectors in which it holds first or second market positions. We believe our global manufacturing operations, proximity to clients, high quality of service and innovative product development further protect our strong market positions.

- ***Diverse product, end market and geographic exposure.*** Our business portfolio is well balanced, with a diverse range of products, end-user segments, geographic markets, raw materials and suppliers. We believe that this diversity provides more stability to our earnings and increases our free cash flow generation potential and lessens exposure to the loss of particular customers or to a downturn in a particular product or geographical region. Furthermore, we believe the wide variety of products, manufacturing capabilities and geographical reach provide us with flexibility to respond to changing market trends and customer requirements. Additionally, we believe that the complementary geographic footprint of Metal Packaging will enable us to take advantage of further strategic opportunities in both Glass Packaging and Metal Packaging for consolidation and growth on a global basis.

- ***Favorable market dynamics.*** Glass containers and metal packaging are large, mature and relatively stable markets. Moreover, the majority of sales are for use in sectors that are less sensitive to economic cycles such as food packaging, which accounted for approximately 58% of Ardagh Packaging revenues in 2009 on a pro forma basis, after giving effect to the Impress Acquisition. Although the overall market is generally stable, Ardagh Packaging believes that it is well positioned to exploit opportunities in faster-growing market sub-segments and to respond to demands for improved retail presentation and greater consumer convenience. Following the completion of the Impress Acquisition, we are also well positioned in less mature markets, particularly eastern Europe and increasingly Asia, which generally have higher market growth rates.

- ***Strong customer relationships.*** Ardagh Packaging has strong and long-standing relationships with its customers, which include some of the leading and best known European and global food and beverage manufacturers such as AB InBev, Akzo Nobel, Bacardi, Bonduelle, Bumble Bee, Carlsberg, Coca-Cola, Del Monte Foods, Diageo, Dongwon/Starkist, Friesland/Campina, Heineken, Heristo/Saturn, H.J. Heinz, Kraft, Marine World Brands, Mars, MEK, Nestlé, Pernod Ricard, Premier Foods, Procter & Gamble, Reckitt Benckiser, SABMiller and Unilever. We also have very strong relationships with a number of regional leaders such as DEK, Dutch Glory/Hak, Gobber, Maspex, Orkla, Royal Unibrew and Stute.

  Furthermore, our customer relationships are strengthened by bespoke manufacturing facilities for our largest customers in a number of locations, including facilities that are closely integrated with our customers' production lines, in so-called 'wall-to-wall' set-ups. On a pro forma basis, after giving effect to the Impress Acquisition, for the year ended December 31, 2009, approximately 40% of Ardagh Packaging's sales are made pursuant to multi-year contracts, which highlights our reliability and high product quality. Glass Packaging's and Metal Packaging's top 10 customers accounted for approximately 41% and 33% of total revenues in 2009, respectively. See "Unaudited Pro Forma Consolidated Financial Information."

- ***Margin and cash flow stability.*** Both Glass Packaging and Metal Packaging have a high degree of margin stability and cash flow reliability. On a pro forma basis after giving effect to the Impress Acquisition, approximately 40% of our sales are made pursuant to multi-year contracts and 60% pursuant to one-year contracts. Furthermore, the majority of our sales are being made under arrangements with our customers that include mechanisms which help to protect us from volatility in input costs. Specifically, such arrangements include (i) multi-year contracts that include input cost pass-through and/or margin maintenance provisions and (ii) one-year contracts that allow us to negotiate pricing levels for our products on an annual basis at the same time as we lock in our input costs for the relevant year.

- ***Technical leadership and innovation.*** Ardagh Packaging has superior technology and manufacturing capabilities including a high standard of product and process development and extensive knowledge of both the glass and metal packaging industries. Ardagh Packaging, through its internal glass engineering and metal engineering units, continually seeks to improve the quality of its products and processes through focused investment in new technology and has achieved industry leading accreditations. Through its design and research and development capabilities, range of machine configurations and high degree of flexibility, Ardagh Packaging has been able to meet the diverse design needs of customers and to face shifting industry requirements.

  In terms of innovation in Glass Packaging, the focus has been on product as well as process, which has been the driving force in the technological advances made in, for example, container lightweighting. As well as reducing costs, this has had significant environmental benefits in reducing the use of raw materials and energy. Metal Packaging has significant expertise in the production of value-added metal packaging, made from either tinplate or aluminum, with features such as high-quality graphic designs, a wide range of shapes and sizes and special convenience features, such as easy-open ends and Easy Peel® and Easip® peelable lids.

- ***Proven ability to execute strategic acquisitions and integrate acquired businesses, and strong base for further expansion.*** Both Glass Packaging and Metal Packaging have grown through a series of acquisitions over the past decade, and both have been successful at integrating these acquired businesses. The Rexam Acquisition resulted in approximately doubling the size of Glass Packaging based on sales volume, significantly expanding its operations in Germany and Poland and entering into new markets in the Nordic and Benelux regions. Glass Packaging also previously acquired and efficiently integrated companies such as Heye Holding, Huta Szkla Ujście ("HSU") and Redfearn, and Metal Packaging previously acquired and efficiently integrated companies such as PAK, Alcan May Verpackungen, USC Europe, Amcor's can-making interests in Australia and New Zealand and Megasa's Vilagarcia plant. These acquisitions resulted in Ardagh Packaging's expansion into new and existing markets and generated significant cost savings, synergies and revenue growth. While the combined business has leading positions in many markets, it still holds only a relatively small share of the global market in glass and metal packaging. As a result, Ardagh Packaging believes there is significant opportunity for further growth and it intends to take advantage of these opportunities.

- ***Experienced and highly focused management team with a proven track record.*** Ardagh Packaging's management team is highly experienced with strong backgrounds in the glass and metal packaging industry. The members of our senior team have demonstrated their ability to manage costs, adapt to changing market conditions and acquire and successfully integrate new businesses, as shown by the growth of both Glass Packaging and Metal Packaging over the past decade through a series of acquisitions. As of September 30, 2010, our senior management (including directors of Ardagh Group S.A., other than Paul Coulson) collectively owned directly approximately 21% of the total share capital of Ardagh Group S.A.

Our Business Strategy

The principal objective of Ardagh Packaging's business strategy is to increase the value of Ardagh Packaging's businesses through growth in its core areas and through organic growth as well as opportunistic, strategic expansion. Ardagh Packaging is pursuing this objective through the following strategies:

- ***Maintain a disciplined earnings and cash-flow oriented approach.*** We carefully assess the potential for earnings and cash flow stability and growth when we evaluate the performance of our operations, new investment opportunities and, selectively, prospective acquisitions. In managing our businesses we consistently seek to improve our efficiency, control costs and preserve cash flows. We have consistently focused on decreasing total costs through staffing reductions, machine line rationalization and investments in advanced technology, and we intend to apply this approach to the businesses acquired in the Impress Acquisition. In response to the present economic environment, we will continue to take decisive actions to reduce costs, preserve cash and rationalize our manufacturing base.

- ***Continue to apply advanced technology and technical expertise to improve quality, service, profitability and cash flow.*** Our goal is to be the most profitable producer in the markets in which we operate, with a low cost base, highly efficient machinery, strong technological expertise and a highly motivated workforce. Through the deployment of leading technology, including its internal engineering capabilities, we intend to increase productivity through the continuing development and transfer of expertise and best practices across its operations.

- ***Improve product mix and diversify customer base.*** Ardagh Packaging has and will continue to improve its product mix by replacing lower margin business with higher margin business as opportunities arise. It will continue to develop long-term customer partnerships and selectively pursue business arrangements with customers that will provide it with growth opportunities.

- ***Successfully integrate Impress with existing Ardagh operations.*** The primary focus of Ardagh's management is to successfully integrate the business acquired in the Impress Acquisition into the existing Ardagh operations. We believe that the Impress Acquisition will provide us with opportunities to achieve greater operating efficiencies.

- ***Carefully evaluate and pursue strategic opportunities.*** Ardagh Packaging combines the businesses of two successful consolidators in their respective industries. It has achieved its current market position by pursuing strategic opportunities, while maintaining profitability rather than pursuing market share gains at the expense of operating margins. Ardagh Packaging will continue to consider acquiring businesses in line with its strategic objectives, which include the realization of attractive returns on investment and the generation of significant free cash flow. Ardagh may selectively explore business opportunities for establishing operations in new markets to meet the geographic and other needs of current and potential customers. In line with this strategy, we are currently evaluating a number of specific acquisition opportunities. Some of these acquisition opportunities, if consummated, could be material to our operations. However, we are not party to any agreement to complete any such acquisition and may ultimately decide not to complete any of these prospective transactions. In addition, it is our intention to pursue an initial public offering of Ardagh in the medium term.

Glass Packaging

Industry Overview

Glass packaging manufacturers supply containers for the food and beverage industries as well as pharmaceuticals, toiletries and healthcare. While growth in the glass container markets has been affected by the substitution of plastic and other alternative packaging materials, we believe that glass containers will continue to maintain a leading position in the high-end beverage and food segments due primarily to consumer preferences and the premium perception that glass offers. As well as aesthetics, glass containers also provide stronger oxygen and carbon dioxide barriers for longer shelf life, better functional qualities and have relative cost advantages in small containers. Industry surveys commissioned by Ardagh have shown that consumers associate glass packaging with quality products and view glass as a hygienic, natural and taste-neutral packaging material that is not associated with hazardous chemicals. Ardagh's surveys have also shown that consumers consider glass packaging to be more environmentally responsible due to its high degree of recyclability. In addition, we believe that manufacturers of food and beverages appreciate glass packaging's capacity for greater product differentiation compared with other packaging materials.

Advances in lightweighting technology have been a feature of the industry in recent years, delivering supply chain benefits as well as decreasing the use of raw materials and reducing the use of energy, improving the sustainable credentials of the material.

The glass container manufacturing industry is characterized by relatively high barriers to entry. Operating in the industry requires high levels of investment and fixed costs (approximately 60% of total costs are fixed). These costs, together with existing operators' strong, long-term supply relationships, make it difficult for potential new market entrants to secure a critical customer base and volume of business. In addition, the European glass container manufacturing industry has historically been a stable market associated with low growth and average returns, which is unlikely to attract new entrants. Other barriers to entry to the glass packaging industry include the significant level of capital expenditure required and specific manufacturing know-how that is not easily transferable from other industries.

Products

Ardagh's production consists of proprietary glass packaging (i.e., containers that are designed and manufactured specifically to a customer's specification, usually related to their brand and marketing strategy) and non-proprietary containers (those that could be considered standard or 'off the shelf'). Many of the containers produced are then decorated at one of Ardagh's specialist 'added value' facilities.

In 2009, Ardagh manufactured approximately 11.4 billion containers. The majority of production was for the food and beverage industries with beer accounting for the largest proportion of revenue, at an estimated one-third of the total revenue. A small percentage of production was for the pharmaceutical industry, mainly in the German and Swedish operations.

Glass Engineering

Glass Engineering brings together our German technology business, Heye International and a number of mold manufacturing and repair activities within the Group. In 2009, these activities represented approximately 5% of our revenues. Ardagh's main engineering business, Heye International, has significant expertise in the design and construction of glass container manufacturing plants. Heye International developed the Narrow Neck Press and Blow ("NNPB") process and continues to be a recognized leader in NNPB technology.

Heye International also manufactures machinery, glass-forming machines and components, supplies parts for this equipment and provides technical services to users of the equipment. Heye International is recognized for its leading-edge technology, particularly with regard to advanced lightweight manufacturing technology, which allows for reduction of container weight while maintaining even wall thickness and strength of the product, its oxy-fuel furnaces which produce low levels of emissions and its waste heat recovery systems.

Customers

In certain product groups (beer, wine, spirits and non-alcoholic beverages), sales are concentrated among a few key customers with whom Ardagh has strong, ongoing relationships. Ardagh's top 10 customers accounted for 41% of total revenues in 2009.

Ardagh typically sells most of its glass containers directly to customers under short-term arrangements. Although these arrangements may not be legally enforceable, they are seldom broken and they have provided, and Ardagh expects they will continue to provide, the basis for long-term partnerships with its customers. Customer contracts are typically renegotiated annually (in terms of price and expected volume), although the strength of customer relationships has historically resulted in high levels of renewal. Certain customer contracts are longer-term agreements and some incorporate clauses which allow Ardagh to recover input cost inflation on some or all of its cost base. One-third of our customer contracts are longer-term agreements, of which approximately 50% allow us to recover input cost inflation on some or all of their cost base.

Glass containers are typically scheduled for production in response to customer forecasts of their requirements. Customers typically draw down their requirements from stock and may adjust their forecast requirements as demand for their product varies.

Germany

Customers of Ardagh's German glass container business include AB InBev, MEK, Bacardi Martini, Heineken, Ferrero, Kraft and Merck. We believe that our German glass containers business benefits from strong customer relationships. Ardagh's ten largest customers have generated approximately 45% of its revenues in Germany in 2009. In Germany, Ardagh produces a wide range of standardized glass containers and proprietary items for the beer, food, wines, local spirits, soft drinks and pharmaceutical sectors, which Ardagh sells in part to wholesalers.

United Kingdom

Customers of Ardagh's U.K. glass container business include AB InBev, Premier Foods, Coca-Cola, Diageo, Nestlé, Pernod Ricard and Halewood.

In 2009, Ardagh's ten largest customers accounted for approximately 68% of its U.K. revenues. Ardagh's U.K. glass container business has strong and long-standing relationships with many of its customers in the United Kingdom. It has approximately 145 customers for which it produces over 500 different types of glass containers.

The Benelux Region

Customers of Ardagh's glass container business in the Benelux region include AB InBev, Coca-Cola, Hak, Heineken, Heinz and PepsiCo. The ten largest customers account for approximately 74% of revenues in the Benelux region in 2009. Ardagh's glass container business in the Benelux region has entered into a long-term supply agreement with Heineken through December 31, 2013, under which the Moerdijk plant produces glass containers for Heineken exclusively.

Other Northern Europe

Customers of Ardagh's glass container businesses in the Nordic region include Pernod Ricard, Carlsberg, Orkla and Royal Unibrew. The ten largest customers account for approximately 74% of revenues in the Nordic region in 2009. Ardagh's glass container business in the Nordic region entered into a supply agreement with Vin & Sprit (now owned by Pernod Ricard) to 2011.

Customers of Ardagh's Polish glass container businesses include Carlsberg, SAB Miller and Heineken for beer bottles, food companies Maspex, Malex and Dawtona, and local wine fillers for wine bottles. In Poland, some wine is imported in bulk and filled locally. Ardagh supplies wine bottles to local fillers such as Ambra and Bartex. The ten largest customers accounted for approximately 58% of Polish revenues in 2009.

Glass Engineering

Heye International, Ardagh's main engineering business, has an extensive worldwide customer base. In recent years, it has delivered turnkey glass container manufacturing plants in the United States, Chile, Commonwealth of Independent States countries and Mexico. Its significant customers include AB InBev, Amcor, Femsa and Heineken. It provides technological assistance to numerous companies worldwide and also provides these and other companies with replacement equipment and parts.

Competitors

Ardagh competes directly with other manufacturers of glass packaging. Competition is often on the basis of quality, performance characteristics, price and service. But market drivers such as environmental issues and consumer preference are becoming increasingly significant.

Although there has been limited substitution from glass to other packaging materials in the key business sectors of food, premium beer and spirits, there remains the prospect of competition from alternative packaging materials, often for reasons associated with consumer convenience and the specialized sales and consumption environments (e.g., glass is often replaced by alternative packaging formats at large outdoor events).

Our main competitors in the glass packaging industry include O-I, Verallia, Vidrala, Vetropack, Quinn Glass, Warta Glass Group and Wiegand Glas.

Glass Engineering

Heye International, Ardagh's main engineering business, competes on a worldwide basis. Its main competitor is O-I, which is the only other provider of turnkey glass container operations and technology services to the global glass manufacturing industry. The other major competitors in the supply of equipment are Emhart Glass, a Swiss registered company, and Bottero, an Italian glass machinery supplier, who also supply equipment to the glass container industry on a worldwide basis. Typically, O-I supplies and licenses its technology to only one glass container manufacturer in a particular country under an exclusive territorial agreement. As a result, this creates opportunities for other suppliers of machinery and technology, including Heye International, since other glass container manufacturers are required to source machinery and technical assistance from other suppliers.

Manufacturing and Production

Ardagh operates 20 manufacturing facilities with 40 glass furnaces and 101 production lines in seven countries. In addition, Ardagh operates four glass engineering facilities (two in Germany and two in Poland). In 2009, the aggregate production of Ardagh's glass container businesses was approximately 11.4 billion containers and 2.9 million tonnes. Ardagh's glass container manufacturing operations are located in Germany, Italy, the Netherlands, Denmark, Sweden, Poland and the United Kingdom. We believe that Ardagh's facilities are well maintained and that it generally has sufficient capacity to satisfy its current demand and expected market conditions. Ardagh owns all of its manufacturing facilities, some of which are subject to mortgages, finance leases or similar financial arrangements. Certain of Ardagh's warehousing facilities are located in premises leased from third parties. The following table provides information about Ardagh's facilities.

Breakdown by operational region of glass packaging manufacturing facilities and output:

Country	Production Facilities
Germany	8
United Kingdom	4
Netherlands	2
Poland	3
Sweden	1
Denmark	1
Italy	1
Total	20

Energy, Raw Materials and Suppliers

Ardagh uses natural gas, electricity, oil and oxygen to fuel its furnaces. It has developed substantial backup systems, which protect its operations in the case of an interruption of its primary energy sources. There tend to be several energy suppliers in each country, with contractual pricing arrangements typically linked to the relevant market index. Ardagh seeks to mitigate the inherent risk in energy price fluctuations through a combination of contractual customer pass-through agreements, fixed-price procurement contracts, index tracking procurement contracts and hedging.

In most of continental Europe, fixed price or index tracking contracts are the hedging strategies of choice, whereas in the United Kingdom and the Netherlands fixed price and index tracking contracts are very rare. As a result of this and the volatility of gas and electricity prices in these countries, Ardagh has developed an active hedging strategy. Ardagh typically hedges in tranches of 10% of volumes. Currently, Ardagh has hedged 72% for 2011 and 22% for 2012.

Ardagh expects energy costs over the next several years to vary broadly in line with the price of crude oil.

The primary raw materials used in Ardagh's glass container operations are cullet (crushed recycled glass), sand, soda ash and limestone. Ardagh has several country suppliers of cullet and a number of pan-European suppliers of soda ash. Ardagh uses as much recycled glass as possible in its production process as this enables the other raw materials to melt at lower temperatures, thereby lowering its energy costs and carbon emissions and prolonging furnace life.

Sand and limestone are usually supplied to the manufacturing plant from local suppliers due to the relatively low value of the material and its high cost of transport. These materials, together with the other minor raw materials, Ardagh uses to manufacture glass containers, have historically been readily available on the open market in adequate supply from multiple sources, and Ardagh is not dependent upon any single supplier. The prices of sand, limestone and other minerals used in the manufacture of glass containers have historically been relatively stable in recent years, and Ardagh expects future price movements to track general inflation levels in the local market.

However, for certain raw materials, there may be temporary shortages due to weather or other factors, including disruptions in supply caused by transport or production delays.

Distribution

Ardagh uses various freight and haulage contractors across the regions in which it operates to deliver to customer sites or warehousing facilities. In some cases, customers make their own delivery arrangement and therefore they may purchase from Ardagh on an ex-works basis. Warehousing facilities are situated at Ardagh's manufacturing facilities; however, in some regions, Ardagh uses networks of externally rented warehouses at strategic third-party locations, close to major customers' filling operations.

Intellectual Property

Glass Packaging in the United Kingdom has a technology licensing agreement with O-I that expires in April 2014. Outside the United Kingdom, Ardagh has no such agreements in place and is equally free to deploy any available technology that best fits its needs.

Glass Engineering

Heye International has an extensive portfolio of patents covering the design of equipment for the manufacture of glass containers. It also has substantial proprietary knowledge of the technology and processes involved in operating a glass container manufacturing facility. It has entered into a large number of agreements to provide technical assistance and technology support to glass container manufacturers for which it receives annual fees.

Research and Development

Ardagh supports a significant research and development effort, particularly at Heye International, which it believes is important to its ability to compete effectively. Ardagh is a member of glass research associations and other organizations that are engaged in research and development activities aimed at improving the manufacturing processes and the quality and design of products while continuing to meet Ardagh's environmental responsibilities. Ardagh's research, development and engineering activities include developing new products to meet customers' needs, improving product quality and reducing raw materials and energy consumption and increasing capacity, and thereby reducing emissions into the environment.

Glass Engineering

Ardagh's research and development efforts allow its businesses to remain at the forefront of glass manufacturing technology and its partnership approach with customers allows for the effective development of product and process innovations.

Organizational Structure

Below is an abridged organizational structure showing only the material trading companies in the Glass Packaging division arranged by business and geographic segment.

	Glass Packaging
Glass Container Manufacturing	Ardagh Glass GmbH (Germany) Ardagh Glass S.r.l. (Italy) Ardagh Glass Sales Limited (Ireland) Ardagh Glass Dongen B.V. (Netherlands) Ardagh Glass Moerdijk B.V. (Netherlands) Ardagh Glass Limited (United Kingdom) Ardagh Glass Limmared AB (Sweden) Ardagh Glass Holmegaard A.S (Denmark) Ardagh Glass Moss AS (Norway) Ardagh Glass Ujście S.A (Poland) Ardagh Glass Gostyń S.A (Poland) Ardagh Glass Wyszków S.A (Poland)
Glass Engineering	Heye International Gmbh (Germany) Schaumburger Formenbau GmbH (Germany) Fabryka Urzadzen Przemyslowych Sp. Z.o.o. (Poland) Heye Fabryka Form Szklarskich Sp. Z.o.o. (Poland)

History and Development

History. Ardagh was incorporated, as The Irish Glass Bottle Company, in Dublin in 1932. Until 1999, Ardagh operated a single plant in Dublin with two furnaces. In 1999, Ardagh started its international expansion.

Acquisition of Rockware Glass. In 1999, Ardagh acquired Rockware Glass Limited from O-I for a purchase price of £247 million. Rockware was renamed Ardagh Glass Ltd in 2007.

Consumers Glass. In July 2002, Ardagh acquired Consumers Glass S.r.l., an Italian glass container manufacturer, for cash consideration of approximately €2.8 million plus assumed net debt of €13.4 million. The company was subsequently renamed Abruzzo Vetro S.r.l and then renamed Ardagh Glass S.r.l in 2007.

Demerger. In July 2002, South Wharf plc's (formerly Ardagh plc's) glass container manufacturing facility in Ireland was closed and the business in Ireland became primarily a property holding company. The U.K. and Italian glass container businesses were demerged and transferred to Ardagh Glass Limited, a predecessor of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited), in February 2003.

Acquisition of Heye Holding. In March 2003, Ardagh acquired the glass container and technology and manufacturing businesses and assets of Hermann Heye KG for a total consideration of €35.5 million, consisting almost entirely of assumed debt. Heye Holding GmbH was renamed Ardagh Glass Holding GmbH in 2007.

Acquisition of Huta Szkla Ujście. In September 2004, Ardagh acquired 82.4% of HSU, a Polish glass container manufacturer, for €8.0 million plus assumed net debt of €3.0 million. Between September 2004 and December 2006, Ardagh acquired the remaining 17.6% of the outstanding equity on terms similar to the original acquisition. HSU was renamed Ardagh Glass Ujście S.A. in 2007.

Acquisition of Ardagh Glass Limited by APG plc. In February 2005, APG plc, an Irish company (then named Caona plc), acquired 100% of the outstanding equity of Ardagh Glass Limited at a total cost of €53.3 million.

Acquisition of Redfearn Glass Limited. In May 2005, Ardagh acquired Rexam Glass Barnsley Limited, the U.K. glass business of Rexam plc. The business was acquired for £50 million, comprising cash consideration and assumed debt. The business was renamed Redfearn Glass Limited.

Group Reorganization. In August 2005, Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) acquired all of the share capital of Ardagh Glass Limited. Ardagh Glass Limited was subsequently liquidated.

Acquisition of the Glass Division of Rexam plc. In June 2007, Ardagh acquired the glass container manufacturing business of Rexam plc for a consideration equal to its enterprise value of €657.0 million, less net debt. This acquisition expanded Ardagh's holdings in Germany and Poland and allowed it enter new markets in the Nordic and Benelux regions. Following this acquisition all the existing trading units and active legal entities comprising the Ardagh glass container business were rebranded and renamed Ardagh Glass.

Acquisition of Busch & Spreen. In December 2008, Ardagh Glass Engineering acquired 100% of the share capital of Busch & Spreen through its technology subsidiary, Heye International GmbH. The company, based in Nienburg, Germany, supplies cold end inspection equipment to the international glass container industry. Heye International will integrate the acquired product portfolio with its existing range of hot and cold end equipment.

Acquisition of Shares in Heye FFS. In April 2009, Ardagh Glass Holding GmbH acquired 42% of the shares in Heye FFS from the Polish State Treasury and recently a further 6.9% from former and current employees of the company. This brings its current holding in Heye FFS to 99.9%. Heye FFS, based in Piensk, Poland, is a manufacturer of molds for glass container operations and is a key supplier of molds to Ardagh companies.

New Corporate Structure. In December 2009, Ardagh Group S.A. (previously named Ardagh Glass Group S.A.), a Luxembourg company, became the ultimate holding company of the group. Ardagh

Group S.A. acquired all of the shares of APG plc in exchange for the issuance of shares to the APG plc shareholders in the same proportions as they had held shares in APG plc.

Metal Packaging

Industry Overview

The Metal Packaging division operates in the metal packaging industry. The consumer metal packaging industry can be broadly divided into (i) the processed food and specialities segments and (ii) the beverage segment. Metal Packaging focuses on the Processed Food and Specialities market segments, which include cans for heat-processed food and seafood, aerosol cans, cans for paints and coatings and cans for specialist markets, such as infant formula and nutritional powders, beer kegs and other products. We estimate the size of the Processed Food and Specialities segments worldwide in 2008 to be approximately €20 billion, of which nearly 60% relates to cans for heat-processed food and seafood products. Within Europe, we estimate the size of the Processed Food and Specialities segments to be approximately €7 billion, of which just over half relates to heat-processed food and seafood products.

Because the consumer metal packaging industry primarily supplies packaging for food and other basic needs, it is considered to be a relatively stable market sector that is less sensitive to economic cycles than many other industries. We believe the purchasing decisions of European retail consumers are significantly influenced by packaging. In response to increasing competition, consumer product manufacturers and marketers are increasingly using packaging as a means to position their products in the market and differentiate them on retailers' shelves. The development and production of premium, specialized packaging products with a combination of value-added features requires a higher level of design capabilities, metallurgical know-how and quality control than for more standardized products.

Premium food and seafood cans generally have value-added features such as easy-open ('ring pull') ends and high-quality graphics printed directly onto the metal. Even the mostly standard-sized, unprinted fruit and vegetable cans increasingly feature an easy-open end. Cans and ends for the other food and specialities segments are generally more diverse in nature and are sold in various shapes and sizes and with value-added design features. Sales of food packaging are affected by national tastes, preferences and regulations as well as differences in the amount and quality of local agricultural production, which varies seasonally, and according to the weather conditions and the acreage under production each year. Sales of seafood packaging are affected by seasonality and the size of catches.

Sales of cosmetic, personal and home-care aerosol products have generally grown in recent years, but have recently been affected by overall economic conditions. Sales of packaging for paints and coatings are affected by conditions in the housing and construction markets and have declined in recent years, in part as a result of the current economic crisis.

Processed Food

Metal Packaging's processed food business consists primarily of the production of cans for heat-processed foods, which are foods that are cooked in the can ("retorted"). Heat-processed foods continue to have an important role for consumers as convenient, low-cost food. Consumer purchases of canned food in Europe have been broadly stable between 1997 and 2009. Imports overall are at a low level in Europe and North America but can affect local production in certain segments (for example, filled canned seafood imports). In emerging markets, we believe that canned foods have considerable growth potential as incomes grow, modern retail forms develop and the trend towards more-urban lifestyles continues. The industry has seen market growth in emerging markets as diverse as eastern Europe, China, South Korea, Thailand and Latin America, and Impress has focused on positioning itself to capture growth in these and other geographic regions.

International

Metal Packaging's international segment primarily produces cans for heat-processed foods. As such, similar market trends and opportunities as described under "—Processed Food" apply to this market. The International market also includes the production of aerosol cans in Australia, which is a growing market.

Specialities

Aerosol volumes in Europe have generally grown in recent years, driven by increasing consumer demand for health and beauty products, air fresheners and home improvement products, but have recently been affected by overall economic conditions. The overall market for paints and coatings has grown in recent years, driven until recently by strong construction and property markets in most countries as well as by consumer trends in home improvement and do-it-yourself. However, much of this market growth has been captured by plastic packaging and metal packaging volumes have declined. The substitution of plastic for metal has been driven principally by cost, and the proportion of metal and plastic containers vary from year to year. With certain segments of the market such as solvent-based paints and coatings products having overriding requirements for metal, the substitution by plastic appears to have slowed recently. Consumption in the infant formula and nutritional powders segment has grown over many years, as a decline in the powdered milk segment has been more than offset by strong growth in value-added milk formula products for infants. Sales of customized packaging for certain niche markets such as take-home pressurized beer barrels, have also seen significant growth.

Our Operations

Metal Packaging is a market leader in the consumer metal packaging industry, with strong positions in all main market segments in which it operates. These are comprised of processed food (including seafood), aerosols, paints and coatings and other specialist end uses including infant and nutritional powders and beer kegs. Impress does not currently produce or sell "single serve" beverage cans.

In addition to producing large volumes of standard cans, Metal Packaging has significant expertise in the production of high value-added metal packaging, made from either tinplate or aluminum, with features such as quality graphic designs, a wide range of shapes and sizes and special convenience features, such as easy-open ends and Easy Peel® and Easip® peelable lids.

Metal Packaging has 58 production facilities, comprising 29 Processed Food plants, 13 International plants and 16 Specialities plants in 22 countries, and approximately 7,500 employees. The plants are located in 14 European countries (the Czech Republic, Denmark, France, Germany, Hungary, Italy, Latvia, the Netherlands, Poland, Romania, Russia, Spain, Ukraine and the United Kingdom), as well as Australia, Canada, Japan, Korea, Morocco, New Zealand, the Seychelles and the United States (including American Samoa and Puerto Rico).

Metal Packaging has three operational business segments: Processed Food, International and Specialities.

Processed Food

The Processed Food segment includes two business units: Food Europe and Seafood.

In 2009, Processed Food accounted for total revenue of €928.0 million, EBITDA of €142.1 million and an operating profit of €96.4 million.

Food Europe

Metal Packaging is the second largest supplier of cans for heat-processed food products in Europe, with an estimated market share of approximately 21%. Metal Packaging supplies cans mainly to the pet food, ready meals and fruit and vegetable segments. The vast majority of the products in Metal Packaging's Food Europe business are retortable cans for shelf-stable, heat-processed foods. Customers are primarily large food packers and the segment is characterized by very large volumes of mostly lower-value, unprinted, standardized two- and three-piece cans. However, Metal Packaging has also successfully introduced more-sophisticated, differentiated cans and is a major player in the growing, higher margin market for easy open, Easy Peel® and Easip® can ends. Products are primarily based on tin-plated steel, although the food business also uses tin-free steel and aluminum for certain value-added products.

Seafood

Metal Packaging is widely acknowledged as the worldwide leader in seafood cans. We estimate its global market share (including sales by its North America business unit, described below) to be approximately 20% and its European market share to be approximately 23%. The revenue of Metal Packaging from its seafood business is primarily based on sales of printed and shaped, differentiated, mainly aluminum (but also steel) containers, with easy-open ring-pull ends and, increasingly, Easy Peel® closures. Metal Packaging increasingly serves multinational customers as well as many smaller customers in Europe, the Americas, Asia, the Seychelles and North Africa.

Metal Packaging has focused recently on developing the global reach of its Seafood business, with acquisitions, greenfield plants or joint ventures in Morocco, Peru, Spain, Thailand and Korea.

International

The International segment includes Metal Packaging's operations in North America and Australasia. In 2009, International accounted for total revenue of €330.4 million, EBITDA of €41.7 million and an operating profit of €23.9 million.

North America. Metal Packaging groups its operations in the food and seafood market segments in the United States and Canada in its North America business unit, and has had a significant presence in North America since the acquisition of the U.S. in-house can manufacturing assets of the StarKist division of the H.J. Heinz Company in August 2000. Metal Packaging is the leader in the U.S. seafood can segment, with a market share of over 60%. It also has an estimated 16% share of the pet food can segment. The great majority of Metal Packaging's recent sales in North America are derived from long-term contracts with four major customers, generally in wall-to-wall configurations. The acquisition of the Blacks Harbour plant in New Brunswick, Canada, in May 2005 further expanded Metal Packaging's presence in the North American seafood market.

Australasia. The Australasian businesses acquired from Amcor in 2007 now constitute the Australasian business unit within the International segment. The six plants currently operated in Australia and New Zealand serve primarily the food market, where Metal Packaging is the second largest supplier with a market share of approximately 39%, and the tinplate and aluminum aerosols markets, where it is the largest supplier with a market share of approximately 65%.

Specialities

There are three business units within the Specialities reporting segment: Aerosols, Paints and Coatings, and Dairy and Custom. In 2009, Specialities accounted for total revenue of €497.8 million, EBITDA of €83.2 million and an operating profit of €49.5 million.

Specialities supplies a wide range of printed, mostly steel-based products for many different applications to European customers. Metal Packaging is the largest aerosol manufacturer in Europe; the leader in the European market segment for cans for paints, varnishes, coatings and similar products; and a leading supplier of cans for powdered food, and for specialist segments such as beer kegs.

Aerosols. Metal Packaging is the largest supplier of aerosol cans in Europe, with a share of approximately 19% of the overall aerosol market in Europe and within that, approximately 38% of the tinplate aerosol segment. It supplies a wide range of sizes, specifications and closures to many of the leading aerosol brands and contract fillers and has extensive geographic coverage of the European market, with plants in eight countries, including a strong presence in eastern Europe. The great majority of products are printed using Metal Packaging's extensive in-house print facilities including DPrint® and Flexidec®. Aerosols benefit from continuing underlying market growth driven by the cosmetic, personal care and household segments.

Paints and Coatings. Metal Packaging is the largest supplier of cans for paints and coatings in Europe with a market share of approximately 22%. Cans are mainly printed, and include containers for paint and wood varnish for professional and do-it-yourself decorators, as well as for lacquers, automotive paints and chemicals. The bulk of the sales of such containers are to the paints and coatings industry leaders in the United Kingdom, Germany and the Netherlands. Products are normally steel-based and include a wide variety of sizes, closures and specifications.

Dairy and Custom. Metal Packaging enjoys a leading position in the specialist markets of infant formula, nutritional powders and other powdered food products, based on sales of its reclosable cans and of its exclusive Easy Peel® and Direct Peel® membrane systems. Impress's position in this market was strengthened by its 2003 acquisition of Nestlé's facility at Hjørring, Denmark, which together with a sister plant in the Netherlands mainly produces peelable ends and closures. Metal Packaging also has a leading position in certain niche markets such as multiserve five- and 10-liter (Tencan®) beer kegs, a segment which is currently growing.

Products

Metal Packaging develops and manufactures a wide range of products to meet the specific needs of customers, utilizing different sizes, shapes, closure systems, print characteristics, coatings and other features. Metal Packaging's products are designed to help customers differentiate their brands. They range from highly specialized cans with high-quality graphic designs, a wide range of shapes and special convenience features, such as ring-pull easy-open ends, Easy Peel® and Easip® peelable lids and Direct Peel® membranes, to round, undecorated cans in standard sizes.

Products incorporating specialized, value-added features also include "consumer friendly" shaped and printed aluminum bowls with Easy Peel® or Easip® lids, for heat-processed products such as seafood salads, recloseable cans with Easy Peel® or Direct Peel® moisture-proof internal membranes for dry food products which must be protected from moisture, such as powdered instant beverage products and dry snacks, and five- and 10-liter pressurized beer kegs (Tencan®).

A significant portion of Metal Packaging's revenues is derived from printed products. Metal Packaging has developed particular expertise in "pre-distortion" printing for two-piece cans (printing on the flat sheet prior to punching) and in the use of special colors and pre-press methods to enhance print quality and reduce the costs of printing sheets for three-piece cans. In addition, Metal Packaging recently started commercial production using its Dprint® and Flexidec® short-run print technologies, allowing cost-effective and timely production of small orders for printed products, thereby greatly increasing its and its customers' flexibility in responding to market requirements.

Customers

Metal Packaging operates worldwide, selling metal packaging for a wide range of consumer products to national and international customers.

Metal Packaging supplies leading manufacturers in each of the market segments it serves, including Akzo Nobel, Bonduelle, Bumble Bee, Chicken of the Sea, Conserve Italia, Del Monte Foods, Dongwon, General Mills, Henkel, H.J. Heinz, Heristo, Kraft, Marine World Brands, Mars, Nestlé, Procter & Gamble, Reckitt Benckiser, Royal Campina Friesland, S.C. Johnson and Unilever, among others.

The major consumer brands packaged in Metal Packaging's containers include Adidas, Airwick, Ambipur, Axe, Bonduelle, Bumble Bee, Del Monte, Dulux, Friskies, Green Giant, Heinz, John West, Johnson Wax, Nivea, Pedigree, Pringles, Rexona, Schwarzkopf, StarKist, Saupiquet, Taft and Wella.

No one customer represented more than 7% of sales in 2009, with the top 10 customers representing approximately 33% of sales (2008: 5% and 27% respectively).

Approximately 43% of Metal Packaging's total business in 2009 was backed by multi-year supply agreements, ranging from two- to 10-year terms. These benefit customers seeking medium-term security of supply and price stability. For Metal Packaging, they represent more predictable future cash flows and generally provide for the recovery of metal price increases and, in most cases, all or most of variable cost inflation. In addition, within multi-year relationships both parties can work to streamline the product, service and supply process, leading to significant cost reductions and improvements in product and service.

The remaining approximately 57% of sales are made under commercial supply agreements, typically of one year's duration, with prices based on expected purchase volumes. Customer "churn," even among this group of customers with annual renewals, is low. We believe that the spread of its activities, both geographically and across market segments, mitigates the risk that the loss of any one customer would have a material adverse effect on Metal Packaging as a whole.

Competitors

Europe

Metal Packaging's major competitor in the pan-European metal packaging market is Crown Holdings, Inc. Metal Packaging also competes with Mivisa Envases SAU in the European processed foods market segment in certain territories. In addition, there are a number of strong regional operators, who often play a significant role within individual market segments or within individual regions or countries of Europe. Customer requirements are becoming more demanding in Europe, which Metal Packaging believes will benefit manufacturing companies with multinational coverage, a competitive cost base, high quality products, outstanding customer service and a broad product portfolio.

North America

Metal Packaging's North American operations are focused on supplying a limited range of seafood and pet food products to a small number of major customers in the United States and Canada, including Dongwon and Del Monte, with whom Metal Packaging has long-term supply arrangements following the assignment of the original contracts, negotiated when Metal Packaging acquired the StarKist in-house can production operations of H.J. Heinz in 2000. These long-term contracts are largely based on 'wall-to-wall' arrangements, allowing Impress a high degree of integration with the client. Although the proportion of sales to other customers in North America has increased substantially since the acquisition of the StarKist assets from Heinz, sales of packaging to Dongwon and

Del Monte still accounted for a significant percentage of Metal Packaging's North America sales in 2009.

In the seafood segment, Metal Packaging is the market leader in North America, with over half of the market. In pet food cans, Silgan Holdings, Inc. is the leading U.S. supplier, and other competitors include Crown Holdings, Inc. and Ball Corporation.

Australasia

In Australasia, Metal Packaging's main competitor in the food packaging market is Visy Packaging; the two companies between them served approximately 80% of the Australian market in 2009. Given the distances, competition in Australia is primarily regional rather than national.

In the Australian aerosol market, while Metal Packaging is the clear leader in the supply of both tinplate and aluminum aerosol cans, two smaller competitors are also active.

Manufacturing and Production

Metal Packaging has 58 production facilities in 22 countries (2008: 55 facilities in 22 countries). The following table sets out a summary of Metal Packaging's production facilities as of December 31, 2009.

Location	Number of Production Facilities
France	8
Germany	6
Netherlands	4
Other European countries(1)	23
Rest of the world(2)	16

(1) Includes facilities in the following countries: the Czech Republic, Denmark, France, Germany, Hungary, Italy, Latvia, the Netherlands, Poland, Romania, Russia, Spain, Ukraine and the United Kingdom.

(2) Includes facilities in the following countries: Australia, Canada, Japan, Korea, Morocco, New Zealand, the Seychelles and the United States (including Puerto Rico and American Samoa).

Energy, Raw Materials and Suppliers

The principal raw materials used in Metal Packaging's business are steel (in both tin-plated and tin-free forms), aluminum, coatings and lining compounds. In 2009, 85% of total revenues were of products manufactured from tin-plated steel (2008: 85%) and 15% of total sales were of products manufactured from aluminum (2008: 15%).

Aluminum is usually more expensive than steel on a per tonne basis, but provides benefits compared to steel, including lighter weight, improved printability, easier shaping, greater resistance to corrosion and lower transportation costs. Aluminum cans therefore better allow customers to differentiate their premium products. Steel cans are generally lower cost, offer greater strength, increased suitability for use in vacuum packaging, better durability and increased fire safety for the packaging of potentially hazardous products.

We believe that Metal Packaging continuously seeks to minimize the effective price of raw materials and reduce exposure to price movements in a number of ways, including the following:

- benefiting from the scale of its metal purchases, which totalled approximately 674 kilotonnes in 2009, to achieve better raw material pricing than smaller competitors;

- entering into variable-priced ‘pass-through’ contracts with customers in which selling prices are indexed to the price of the underlying raw materials;
- continuing the process of reducing steel and aluminum thickness (“light-weighting” or “down gauging”);
- continuing the process of reducing spoilage and waste in manufacturing;
- rationalizing the number of both specifications and suppliers; and
- hedging the price of aluminum ingot and the related euro/U.S. dollar exposure.

Steel accounted for approximately 73% of Metal Packaging’s raw materials costs in 2009 and 40% of Impress’s total cost of sales (2008: 69% and 41% respectively). Suppliers accounting for more than 10% each of the total steel used by Metal Packaging in 2009 were ArcelorMittal, Rasselstein and U.S. Steel.

Metal Packaging typically purchases steel from its key steel suppliers under contracts lasting between one and three years. One-year contracts cover the bulk of the volume and usually contain a fixed price, whereas longer contracts generally include annual price adjustment formulae. Agreements are generally renegotiated late in the year for effect from the beginning of the following calendar year, or in some cases for the twelve months commencing April 1. Despite significant reductions in steel production capacity in Europe over the past few years, we believe that adequate quantities of the relevant grades of packaging steel will continue to be available from various producers and that it is not excessively dependent upon any single supplier.

Metal Packaging’s second largest raw material cost is aluminum. Metal Packaging typically purchases aluminum under contracts generally lasting for between one and three years. The conversion costs of individual alloy sheet and coil specifications are fixed under each contract. In general, Metal Packaging’s contracts with major aluminum producers are subject to cost pass-through clauses on aluminum ingot, energy, freight and lacquers.

The purchase price of the aluminum ingot is set by reference to quoted prices on the London Metal Exchange and is therefore subject to volatility. Metal Packaging generally hedges part of both the U.S. dollar purchase prices of its forecast aluminum ingot purchases and the related euro/U.S. dollar exchange rate risk for a period typically six to 24 months ahead.

Metal Packaging believes that adequate quantities of aluminum will continue to be available from various aluminum producers. The individual suppliers accounting for more than 10% each of the total aluminum Metal Packaging purchased in 2009 were Elval, Novelis and Alcan Rhenalu.

Metal Packaging’s third largest raw materials cost is for the chemical products used in can production. These include coatings, compounds, inks and solvents (collectively “coatings”), accounting for approximately 5% of its raw materials costs and 3% of its total cost of sales in 2009 (2008: 6% and 4%, respectively). Metal Packaging generally purchases coatings from multinational suppliers. The individual suppliers accounting for more than 10% of the total coatings used by Metal Packaging in 2009 were Grace Darex, Akzo Nobel, PPG and Valspar.

Intellectual Property

Metal Packaging currently holds and maintains over 90 different patent families, each filed in several countries. These patents cover both design and logo information for a range of different products in each jurisdiction.

Research and Development

The majority of Metal Packaging's research and development activities are concentrated at its Crosmières Research Centre in France. These research and development efforts focus on serving the existing and potential requirements of major customers and are focused on cost reductions, particularly metal content reduction, new product innovations, and technology and support services.

New product innovations include shaping and printing effects which differentiate Metal Packaging's customers' brands, and new designs for easy-open ring-pull ends, Easy Peel® and Easip® lids, which add convenience to the final consumer.

In addition to its work on product and process development and cost reductions, Metal Packaging also offers technical support and assistance to its customers and assists them to develop a process approach to their metal packaging requirements. These initiatives are designed to support customers in their efforts to differentiate their products to the end user, as well as to enable Metal Packaging to better allocate its development resources towards those projects that are most valued by customers. This research and development effort is also focused on enabling customers' plants to change material specifications, thereby allowing the rationalization of raw materials requirements and the lowering of inventory holding costs.

Total expenditure charged to the income statement for research and development during the year ended December 31, 2009 was €5.9 million (2008: €5.1 million). The total expenditure charged to the income statement excludes time spent on capital projects, capitalized development costs, and a research and development tax credit granted by the French government. Gross spending on research and development in 2009 was therefore €10.7 million (2008: €11.0 million).

Organizational Structure

The following entities are the material trading subsidiaries of the Metal Packaging division and became indirect subsidiaries of Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) following the Impress Acquisition:

Subsidiary*	Territory of Incorporation	Ownership Percentage
Impress B.V.	Netherlands	100.00
Impress Metal Packaging Limited	England and Wales	100.00
Impress S.p.A	Italy	99.43
Impress S.A.	France	99.91
Impress Metal Packaging S.A.	France	99.99
Impress Production SAS	France	100.00
Impress GmbH & Co oHG	Germany	100.00
Impress Verpackungen GmbH & Co KG	Germany	100.00
Impress Erftstadt GmbH	Germany	100.00
Impress Znojmo, a.s.	Czech Republic	100.00
Impress, a.s.	Czech Republic	82.57
Impress Metal Packaging Iberica S.A.	Spain	100.00
Impress Metal Packaging Reus S.L	Spain	100.00
Impress Metal Packaging Kabushiki Kaisha	Japan	100.00
Impress Buftea SA	Romania	99.99
Impress Vaja Fémcsomagoló Kft	Hungary	100.00
Impress Sp. z o.o.	Poland	100.00
Impress Metal Packaging SIA	Latvia	100.00
Impress Seychelles Ltd	Seychelles	100.00
Impress USA, Inc	Delaware (United States)	100.00

Subsidiary*	Territory of Incorporation	Ownership Percentage
Impress American Samoa Inc.	American Samoa	100.00
Impress Packaging Puerto Rico, Inc	Puerto Rico	100.00
Ardagh Metal Packaging Canada Limited	Canada	100.00
Impress Danmark A/S	Denmark	100.00
Impress Noginsk LLC	Russia	100.00
Impress Kuban LLC	Russia	100.00
Impress Ukraine LLC	Ukraine	100.00
Impress Australia Pty Ltd.	Australia	100.00
Impress NZ Ltd	New Zealand	100.00
Impress Metal Packaging Morocco SA	Morocco	99.87
Impress Korea Co, Inc	South Korea	100.00
Royal Impress Co, Inc	Thailand	55.00

* Certain of the subsidiaries in this table are in the process of changing legal names following the Impress Acquisition.

History and Development

History. Metal Packaging's business in its present form was created in 1997 through Doughty Hanson's acquisition and merger of the European metal packaging operations of Pechiney S.A. and Schmalbach-Lubeca A.G. However, some of its constituent parts trace their roots back as far as 1880. Following the 1997 merger, the previous national operating companies were replaced by the present market-focused organization.

Acquisition of Ferembal S.A. and can-making assets of H.J. Heinz group. In 2000, Metal Packaging acquired Ferembal S.A. to strengthen its presence in France, and then acquired the in-house can-making assets of the H.J. Heinz group in North America. These acquisitions were partly financed with a new equity investment by Doughty Hanson.

Acquisition of Nestlé's Facility. In October 2003, Metal Packaging acquired Nestlé's peelable end and closure-making facility at Hjørring, Denmark, which supplied closures for powdered food products to Nestlé's production units worldwide.

Acquisition of PAK. In January 2005, Metal Packaging acquired PAK, the largest Polish producer of metal paint cans and a leading supplier of aerosol cans for the growing cosmetic, household and home improvement market segments, based at Katy, near Krakow in southern Poland.

Acquisition of Connor Bros.'s production assets. In May 2005, Metal Packaging acquired the aluminum sardine can production assets of Connors Bros. Income Fund at Blacks Harbour, New Brunswick, Canada.

Acquisition of Alcan's can-making. In September 2005, Metal Packaging acquired Alcan's can-making facility at Sutton-in-Ashfield, United Kingdom, one of the United Kingdom's leading suppliers of low-cost two-piece draw wall iron technology cans ("DWI") for the food and pet food market segments.

Acquisition of European Operations of U.S. Can Corporation. In September 2006, Metal Packaging acquired the European operations of U.S. Can Corporation, comprising the food can business of May Verpackungen and the European aerosol activities of USC Europe. May Verpackungen consisted of two plants in Germany and one in Denmark, with a sizable position in Northern Europe in cans for ready meals, vegetables and pet food. USC Europe, a leading supplier of aerosols to the European market, operated facilities in France, Germany, Italy, Spain and the United Kingdom, complementing Metal Packaging's existing aerosol business and geographic spread.

Acquisition of Himpak's Production Assets. In October 2006, Metal Packaging acquired the production assets of Himpak, the market leader for paint cans in Ukraine, and incorporated them into Impress Ukraine, which had started production of aerosols earlier in the year.

Strategic alliance with O.R.G. In April 2007, Metal Packaging signed a strategic alliance with Beijing Aorujin Zin Mei Metal Containers Co., Ltd. ("O.R.G."), a leading Chinese metal packaging manufacturer, to distribute its value-added products in China. The agreement also provides for future joint venture production arrangements, once certain sales thresholds are met. Metal Packaging has since acquired a minority share in O.R.G.

Acquisition of Russian Operations. In April 2007, Metal Packaging signed a joint venture agreement to set up a plant to make cans for fruit and vegetables in the southern agricultural Krasnodar region of Russia. Metal Packaging subsequently acquired a majority interest in this business. Metal Packaging recently entered an agreement to acquire the remaining interest, subject to regulatory approvals.

Acquisition of Can-Making Interests of Amcor. In October 2007, Metal Packaging acquired the can-making interests of Amcor in Australia and New Zealand. The business is a leading provider of metal packaging in Australasia and is currently comprised of four factories in Australia and two in New Zealand, manufacturing steel food cans and steel and aluminum aerosols.

Commencement of Production in Casablanca. In January 2008, Metal Packaging commenced production at a new plant on a greenfield site near Casablanca, Morocco, producing steel and aluminum cans for the seafood market.

Establishment of Joint Venture in Peru. In July 2008, Metal Packaging entered into a joint venture agreement with Inesa, a leading South American can-maker, in Peru. This joint venture will target the market in Peru for locally packed seafood and food products by selling cans and ends sourced from Inesa's plant in Peru and from the Acquired Business facilities in Europe and North America.

Acquisition of Megasa's Vilagarcia Plant. In June 2009, Metal Packaging acquired the assets of Megasa at Vilagarcia, Galicia in northwest Spain, a plant which specializes in serving the Spanish seafood market.

Establishment of Joint Venture in Thailand. In August 2009, Metal Packaging created a joint venture, Royal Impress, with Royal Can Industries of Thailand for the joint sales and marketing of both companies' ranges of aluminum cans in Thailand, with provision for local production of certain products as appropriate at a later stage.

Establishment of Strategic Alliance with Daiwa. In August 2009, Metal Packaging signed a memorandum of understanding that sets forth a strategic alliance with Daiwa, a leading Japanese can-maker, under which Metal Packaging will market (and under certain circumstances produce) Daiwa's range of innovative bottle-shaped cans in Europe.

Construction of Plant at Conklin. In September 2009, Metal Packaging commenced the construction of a new greenfield plant at Conklin, New York State, United States. The new plant is intended to specialize mainly in the production of easy-open ends.

Commencement of Production in Korea. In September 2009, Impress Korea commenced production of cans at a new facility in Ham An, South Korea.

Subleasing of Russian Facility. In late 2010, Metal Packaging expects to enter into a sublease agreement relating to the sublease of part of a facility in Noginsk, Russia, which remains subject to regulatory approval in Russia.

Sales and Marketing

The sales teams throughout the Group are controlled by the central management team, which is based in Dublin, Ireland. In order to support the sales function and retain high levels of local service to customers, regional sales offices are maintained in all the countries in which Ardagh operates. The regional sales teams are supported by a marketing team geographically dispersed throughout the Group. Following the Impress Acquisition, the "one brand, one vision" ethos has become a fundamental driver across all aspects of the combined business. This is indispensable in supporting Ardagh's biggest customers, many of which are supplied on a multinational basis. The ability to supply from multiple locations enhances flexibility and improves customer service levels and makes Ardagh the supplier of choice for many of the largest food and beverage businesses around the world. Ardagh is highly attuned to the requirements of the end-users of packaging and regularly researches key trends in the market sectors to which it supplies. This helps Ardagh plan for the possible future requirements of glass and metal packaging and aids strategic and commercial decision-making.

Employees

As of December 31, 2009, Glass Packaging had 6,242 employees, of which 1,352 were located in the United Kingdom, 324 were located in Denmark, 465 were located in Sweden, 553 were located in the Netherlands and 106 were located in Italy. Glass Packaging's German glass container business and German glass technology and manufacturing business had 2,031 employees and 280 employees, respectively. Glass Packaging's Polish glass container business had approximately 780 employees and the Polish glass technology businesses had 334 employees. The remaining 17 employees are in the Group head office in Dublin.

As of December 31, 2009, Metal Packaging had 7,109 full-time-equivalent employees worldwide (2008: 7,591; 2007: 7,925). In addition, during the summer seasonal peak, Metal Packaging employs a number of temporary staff.

Employee numbers (in full-time equivalent) for Metal Packaging by major activity and by geographical location are set forth below.

By Activity	As of December 31, 2009
	(No. of employees)
Processed Food	3,496
International	955
Specialities	2,358
Corporate and Shared Service	299
Total	7,109

By Territory	As of December 31, 2009
	(No. of employees)
Germany	1,377
France	1,092
Netherlands	1,062
Other European countries	2,474
Rest of the world	1,104
Total	7,109

Ardagh Packaging strives to maintain a safe working environment for all of its employees, with safety in the workplace a key objective for all of its employees, measured through individual accident reports, detailed follow-up programs and key performance indicator reporting. Ardagh Packaging believes that its safety record is among the best in the industry.

The majority of Ardagh Packaging's employees are members of labor unions. Ardagh Packaging generally negotiates national contracts with its unions, with variations agreed at the local plant level. Most such labor contracts have a duration of one to two years. Ardagh's management believes that, overall, its current relations with its employees are good.

Both Glass Packaging and Metal Packaging and special negotiating committees of their respective subsidiaries located in the European Union have established a European Works Council ("EWC") in compliance with EU directives. The EWC acts as a communications conduit and consultative body between the Acquired Business, its EU subsidiaries and the employees of Metal Packaging.

The EWC meets at least twice a year, and senior management attends these general meetings. The EWC also has the right to be notified of any special circumstances that would have a major impact on the interests of employees. EWC delegates are elected for four-year terms on the basis of legal principles or practices in the relevant countries, while the allocation of EWC delegates between countries is governed by EU directives.

In many of the countries in which Metal Packaging operates, it is subject to, and complies with, local law requirements in relation to the establishment of works councils. In 2008, Metal Packaging signed the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises relating to employee relationships.

Environmental, Health and Safety and Product Safety Regulation

The principal environmental issues facing Ardagh include the impact on air quality through gas and particle emissions from its glass furnaces, including the generation of greenhouse gases; the environmental impact of the disposal of water used in its production processes; and the potential contamination and subsequent remediation of land, surface water and groundwater arising from Ardagh's operations.

Ardagh's activities are regulated under a wide range of international, EU national, provincial, regional and local laws, ordinances and regulations and other legal requirements concerning the environment, health and safety and product safety in each jurisdiction in which it operates.

Ardagh's substantial industrial operations are subject to the requirements of the EU Directive 96/61/EC ("IPPC Directive") on Integrated Pollution Prevention and Control ("IPPC"). The IPPC Directive requires that operators of industrial installations, including glass manufacturing installations, take into account the whole environmental performance of the installation, covering emissions to air, water and land, the generation of waste, the use of raw materials, energy efficiency, noise, the prevention of accidents, and the restoration of the site upon closure. Installations are required to hold a permit, which sets emission limit values that are based on Best Available Techniques ("BAT"), set forth in BAT reference documents.

The requirements imposed on Ardagh under its IPPC permits may change over time, and such changes may require modifications to existing plant and equipment, upgrade works or, in extreme cases, the cessation of operations. The European Commission is undertaking a comprehensive review of the IPPC Directive and has indicated that it also intends to achieve significant reductions in the levels of sulphur dioxide and nitrogen oxides emissions by 2020. Changes to requirements imposed under our various IPPC licenses could have a material adverse effect on Ardagh's business, financial condition and results of operations.

The European Union introduced the EU ETS from January 1, 2005 to control the emission of greenhouse gases. The first phase ran from 2005 to 2007 and the second phase will run from 2008 to 2012 to coincide with the first commitment period under the Kyoto Protocol. The scheme works on a cap and trade basis. Governments of all Member States of the European Union (each an "EU Member State") set emission caps for greenhouse gases for all installations covered by the first phase of the scheme and have set, or are in the process of setting, caps for the second phase of the scheme. Installations that emit less than their greenhouse gas emission cap can sell emission allowances on the open market and installations that exceed their emission cap are required to buy emission allowances and are penalized if they are unable to surrender the required amount of allowances at the end of each trading year. Ardagh had sufficient emission allowances in phase one and so far in phase two to operate all its plants at the required capacity without incurring material additional costs.

Ardagh's operations are also subject to comprehensive environmental laws and regulations, including laws relating to the remediation of, and liability for, contamination of soil and groundwater. Under these laws, Ardagh may be liable for, among other things, the cost of investigating and remediating contamination, as well as criminal, civil and administrative sanctions, fines and penalties for noncompliance as well as claims by third parties who have suffered harm as a result of any pollution or contamination or occupational exposure to any hazardous substance.

Legislation in each EU Member State may require the remediation of soil and groundwater contamination and may provide for strict, joint and several liability for investigation and remediation of contamination. The circumstances in which remediation is required, and the party responsible for undertaking or bearing the cost of such remediation varies between Member States but can result in significant liabilities. In addition, civil liability may also arise. Practices of Ardagh may have resulted in contamination of Ardagh's facilities which has not yet been detected or which is suspected or identified but for which no action has yet been taken. Certain of Ardagh's manufacturing facilities are located on properties with a long history of industrial use involving the use of materials and processes that can give rise to potential liabilities in respect of remediation. Potential liabilities may arise in relation to land which was previously owned or occupied by companies which Ardagh has acquired but which was sold prior to Ardagh's acquisition of those companies.

Furthermore, the EU Directive on environmental liability with regard to the prevention and remedying of environmental damage aims to make those who cause damage to the environment (specifically damage to habitats and species protected by EU law, damage to water resources and land contamination which presents a threat to human health) financially responsible for its remediation. It requires operators of industrial premises (including those which hold an IPPC permit) to take preventive measures to avoid environmental damage, inform the regulators when such damage has or may occur and to remediate contamination.

Governmental authorities have the power to enforce compliance with their laws and regulations, and with the conditions of permits, and violations may result in criminal, civil and administrative liabilities and sanctions (including criminal fines and penalties and also liability for directors, managers, secretaries or other similar officers). Ardagh believes that it is in substantial compliance with its permits and with all material environmental laws and regulations.

Asbestos is present, or may be present, at a number of Ardagh sites. The rules governing the management of asbestos vary between Member States and it is possible that remediation measures to remove asbestos-containing materials ("ACMs") will be required, in particular where friable ACMs are present or where a site is decommissioned.

Based on the currently known conditions, Ardagh does not believe that any pending or likely remediation and compliance costs will have a material adverse effect on Ardagh's business or results of operations.

The European Union's regulation concerning REACH places onerous obligations on the manufacturers and importers of substances, preparations and articles containing chemicals and may affect Ardagh's ability, as a downstream user of certain chemicals, to continue to source those chemicals used in the manufacture of glass or metal packaging or may affect the price of such substances.

An EU directive on packaging and packaging waste, which must be implemented in each Member State, regulates packaging, including glass containers, placed on the market in the European Union and requires that certain rates of recycling and recovery be achieved by manufacturers. The directive sets forth requirements regarding the composition and the reusable and recoverable nature of packaging and packaging waste. Some Member States have enacted legislation which imposes more-onerous obligations in relation to packaging, including packaging taxes and mandatory deposit schemes. Member States are obligated to develop waste prevention programs. Measures to strengthen Member State implementation of the requirements of the directive can also be expected. Ardagh is required to comply with EU and national regulations that require a percentage of packaging and packaging wastes to be recovered and a designated percentage to be recycled, including contributing fees toward the costs of recycling and recovery activities.

Ardagh is an enthusiastic supporter of recycling programs, in particular as increased success in glass recycling normally increases the supply of cullet in the marketplace. Packaging used for food products must be safe for consumption and is subject to limitations on the extent to which packaging material components may migrate into packaged foods, which may become more stringent in the future. Ardagh designs its food packaging products to satisfy EU and individual Member State requirements.

Legal Proceedings

We are not currently party to any material legal proceedings. However, from time to time we may be subject to various lawsuits, claims and proceedings that arise in the normal course of business, including employment, commercial, environmental, safety and health matters. It is not presently possible to determine whether any such matters will have a material adverse effect on our consolidated financial position, results of operations, or liquidity.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Issuer

The Issuer is a public limited company, incorporated under the laws of Ireland on September 17, 2010 and registered in Ireland. The following table sets forth certain information with respect to members of the board of directors of the Issuer as of the date hereof.

Name	Age	Position
Paul Coulson	58	Director
Niall Wall	48	Director
John Riordan	52	Director
Brendan Dowling	63	Director
Houghton Fry	65	Director
Brían J. Butterly	65	Director

Each of the Issuer's existing directors (other than Brían J. Butterly) is also a member of the board of directors of Ardagh Group S.A. (previously named Ardagh Glass Group S.A.), our ultimate parent company.

The business address of the directors of the Issuer is 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland.

The Parent Guarantor

The Parent Guarantor is a private company incorporated under the laws of Ireland. The following table sets forth certain information with respect to members of the board of directors of the Parent Guarantor as of the date hereof.

Name	Age	Position
Paul Coulson	58	Director
Niall Wall	48	Director
John Riordan	52	Director
Brendan Dowling	63	Director
Houghton Fry	65	Director
Brían J. Butterly	65	Director

Ardagh Group S.A. (previously named Ardagh Glass Group S.A.)

Ardagh Group S.A. (previously named Ardagh Glass Group S.A.) is the ultimate parent company of the Parent Guarantor and the Subsidiary Guarantors.

Board of Directors

The following table sets forth certain information with respect to members of the board of directors of Ardagh Group S.A. as of the date hereof. In this section, “Group” refers to Ardagh Group S.A. and its predecessors.

Name	Age	Position
Paul Coulson	58	Chairman
Niall Wall	48	Chief Executive
John Riordan	52	Finance Director
Brendan Dowling	63	Corporate Development Director
Houghton Fry	65	Director
Wolfgang Baertz	70	Non-Executive Director
Edward Kilty	62	Non-Executive Director
Herman Troskie	40	Non-Executive Director

Paul Coulson became Chairman of the Group in March 1998. He qualified as a Chartered Accountant with Price Waterhouse in 1978 and founded Yeoman International in 1980. As of January 31, 2011, Paul Coulson owned approximately 21% of the share capital of Ardagh Group S.A. and, through his investment in the Yeoman group of companies, had an interest in a further approximately 39% of the share capital of Ardagh Group S.A.

Niall Wall was appointed Chief Executive of the Group in April 2007. Prior to joining Ardagh, he was Chief Executive of Sterile Technologies Group, the leading medical waste management company in the United Kingdom and Ireland. He is a member of the Institute of Directors. He owned approximately 9.5% of the share capital of Ardagh Group S.A. as of January 31, 2011.

John Riordan has been Finance Director of the Group since 1999. He qualified as a Chartered Accountant with Price Waterhouse in 1985. He has held a number of financial management roles in the pharmaceutical and medical appliance industries before joining Ardagh.

Brendan Dowling has been a director of the Group since 1998. He is a director of companies within the Yeoman group of companies, and other private companies. He was previously a partner in Davy Stockbrokers, having joined the firm as its senior economist in 1979.

Houghton Fry has been a director of the Group since May 2004. He was formerly the Chairman and Senior Partner of William Fry, Solicitors, Dublin. He is also a director of a number of private companies.

Wolfgang Baertz was President of the Executive Committee of Dresdner Bank Luxembourg from 1997 until his retirement in 2004, having been Managing Director from 1982 to 1997. He is a director of companies within the Yeoman group of companies and other private companies. He has been a director of the Group since December 2002.

Edward Kilty was Chief Executive of the Group from 1992 until his retirement in March 2007. He is a past President of FEVE and of the British glass industry association. He owned approximately 3.5% of the share capital of Ardagh Group S.A. as of January 31, 2011.

Herman Troskie is the Managing Partner of M Partners, a Luxembourg law firm forming part of the Maitland network of law firms. He is admitted as a Solicitor of the Courts of England and Wales, and is a member of the Luxembourg Bar. He is a director of companies within the Yeoman group of companies and a number of other companies and investment funds.

Number and Election of Directors

The number of directors of Ardagh Group S.A. (previously named Ardagh Glass Group S.A.) is not subject to any maximum. The holders of the shares have the right to elect the board of directors. The existing directors have the right to appoint persons to fill vacancies.

Senior Management

Brían J. Butterly (65) is a management accountant who joined the Group in 1978. He has held various senior management positions in Ardagh. He is Company Secretary for the Issuer and the Parent Guarantor.

Reiner Brand (52) joined the Group as Sales Director for European Operations in 2007. Prior to joining the Group, he held a number of positions in sales and marketing with Rexam plc and PLM AB.

Johan Gorter (51) joined the Group as Director of Operational Excellence and Integration in 2007. In December 2009 he became Managing Director of European Operations for the Group. Prior to joining the Group he held a number of senior positions with Rexam plc and PLM AB.

David Wall (41) was appointed Head of Integration of the Impress Acquisition in November 2010. David is a Chartered Accountant and was previously CEO of Allfinanz, an international software and services company which was sold to Munich Re in 2007. He previously held the position of CEO of Ardagh Glass Engineering.

Michael Kennedy (31) joined the group in 2003. He qualified as a Chartered Accountant with Price WaterhouseCoopers in 2002. He was appointed Chief Financial Officer for Group Operations in November 2010.

Guy Ducrot (54) joined Metal Packaging in 1999 as Vice President, Sourcing & Supply Chain and became Managing Director of Food Europe in October 2001. In 2008 he took over responsibility for managing our Seafood activities. He previously spent 13 years at CarnaudMetalbox (now part of Crown Holdings, Inc.), as Health & Beauty Division Manager, and ultimately as Food France Operations Director.

Dennis Kester (63) joined Metal Packaging in 2003, having spent his entire career in the metal and plastic packaging industries, including 25 years in various positions with American Can, American National Can and Pechiney. His experience includes management positions in metal container, tube, bottle and flexible packaging businesses serving food, healthcare and industrial markets. Prior to joining us, his most recent position was Senior Vice President of Pechiney's worldwide flexible packaging and plastic bottle business.

Woep Möller (54) was appointed Managing Director of the Personal and Home Care Division of Metal Packaging in 1997 and of the enlarged Specialties business, which includes our aerosol activities as well as its infant formula and nutritional powders, beer kegs and cigar tin activities, in October 2000. In October 2003 he also assumed responsibility for the Decorative and Protective Finishes Division (now the Paints and Coatings business unit part of Specialities).

Richard Moore (62) joined Metal Packaging in 2002 as Vice President, Strategic Development. He previously spent 11 years in Pechiney's Food Packaging division, initially as Marketing Director and subsequently holding various senior marketing positions, including R&D Director for Flexibles Europe.

Management of Subsidiaries

The oversight of the management of the business and affairs of Ardagh and its subsidiaries is undertaken by the Board of Ardagh Packaging Group plc which is comprised of Messrs. Coulson, Wall, Riordan, Dowling and Fry.

Board Committees

The board of directors of Ardagh Group S.A. has established an Audit Committee and a Remuneration Committee to carry out certain functions as described below.

Audit Committee

The Audit Committee reviews the accounting principles, policies and practices adopted in the preparation of interim and annual financial statements discusses with our auditors the results and scope of the audit and reviews the scope and performance of internal control functions. The Audit Committee is comprised of Messrs. Coulson, Dowling and Kilty.

Remuneration Committee

The Remuneration Committee determines the basic salaries, bonus payment parameters and other terms and conditions of executive directors and advises on the remuneration of senior management. The Remuneration Committee is comprised of Messrs. Coulson, Baertz and Troskie. As with all employees, the objective is to ensure that individuals are rewarded relative to their responsibility, experience and value to the Group. In framing its remuneration policy, the Remuneration Committee is mindful of the need to ensure that, in a competitive environment, we attract, retain and motivate executives who can perform to the highest level of expectation.

Internal Control and Risk Management

The Directors of Ardagh Group S.A. (previously named Ardagh Glass Group S.A.) are responsible for the Group's systems of internal control and for reviewing their effectiveness. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve Group strategic objectives. These systems can only provide reasonable not absolute assurance against misstatement or loss. Risk assessment and evaluation take place as an integral part of the annual planning and budgeting process, the results of which are reviewed by senior management and the board of directors. There is also an ongoing program of operational reviews and audits and a coordinated self-assessment of financial controls. The results of these reviews are reported to the Audit Committee, which undertakes, on behalf of the board of directors of the Group, an annual assessment of the effectiveness of internal control and risk management.

Compensation of Directors and Senior Management

The aggregate annual compensation for the 12-month period ended December 31, 2009, payable to all our directors and senior management, was €7.5 million. The aggregate annual fees for the same 12-month period payable to our non-executive directors was €75,000.

Share Ownership

As of January 31, 2011, our directors and senior management held directly the following shares of Ardagh Group S.A. (previously named Ardagh Glass Group S.A.):

Name	Number of Shares(1)	Aggregate Percentage Ownership
Paul Coulson(2)	4,407,662(3)	20.99
Niall Wall	1,990,000	9.52
John Riordan	200,001	0.95
Brendan Dowling	619,965	2.95
Houghton Fry	500,106	2.38
Wolfgang Baertz	150,000	0.71
Edward Kilty	725,234	3.45
Brían J. Butterly	129,124	0.61
Total	8,722,092	41.56

(1) The issued share capital of Ardagh Group S.A. (previously named Ardagh Glass Group S.A.) as of the date of this Offering Memorandum, is divided into shares of three separate classes from A to C (inclusive) each ranking *pari passu*. The same number of shares is issued in each class and all three classes of shares are required to be held and dealt with together as one unit. The numbers in this table refer to the numbers of shares in each class held.

(2) Through his investment in the Yeoman group of companies, Paul Coulson has an equity interest in a further 39% of the issued share capital of Ardagh Group S.A. (previously named Ardagh Glass Group S.A.).

(3) Includes 4,399,034 shares held through Shrewsbury Investments SA and 8,628 shares held through the Yeoman Asset Finance Limited executive pension scheme.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The Issuer

As of the date of this Offering Memorandum, the issued share capital of the Issuer consisted of 38,100 ordinary shares of €1 par value each. The Issuer's principal shareholders are Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) (holding 38,094 ordinary shares) and Paul Coulson, Houghton Fry, Brendan Dowling, Niall Wall, John Riordan and Brían J. Butterly, each holding one ordinary share on behalf of Ardagh Packaging Holdings Limited.

Ardagh Packaging Holdings Limited

Ardagh Packaging Holdings Limited is an indirect, wholly owned subsidiary of Ardagh Group S.A. (previously named Ardagh Glass Group S.A.).

As of September 30, 2010, Ardagh's directors and senior management (including directors of Ardagh Group S.A., other than Paul Coulson) collectively owned directly approximately 21% of the total share capital of Ardagh Group S.A. In addition, Paul Coulson, the current Chairman of the board of directors of Ardagh Group S.A., individually owned approximately 21% of the issued share capital of Ardagh Group S.A. and through his investment in the Yeoman group of companies had an interest in a further 39% of the issued share capital of Ardagh Group S.A. A further approximately 9.5% of such shares was owned by Niall Wall, our Chief Executive. Directors of Ardagh Group S.A. and members of Ardagh's senior management team other than Paul Coulson and Niall Wall owned approximately 11.1% of the issued share capital of Ardagh Group S.A.

Related Party Transactions

Common Directorships

Four of the Ardagh Group S.A. directors, Messrs. Coulson, Dowling, Baertz and Troskie, also serve as directors in the Yeoman group of companies. Each of the Issuer's and the Parent Guarantor's existing directors (other than Brían J. Butterly) is also a member of the board of directors of Ardagh Group S.A.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a summary of the material terms of our principal financing arrangements. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements. We recommend that you refer to the actual agreements for further details, copies of which are available upon request. For the terms and conditions of the Senior Notes, see "Description of the Senior Notes."

2010 Senior Secured Notes

In October 2010, APF plc issued the 2010 Senior Secured Notes in an offering that was not subject to the registration requirements of the U.S. Securities Act. The 2010 Senior Secured Notes are governed by an indenture among APF plc, as issuer, Citibank N.A., London Branch, as trustee for the holders, Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited), as parent guarantor, and certain of the wholly owned subsidiaries of Ardagh Packaging Holdings Limited.

The 2010 Senior Secured Notes are APF plc's senior obligations and will rank equally in right of payment will all existing and future indebtedness of APF plc that is not subordinated in right of payment to the 2010 Senior Secured Notes.

At any time on or prior to October 15, 2014, APF plc may redeem any or all of the 2010 Senior Secured Notes at 100% of their principal amount plus accrued and unpaid interest, if any, plus a redemption premium. On or after October 15, 2015, APF plc may redeem any or all of the 2010 Senior Secured Notes initially at 103.688% of their principal amount plus accrued and unpaid interest, if any, with the premium declining after that date.

If an event treated as a change of control of APF plc occurs, then APF plc or Ardagh Packaging Holdings Limited must make an offer to repurchase the 2010 Senior Secured Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The 2010 Senior Secured Notes are guaranteed on a senior basis by Ardagh Packaging Holdings Limited and on a senior secured basis by certain of the wholly owned subsidiaries of Ardagh Packaging Holdings Limited. The 2010 Senior Secured Notes will be guaranteed by certain of the subsidiaries of Impress Coöperatieve U.A. on or prior to the date required by the indenture governing the 2010 Senior Secured Notes, which is currently expected to be on or prior to February 7, 2011. The guarantee of the 2010 Senior Secured Notes will rank equally in right of payment with all existing and future indebtedness of such guarantor that is not subordinated in right of payment to such secured guarantee, will be senior in right of payment to any and all of the existing and future indebtedness of such guarantor that is subordinated in right of payment to such secured guarantee, and will be effectively senior to such guarantor's existing and future unsecured indebtedness to the extent of the value of the collateral securing such secured guarantee and structurally subordinated to all existing and future indebtedness of any such guarantor's subsidiaries that do not guarantee the 2010 Senior Secured Notes.

The 2010 Senior Secured Notes are secured by liens on the same assets that secure APF plc's obligation under the Revolving Credit Facility and the 2009 Senior Secured Notes.

The 2010 Senior Secured Notes are also subject to certain customary covenants and events of default.

October 2010 Senior Notes

In October 2010, APF plc issued the Original Senior Notes and the Dollar Denominated Senior Notes due 2020 (collectively, the "October 2010 Senior Notes") in an offering that was not subject to the registration requirements of the U.S. Securities Act.

The October 2010 Senior Notes are governed by the Indenture. The 2010 Senior Secured Notes are APF plc's senior obligations and will rank equally in right of payment will all existing and future indebtedness of APF plc that is not subordinated in right of payment to the October 2010 Senior Notes and will be senior in right of payment to all existing and future indebtedness of APF plc that is subordinated in right of payment to the 2010 Senior Secured Notes.

At any time on or prior to October 15, 2015, APF plc may redeem any or all of the 2010 Senior Secured Notes at 100% of their principal amount plus accrued and unpaid interest, if any, plus a redemption premium. On or after October 15, 2015, APF plc may redeem any or all of the 2010 Senior Secured Notes initially 104.625% (in the case of the Original Senior Notes) or 104.563% (in the case of the Dollar Denominated Senior Notes) of their principal amount plus accrued and unpaid interest, if any, with the premium declining after that date.

If an event treated as a change of control of APF plc occurs, then APF plc or Ardagh Packaging Holdings Limited must make an offer to repurchase the 2010 Senior Secured Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The October 2010 Senior Notes are guaranteed on a senior basis by Ardagh Packaging Holdings Limited and on a senior subordinated basis by certain of the subsidiaries of Ardagh Packaging Holdings Limited. The October 2010 Senior Notes will be guaranteed by certain of the subsidiaries of Impress Coöperatieve U.A. on or prior to the date required by the Indenture, which is currently expected to be on or prior to February 7, 2011. The guarantee of the October 2010 Senior Notes by Ardagh Packaging Holdings Limited will rank equally in right of payment with all existing and future indebtedness of Ardagh Packaging Holdings Limited that is not subordinated in right of payment to such guarantee and will be senior in right of payment to any and all of the existing and future indebtedness of Ardagh Packaging Holdings Limited that is subordinated in right of payment to such guarantee. Each guarantee by a subsidiary guarantor in connection with the October 2010 Senior Notes will rank junior in right of payment with all existing and future indebtedness of such subsidiary guarantor that is senior indebtedness, and will rank equally with all existing and future indebtedness of such subsidiary guarantor that is not subordinated in right of payment to its subsidiary guarantee. The October 2010 Senior Notes and the guarantees thereof will also be effectively subordinated to all of APF plc's and Ardagh Packaging Holdings Limited's existing and future secured debt to the extent of the value of the assets securing such debt and to all existing and future debt of all Ardagh Packaging Holdings Limited's subsidiaries that do not guarantee the October 2010 Senior Notes.

The October 2010 Senior Notes are also subject to certain customary covenants and events of default.

January 2010 Senior Notes

In January 2010, AGF plc issued the January 2010 Senior Notes in an offering that was not subject to the registration requirements of the U.S. Securities Act. The January 2010 Senior Notes are governed by an indenture entered into by AGF plc, as issuer, The Bank of New York Mellon, as trustee for the holders, Ardagh Packaging Holdings Limited, as parent guarantor, and certain of the parent guarantor's wholly owned subsidiaries, as subsidiary guarantors.

The January 2010 Senior Notes are general unsecured obligations of AGF plc and rank senior in right of payment to all unsecured debt of AGF plc that is subordinated in right of payment to the January 2010 Senior Notes; rank equally in right of payment to all unsecured debt of AGF plc that is not subordinated in right of payment to the January 2010 Senior Notes; and are subordinated in right of payment to all secured debt of AGF plc, to the extent of the assets securing such debt.

At any time prior to February 1, 2015, AGF plc may redeem any or all of the January 2010 Senior Notes at 100% of their principal amount plus accrued and unpaid interest, if any, plus a redemption premium. On or after February 1, 2015, AGF plc may redeem any or all of the January 2010 Senior Notes initially at 104.375% of their principal amount plus accrued and unpaid interest, if any, with the premium declining after that date.

If an event treated as a change of control of AGF plc occurs, then AGF plc or Ardagh Packaging Holdings Limited must make an offer to repurchase the January 2010 Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The January 2010 Senior Notes are also subject to certain customary covenants and events of default.

The January 2010 Senior Notes are guaranteed on a senior basis by Ardagh Packaging Holdings Limited and on a senior subordinated basis by certain wholly owned subsidiaries of Ardagh Packaging Holdings Limited. The guarantee by each such subsidiary is subordinated in right of payment to any existing or future senior indebtedness of such subsidiary, including its obligations under the Revolving Credit Facility and the Existing Secured Notes.

2009 Senior Secured Notes

In June 2009, AGF plc issued the 2009 Senior Secured Notes in an offering that was not subject to the registration requirements of the U.S. Securities Act. The 2009 Senior Secured Notes are governed by an indenture entered into by AGF plc, Law Debenture Trust Company of New York, as trustee for the holders, Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited), and certain of Ardagh Packaging Holdings Limited's wholly owned subsidiaries, as subsidiary guarantors.

The 2009 Senior Secured Notes are general obligations of AGF plc and rank equally in right of payment with all existing and future indebtedness of AGF plc that is not subordinated in right of payment to the 2009 Senior Secured Notes; and are senior in right of payment to all existing and future indebtedness of AGF plc that is subordinated in right of payment to the 2009 Senior Secured Notes. At any time prior to July 1, 2013, AGF plc may redeem any or all of the 2009 Senior Secured Notes at 100% of their principal amount plus accrued and unpaid interest, if any, plus a redemption premium. On or after July 1, 2013, AGF plc may redeem any or all of the 2009 Senior Secured Notes initially at 104.625% of their principal amount plus accrued and unpaid interest, if any, with the premium declining after that date.

If an event treated as a change of control of AGF plc occurs, then AGF plc or Ardagh Packaging Holdings Limited must make an offer to repurchase the 2009 Senior Secured Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The 2009 Senior Secured Notes are also subject to certain customary covenants and events of default.

The 2009 Senior Secured Notes are guaranteed on a senior basis by Ardagh Packaging Holdings Limited and on a senior secured basis by certain wholly owned subsidiaries of Ardagh Packaging Holdings Limited. The guarantee of the 2009 Senior Secured Notes by each guarantor ranks equally in right of payment with all existing and future indebtedness of such guarantor that is not subordinated in right of payment to such guarantee; is senior in right of payment to any and all of the existing and future indebtedness of such guarantor that is subordinated in right of payment to such guarantee; and are effectively senior to such guarantor's existing and future unsecured indebtedness to the extent of the value of the collateral securing such guarantee.

The 2009 Senior Secured Notes are secured by liens on the same assets that secure AGF plc's obligations under the Revolving Credit Facility and the 2010 Senior Secured Notes.

2007 Notes

In June 2007, AGF plc issued the 2007 Notes in an offering that was not subject to the registration requirements of the U.S. Securities Act. The 2007 Notes are governed by an indenture entered into by AGF plc, The Bank of New York Mellon (previously named The Bank of New York), as trustee for the holders, Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited), and certain of Ardagh Packaging Holdings Limited's wholly owned subsidiaries, as subsidiary guarantors.

The 2007 Notes are general unsecured obligations of AGF plc and rank senior in right of payment to all unsecured debt of AGF plc that is subordinated in right of payment to the 2007 Notes; rank equally in right of payment to all unsecured debt of AGF plc that is not subordinated in right of payment to the 2007 Notes; and are effectively subordinated to all secured debt of the Issuer, to the extent of the assets securing such debt.

At any time prior to June 15, 2012, AGF plc may redeem any or all of the 2007 Notes at 100% of their principal amount plus accrued and unpaid interest, if any, plus a redemption premium. On or after June 15, 2012, AGF plc may redeem any or all of the 2007 Notes initially at 103.563% of their principal amount plus accrued and unpaid interest, if any, with the premium declining after that date.

If an event treated as a change of control of AGF plc occurs, then AGF plc or Ardagh Packaging Holdings Limited must make an offer to repurchase the 2007 Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The 2007 Notes are also subject to certain customary covenants and events of default.

The 2007 Notes are guaranteed on a senior basis by Ardagh Packaging Holdings Limited and on a senior subordinated basis by certain wholly owned subsidiaries of Ardagh Packaging Holdings Limited. The guarantee by each such subsidiary is subordinated in right of payment to any existing or future senior indebtedness of such subsidiary, including its obligations under the Revolving Credit Facility and the Existing Secured Notes.

Intercreditor Agreement

Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and certain of its subsidiaries, the Issuer and the Subsidiary Guarantors, entered into an intercreditor agreement (the "Intercreditor Agreement") with, among others, the Trustee, GE Commercial Finance Limited, the security agents, Law Debenture Trust Company of New York, in its capacity as trustee for holders of the Existing Secured Notes and The Bank of New York Mellon, in its capacity as trustee for holders of the Existing Unsecured Notes. The Intercreditor Agreement replaced in its entirety the intercreditor agreement dated June 18, 2007 (as amended and restated on June 26, 2009 and as amended on January 20, 2010), which was terminated. The Intercreditor Agreement constitutes a senior finance document under our Revolving Credit Facility, and a breach of its terms by us will give rise to a default under those facilities.

The Intercreditor Agreement establishes the ranking among certain of the Group's senior debt obligations, including the Revolving Credit Facility, the GE Commercial Finance Facility, the HVB Working Capital and Performance Guarantee Credit Lines, the Existing Secured Notes and certain hedging obligations. In addition, the Intercreditor Agreement provides for the subordination, in right of payment and enforcement, of all intercompany debt to all of the aforementioned senior debt and to the Senior Notes (including the Additional Senior Notes) and the Existing Unsecured Notes and the respective guarantees thereof. With respect to the ranking of the guarantees, the Intercreditor

Agreement provides that the senior guarantees by the Guarantors of the Revolving Credit Facility and the Existing Secured Notes will rank *pari passu* with each other and each Guarantor's obligations under other senior debt and certain hedging obligations and will rank senior to each Subsidiary Guarantor's senior subordinated guarantees of the Senior Notes (including the Additional Senior Notes) and the Existing Unsecured Notes in the manner described under "Description of the Senior Notes—Ranking of the Notes and the Guarantees; Subordination." However, any claim the lenders under the Revolving Credit Facility, the Existing Secured Notes, hedging counterparties, the Senior Notes (including the Additional Senior Notes) and the holders of the Existing Unsecured Notes have in respect of the Guarantee from Heye International GmbH will be subordinated to any claim UniCredit Bank AG (fomerly known as Bayerische Hypo- und Vereinsbank AG) has under the HVB Working Capital and Performance Guarantee Credit Lines.

The Intercreditor Agreement provides that in respect of the receivables that are subject to liens in favor of the GE Commercial Finance Facility, GE Commercial Finance has a first-ranking claim on the proceeds of such receivables in priority to the lenders under the Revolving Credit Facility, hedge counterparties, and the holders of the Existing Secured Notes. The Intercreditor Agreement will also provide that the lenders under the Revolving Credit Facility have a first-ranking claim on the proceeds of certain agreed receivables and inventory (the "Priority New Security") in priority to hedge counterparties, the holders of the Existing Secured Notes up to an amount equal to the greater of (a) €150,000,000 and (b) an amount equal to (i) 85% of total receivables plus 60% of total inventories less (ii) €150,000,000 (the "Priority New Security Limit") and thereafter the lenders under the Revolving Credit Facility, hedge counterparties and the holders of the Existing Secured Notes rank *pari passu* on the proceeds of the Priority New Security in excess of the Priority New Security Limit. In respect of the proceeds from the enforcement over the assets of Ardagh Glass Limited (the "UK AGL Collateral Proceeds"), the claims of the lenders under the Revolving Credit Facility, hedge counterparties and the holders of the Existing Secured Notes rank first in respect of an amount equivalent to £70.0 million, pro rata based on the principal amounts of the Revolving Credit Facility and the Existing Secured Notes then outstanding, thereafter GE Commercial Finance ranks next and once GE Commercial Finance has been repaid its GE Commercial Finance Facility in full, the lenders under the Revolving Credit Facility, hedge counterparties and the holders of the Existing Secured Notes rank *pari passu* for the residual amount of the UK AGL Collateral Proceeds. Save as provided in the prior sentences of this paragraph, the lenders under the Revolving Credit Facility, hedge counterparties, and the holders of the Existing Secured Notes have a first ranking claim on the proceeds from the enforcement of the liens in all other collateral. Proceeds from the enforcement of such collateral are to be distributed between the lenders under the Revolving Credit Facility, hedge counterparties, and the holders of the Existing Secured Notes on a *pari passu* basis according to the principal amount of debt under the hedge arrangements, the Revolving Credit Facility and the Existing Secured Notes outstanding at that time. Notwithstanding anything to the contrary above, GE Commercial Finance has first-ranking security for claims within the meaning of "Debts" under the GE Commercial Finance Facility.

Other than in respect of the Priority New Security, the Security Agent shall determine the nature, management, timing and control of an enforcement action acting on the instructions of the lenders under the Revolving Credit Facility, hedge counterparties, and the holders of the Existing Secured Notes who, in the aggregate, hold more than 50% of the amounts under the Revolving Credit Facility, hedge arrangements, and the Existing Secured Notes then outstanding. The lenders under the Revolving Credit Facility have agreed to a standstill period of 90 days in exercising their rights in respect of the Priority New Security in respect of a particular obligor unless the Security Agent has been instructed to commence enforcement in respect of Collateral of the obligor or that obligor is subject to an insolvency event. Notwithstanding the above, GE Commercial Finance may, subject to certain conditions, take enforcement actions in respect of its security interest in certain assets of Ardagh Glass Limited.

Majority Lenders under the Revolving Credit Facility will control all enforcement decisions in respect of the inventory and receivables that are subject to a first priority lien in favor of such lenders.

Revolving Credit Facility

On December 7, 2010, Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and other subsidiaries entered into a senior revolving credit facility agreement with Citibank, N.A., London Branch, Credit Suisse AG, London Branch and JPMorgan Chase Bank N.A., London Branch as the original lenders, Citigroup Global Markets Limited, Credit Suisse AG, London Branch and J.P. Morgan plc as mandated lead arrangers, Citibank International plc as facility agent and Citibank, N.A., London Branch as security agent, providing for revolving credit loans in an aggregate principal amount of €100.0 million. The facility is available for three years from the date of the senior revolving credit facility agreement.

Subject to certain conditions, the Revolving Credit Facility provides for the voluntary prepayment of borrowings under it. This facility agreement also provides for mandatory prepayment of all amounts borrowed under the facility upon a change of control (defined substantially similar to a "Change of Control" under the Indenture; see "Description of the Senior Notes—Purchase of Notes upon a Change of Control"). In addition, this facility agreement requires the net proceeds from a securitization of receivables to be applied in prepayment of amounts drawn under the facility. The facility also contains customary "clean-down" provisions.

This facility is guaranteed by each guarantor of the Existing Secured Notes and is secured by the security interests securing the Existing Secured Notes. In this facility agreement, Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) has undertaken to procure that any member of the Group which is a material subsidiary shall, as soon as possible after becoming a material subsidiary, become an additional guarantor of the facility and, subject to agreed security principles, shall grant security over its assets provided that same security is provided equally and ratably to the holders of the Existing Secured Notes and shall accede to the Intercreditor Agreement. In the Revolving Credit Facility Agreement, "material subsidiary" is defined as any subsidiary which has EBITDA, total assets or revenue representing more than 5% of the consolidated EBITDA, total assets or revenue of the Group.

The Revolving Credit Facility contains customary representations and warranties. It also contains maintenance financial covenants usual to this type of agreement, including covenants not to exceed a maximum level of consolidated total net debt to consolidated EBITDA, not to fall below a minimum level of consolidated EBITDA to net interest expenses and not to exceed a maximum capital expenditure per year (as such metrics are defined in the facility agreement).

In addition, the Revolving Credit Facility contains certain restrictive covenants that will restrict the ability of each member of the Group, subject to specified exceptions, to, among other things:

- incur borrowings;
- provide loans, credit, financial guarantees, bonds or indemnities or assume any liability or give any assurance in respect of any person; and
- make any substantial change to the general nature of the business of the Group taken as a whole.

In addition, there are restrictions on the ability of the Group to redeem the Senior Notes and the Existing Notes prior to their maturity date, incur debt senior to the facility or secured by a lien ranking *pari passu* to the receivables and inventory over which the facility is secured (except for certain hedging arrangements), issuing shares to third parties save for certain exceptions, investing in joint ventures subject to certain exceptions, and paying dividends or making other distributions save for holding company expenses and shares of Ardagh Packaging Holdings Limited being redeemed.

The Revolving Credit Facility also contains certain events of default, including, among other things:

- non-payment by any obligor under the facility agreement of principal, interest, fees or other amounts due under the facility agreement or related documents;
- breach of any representation, warranty or statement made by or in relation to any member of the Group in the facility agreement or related documents;
- breach of financial covenants;
- failure to comply with any other provision of the facility agreement or related documents;
- non-payment by any member of the Group of certain borrowings due and payable or due and payable before their stated maturity by reason of an event of default, in each case in excess of a certain amount;
- the suspension of payments, execution or appropriation of assets, enforcement proceedings, bankruptcy, insolvency, liquidation, winding-up, dissolution, administration or assignment for the benefit of creditors or related matters; and
- the unlawfulness or invalidity of that facility agreement or related documents or the obligations thereunder.

If an event of default occurs and is continuing, the agent may cancel any unborrowed amount of that facility, reducing the commitment of each lender thereunder to zero, and/or declare all amounts outstanding under that facility, together with accrued interest, fees and all other amounts payable under that agreement, to be immediately due and payable.

Loans under the Revolving Credit Facility bears interest at EURIBOR plus an applicable margin of 4.25% per annum, subject to a leverage-based pricing grid that will apply after the first anniversary of the closing date. The Revolving Credit Facility contains customary majority lender provisions (defined as lenders holding at least 66⅔% of commitments) and is governed by English law. It is our intention to replace or refinance in whole or in part the Revolving Credit Facility by way of a securitization and/or a receivables financing and/or an inventory financing.

GE Commercial Finance Facility

Ardagh Glass Limited entered into a facility agreement dated March 23, 2009 with GE Commercial Finance Limited pursuant to which GE Commercial Finance Limited has made available an invoice discounting facility of up to a maximum aggregate principal amount of £35 million for a minimum period of 30 months up to September 30, 2011. As security for this facility, Ardagh Glass Limited has granted GE Commercial Finance Limited an assignment over certain of its receivables, a charge over certain real properties located in England and a floating charge. Interest charges are based on LIBOR plus a margin.

HVB Working Capital and Performance Guarantee Credit Lines

Heye International supports its business activities with two open lines of credit from UniCredit Bank AG (fomerly known as Bayerische Hypo und Vereinsbank AG). Heye International is entitled to draw up to €1.0 million on one of the lines of credit for the purposes of financing its short-term working capital requirements. The second credit line is available for up to €15.0 million of guarantee payments relating to Heye International's project business.

These facilities are secured by a pledge of all Heye International's present and future property, plant and equipment and intangible assets, an assignment over all present and future claims resulting from delivery of goods and services to domestic and foreign customers and an assignment over all existing and future trade receivables.

U.S. Finance Facility

During the third quarter of 2009, Impress concluded agreements with GE Government Finance Inc. for the provision of $27 million, repayable in installments by 2021, to finance its new plant in Conklin, New York. Pending disbursement to fund construction work and equipment purchases, Impress recorded $11.8 million (€8.2 million) as restricted cash as of December 31, 2009.

Limited Recourse Receivables Discounting Arrangement

In December 2009, the Acquired Business entered into a limited recourse receivables discounting arrangement with GE Factofrance (the "Receivables Arrangement") whereby the Acquired Business may sell in aggregate up to €100 million (at any one time) of its receivables at 100% of their face value, less certain reserves and commissions. This arrangement has the effects of reducing the total investment in trade working capital and of smoothing the annual seasonal working capital peak.

Australasian Senior Bank Facility

The acquisition by Impress of Amcor Limited's Food and Aerosol business in Australia and New Zealand on October 31, 2007 was primarily funded from a A$155 million multicurrency senior bank debt facility (initially A$170 million, or €108 million converted at exchange rates on the date of drawdown), provided by Bank of Scotland International (the "*Australasian Senior Bank Facility*"). The facility has a maturity of six years and must be repaid on December 21, 2013, or upon certain other events. The loans bear interest at an interbank rate plus a margin of 225–275 basis points on the bullet and amortising tranches and 150 basis points on the capital expenditure, trade working capital and letter of credit tranches. The Group also has available to it a €10.7 million revolving credit facility under the Australasian Senior Bank Facility. The Australasian Senior Bank Facility contains representations and warranties, covenants and events of default that are customary for financings of this nature. As of September 30, 2010, there was €67.3 million outstanding on, and €10.7 million available under, the Australasian Senior Bank Facility.

DESCRIPTION OF THE SENIOR NOTES

The definitions of certain terms used in this description are set forth under the subheading "—Certain Definitions." In this "Description of the Senior Notes," the word "Issuer" refers only to Ardagh Packaging Finance plc and the words "Parent Guarantor" refer only to Ardagh Packaging Holdings Limited (previously named Ardagh Glass Holdings Limited) and not to any of its Subsidiaries, except for the purpose of financial data determined on a consolidated or combined basis, as the case may be. In addition, the words "Subsidiary Guarantors" refer to any Restricted Subsidiary that incurs a Guarantee, and the word "Guarantors" refers to the Parent Guarantor and the Subsidiary Guarantors collectively. Each of the Issuer and each Subsidiary Guarantor will be a direct or indirect Restricted Subsidiary. The word "Notes" refers also to "book-entry interests" in the Notes, as defined herein.

The Issuer previously issued and the Guarantors previously guaranteed $450.0 million aggregate principal amount of 9.125% senior notes due 2020 denominated in U.S. Dollars (the "Initial Dollar Notes") and €275.0 million aggregate principal amount of 9.250% senior notes due 2020 denominated in euro (the "Initial Euro Notes" and together with the Initial Dollar Notes, the "Initial Notes") under an indenture (the "Senior Notes Indenture") among the Issuer, the Guarantors, Citibank, N.A., London Branch, as trustee (in such capacity, the "Trustee") and certain other agents party thereto. The Issuer will issue and the Guarantors will guarantee €200,000,000 aggregate principal amount of 9.250% Senior Notes due 2020 offered hereby (the "Additional Euro Notes") under the Senior Notes Indenture. References to the "Euro Notes" shall include the Initial Euro Notes and the Additional Euro Notes collectively and references to the "Notes" shall include the Initial Notes, the Additional Euro Notes and any Additional Notes (as defined below) collectively. The Additional Euro Notes will have the same terms and will be part of the same series as the Initial Euro Notes. The Additional Euro Notes will rank pari passu with, and vote together with, the holders of the Initial Notes on any matter submitted to the holders of Notes under the Indenture, except for certain waivers and amendments. The Additional Euro Notes and the Initial Euro Notes will be fungible for trading purposes and have a single ISIN number.

Except as set forth herein, the terms of the Notes include those set forth in the Senior Notes Indenture. The Senior Notes Indenture in turn includes certain provisions of the U.S. Trust Indenture Act of 1939 (the "Trust Indenture Act") that are incorporated by reference in the Senior Notes Indenture. The Senior Notes Indenture is not, however, required to be nor will it be qualified under the Trust Indenture Act.

The following description is a summary of the material terms of the Senior Notes Indenture. It does not, however, restate the Senior Notes Indenture in its entirety, and where reference is made to particular provisions of the Senior Notes Indenture, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the Notes and the Senior Notes Indenture. You should read the Senior Notes Indenture because it contains additional information and because it and not this description defines your rights as a holder of the Notes. A copy of the form of the Senior Notes Indenture may be obtained by requesting it from the Issuer at the address indicated under "Listing and General Information."

The Issuer has made an application for the Notes to be listed on the Global Exchange Market of the Irish Stock Exchange. The Issuer can provide no assurance that this application will be accepted. See "—Payments on the Notes; Paying Agent."

Brief Description of the Senior Notes

The Notes:

(a) are the Issuer's general and unsecured obligations;

(b) will mature on October 15, 2020;

(c) are guaranteed on a senior basis by the Parent Guarantor and on a senior subordinated basis by the Subsidiaries of the Parent Guarantor (other than the Issuer) that guarantee the Existing Ardagh Bonds; and

(d) subject to the Agreed Security Principles, within 60 days of the completion of the Aquisition will be guaranteed on a senior subordinated basis by certain subsidiaries of Impress Coöperatieve U.A., to the extent required by "—Certain Covenants—Additional Subsidiary Guarantees" below.

The Guarantees

The Guarantors have jointly and severally guaranteed the due and punctual payment of all amounts payable under the Notes, including principal, premium, if any, and interest payable under the Notes.

The obligations of a Subsidiary of the Parent Guarantor to issue a Guarantee of the Senior Notes, if required by the Senior Notes Indenture, are subject to the Agreed Security Principles. The obligations of each Subsidiary Guarantor under its Guarantee is limited to an amount not to exceed the maximum amount that can be guaranteed by such Subsidiary Guarantor without resulting in its obligations under its Guarantee being voidable or unenforceable under applicable laws relating to fraudulent transfer, or under similar laws affecting the rights of creditors generally or the maximum amount otherwise permitted by law. In particular, each Guarantee is limited as required to comply with corporate benefit, maintenance of capital and other laws applicable in the jurisdiction of the relevant Subsidiary Guarantor. By virtue of these limitations, a Subsidiary Guarantor's obligations under its Guarantee could be significantly less than amounts payable in respect of the Notes, or a Subsidiary Guarantor may have effectively no obligations under its Guarantee. See "Risk Factors—Risks Relating to our Debt, the Additional Senior Notes and the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees of the Senior Notes."

Each Guarantor that makes a payment or distribution under its Guarantee will be entitled to contribution from any other Guarantor.

Release of the Guarantees

All of the Guarantees will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect) upon Legal Defeasance or Covenant Defeasance as described under "—Legal Defeasance or Covenant Defeasance of Senior Notes Indenture" or if all obligations under the Senior Notes Indenture are discharged in accordance with the terms of the Senior Notes Indenture, in each case in accordance with the terms and conditions in the Senior Notes Indenture and the Intercreditor Agreement.

In addition, a Subsidiary Guarantor's Guarantee (and the Guarantee, if any, of any Subsidiary of such Subsidiary Guarantor) will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect):

(a) upon any sale or disposition of (i) Capital Stock of a Subsidiary Guarantor following which such Subsidiary Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all of the properties and assets of a Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor, a Restricted Subsidiary or any Affiliate of the Parent Guarantor and that complies with the covenant described in "—Certain Covenants—Limitation on Sale of Certain Assets";

(b) in the event that all of the Capital Stock of such Subsidiary Guarantor is sold or otherwise disposed of pursuant to an enforcement of the security over the Capital Stock of such Subsidiary Guarantor in accordance with the terms of the Intercreditor Agreement;

(c) upon the designation of such Subsidiary Guarantor as an Unrestricted Subsidiary; and

(d) in the circumstances set forth in the third paragraph of "—Certain Covenants—Consolidation, Merger and Sale of Assets."

Ranking of the Notes and the Guarantees; Subordination

The Notes

The Notes:

(a) are the Issuer's general unsecured obligations;

(b) rank senior in right of payment to any and all of the Issuer's existing and future indebtedness that is subordinated in right of payment to the Notes;

(c) rank equally in right of payment with all of the Issuer's existing and future unsecured indebtedness that is not subordinated in right of payment to the Notes; and

(d) are effectively subordinated to all of the Issuer's existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness.

The Parent Guarantor's Guarantee

The Parent Guarantor's Guarantee:

(a) is the Parent Guarantor's general unsecured obligation;

(b) ranks senior in right of payment to any and all of the Parent Guarantor's existing and future indebtedness that is subordinated in right of payment to its Guarantee;

(c) ranks equally in right of payment with any and all of the Parent Guarantor's existing and future unsecured indebtedness that is not subordinated in right of payment to its Guarantee;

(d) is effectively subordinated to all of the Parent Guarantor's existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness;

(e) is structurally subordinated in right of payment to all existing and future indebtedness of the Parent Guarantor's subsidiaries; and

(f) is not subject to the restrictions on enforcement described below applicable to each Subsidiary Guarantee.

The Subsidiary Guarantees

Each Subsidiary Guarantor's Guarantee:

(a) is such Guarantor's general unsecured obligation;

(b) is subordinated in right of payment to any and all of such Subsidiary Guarantor's existing and future Senior Debt;

(c) ranks equally in right of payment with any and all of such Subsidiary Guarantor's existing and future unsecured indebtedness that is not subordinated and is not senior in right of payment of its Guarantee;

(d) ranks senior in right of payment to any and all of such Subsidiary Guarantor's existing and future indebtedness that is subordinated in right of payment to its Guarantee; and

(e) is subject to the restrictions on enforcement described below.

As a result of the foregoing, it is expected that the Notes will rank equally in right of payment with the Existing Unsecured Notes.

At September 30, 2010, the Subsidiary Guarantors would have had on a consolidated basis, after giving pro forma effect to Impress Acquisition, the Refinancing and the issuance of the Additional Euro Notes offered hereby:

(a) total senior debt (before deducting deferred financing costs) of €1,401.5 million; and

(b) €1,095.3 million of debt that would rank equally with their Guarantees of the Notes (excluding the Guarantees of the Additional Euro Notes).

In addition, the non-guarantor Restricted Subsidiaries would have had (i) €67.3 million of debt and (ii) aggregated trade payables and deferred taxes of €166.8 million.

Not all of the Parent Guarantor's Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will likely be required to repay financial and trade creditors before distributing any assets to the Issuer or a Guarantor.

The Issuer is a finance subsidiary without operations and, therefore, the Issuer depends on the cash flow of the Parent Guarantor's operating Subsidiaries to meet its obligations, including its obligations under the Notes. The Notes are structurally subordinated to all Debt and other liabilities and commitments (including trade payables and lease obligations) of the Parent Guarantor's Subsidiaries that do not guarantee the Notes.

As of the Issue Date, all of the Parent Guarantor's Subsidiaries were "Restricted Subsidiaries." However, under the circumstances described below under the caption "—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries," the Parent Guarantor will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." Unrestricted Subsidiaries of the Parent Guarantor will not be subject to any of the restrictive covenants in the Senior Notes Indenture.

Although the Senior Notes Indenture contains limitations on the amount of additional Debt that the Issuer, the Parent Guarantor and the Restricted Subsidiaries may incur, the amount of such additional Debt could be substantial. The Senior Notes Indenture permits all Senior Debt to be secured.

As a result of the enforcement standstills and the various subordination provisions described below, in the event of an insolvency, bankruptcy, liquidation or reorganization of any Subsidiary Guarantor, holders of Notes may recover less, ratably, than other creditors of the Subsidiary Guarantors (including trade creditors).

Enforcement Standstills in Relation to the Subsidiary Guarantors' Guarantees

The Senior Notes Indenture provides that no Subsidiary Guarantor's Guarantee may become due, and that neither the holders of the Notes nor the Trustee may take any Enforcement Action against a Subsidiary Guarantor without the prior consent of the applicable Senior Agent or Senior Agents unless:

(a) certain insolvency or reorganization events have occurred in relation to such Subsidiary Guarantor; or

(b) the holders of Designated Senior Debt have taken any Enforcement Action in relation to such Subsidiary Guarantor; or

(c) a default has occurred under the Notes; and

   (i) the holders of the Notes or the Trustee has notified the applicable Senior Agents; and

   (ii) a period of not less than 90 days (in the case of a payment default) or 179 days (in the case of a non-payment default) has passed from the date the applicable Senior Agents were notified of the default (a "Standstill Period"); and

   (iii) at the end of the Standstill Period, the default is continuing and has not been waived by the holders of the Notes.

Subordination on Insolvency

The Senior Notes Indenture provides that, in the event of any distribution to the creditors of a Subsidiary Guarantor:

(a) in a liquidation or dissolution of such Subsidiary Guarantor;

(b) in an insolvency, bankruptcy, reorganization, composition, receivership, administration, voluntary arrangement or similar proceeding relating to such Subsidiary Guarantor or its property;

(c) in an assignment for the benefit of the creditors of such Subsidiary Guarantor; or

(d) in any marshalling of such Subsidiary Guarantor's assets and liabilities,

the holders of Senior Debt of such Subsidiary Guarantor will be entitled to receive payment in full in cash of all obligations in respect of such Senior Debt (including interest after the commencement of any proceeding at the rate specified in the applicable Senior Debt whether or not allowed or allowable in any such proceeding) before the holders of Notes will be entitled to receive any payment with respect to the Guarantee of such Subsidiary Guarantor (except that holders of Notes may receive and retain Permitted Junior Securities and payments made from the trust (if any) described under "—Legal Defeasance or Covenant Defeasance of Senior Notes Indenture").

Payment Blockage Provisions

The Senior Notes Indenture also provides that a Subsidiary Guarantor may not make any payment in respect of its Guarantee (except in Permitted Junior Securities or from the trust (if any) described under "—Legal Defeasance or Covenant Defeasance of Senior Notes Indenture") if:

(a) a payment default on Designated Senior Debt of such Subsidiary Guarantor has occurred and is continuing beyond any applicable grace period; or

(b) any other default occurs and is continuing on any Designated Senior Debt of such Subsidiary Guarantor that permits the holders of that Designated Senior Debt to accelerate its maturity and the Trustee receives a notice of such default (a "Payment Blockage Notice") from the Issuer or the holders of such Designated Senior Debt.

Payments on any such Guarantee of a Subsidiary Guarantor may and will be resumed:

(i) in the case of a payment default on Designated Senior Debt, when such default is cured or waived; or

(ii) in the case of a non-payment default on Designated Senior Debt, upon the earlier of the date on which such non-payment default is cured or waived and 179 days after the date on which the applicable Payment Blockage Notice is received, unless the maturity of any Designated Senior Debt has been accelerated.

No new Payment Blockage Notice may be delivered unless and until (x) 360 days have elapsed since the delivery of the immediately prior Payment Blockage Notice and (y) all scheduled payments of principal, premium, if any, and interest on the Notes that have come due have been paid in full in cash.

No non-payment default that existed or was continuing on the date of delivery of a Payment Blockage Notice to the Trustee will be, or be made, the basis for a subsequent Payment Blockage Notice.

Turnover

If the Trustee receives a payment in respect of the Notes (except in Permitted Junior Securities or from the trust (if any) described under "—Legal Defeasance or Covenant Defeasance of Senior Notes Indenture") when:

(a) the payment is prohibited by the subordination provisions of the Senior Notes Indenture described in this "—Ranking of the Notes and the Guarantees; Subordination" section; and

(b) the Trustee or the holder of the Note has actual knowledge that payment is so prohibited;

then the Trustee will hold the payment on trust for the benefit of the holders of the relevant Senior Debt and, upon the proper written request of the holders of the relevant Senior Debt, the Trustee will deliver the amounts in trust to the Senior Agent or any other proper representative of the holders of the relevant Senior Debt.

Intercreditor Agreement

The Senior Notes Indenture, the Notes and the Guarantees are subject to the terms of the Intercreditor Agreement and will be subject to any additional intercreditor agreements entered into in the future (without any further consent of the holders of the Notes) in favor of the holders of Designated Senior Debt of the Subsidiary Guarantors to give effect to the preceding subordination provisions of the Senior Notes Indenture described in this "—Ranking of the Notes and the Guarantees; Subordination" section.

For a description of the Intercreditor Agreement, see "Description of Other Indebtedness—Intercreditor Agreement."

Limitations under Guarantees

The obligations of each Subsidiary Guarantor under its Guarantee are limited to an amount not to exceed the maximum amount that can be guaranteed by such Subsidiary Guarantor without resulting in its obligations under its Guarantee being voidable or unenforceable under applicable laws relating to fraudulent transfer or under similar laws affecting the rights of creditors generally, or the maximum amount otherwise permitted by law. In particular, each Guarantee is limited as required to comply with corporate benefit, maintenance of capital and other laws applicable in the jurisdiction of the relevant Subsidiary Guarantor. By virtue of these limitations, a Subsidiary Guarantor's obligations under its Guarantee could be significantly less than amounts payable in respect of the Notes, or a Subsidiary Guarantor may have effectively no obligations under its Guarantee. See "Risk Factors—Risks Relating to our Debt, the Notes and the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees of the Senior Notes."

Principal, Maturity and Interest

The Notes will mature on October 15, 2020 and 100% of the principal amount thereof shall be payable on such date, unless redeemed prior thereto as described herein. The Issuer will issue an aggregate principal amount of €200.0 million of Additional Euro Notes in this offering. Subject to the covenant described under "—Certain Covenants—Limitation on Debt," the Issuer is permitted to issue additional Notes as part of a further issue under the Senior Notes Indenture ("Additional Notes") from time to time, including the Additional Euro Notes offered hereby; *provided* that, if any Additional Notes are not fungible with previously issued Notes for U.S. income tax purposes, such Additional Notes will have a separate CUSIP number, if applicable. The Initial Notes, the Additional Euro Notes and any further Additional Notes subsequently issued under Senior Notes Indenture that are actually issued will be treated as a single class for all purposes of the Senior Notes Indenture, including waivers, amendments, redemptions and offers to purchase, except for certain waivers and amendments. Unless the context otherwise requires, references to the "Notes" for all purposes of the Senior Notes Indenture and in this "Description of the Senior Notes" include references to any Additional Notes that are actually issued.

Interest on the Euro Notes will accrue at the rate of 9.250% per annum. Interest on the Notes will be payable semi-annually in arrears from October 8, 2010 or from the most recent interest payment date to which interest has been paid or provided for, whichever is the later. Interest will be payable on each Note on April 15 and October 15 of each year, commencing on April 15, 2011. The Issuer will pay interest on each Note to holders of record of each Note in respect of the principal amount thereof outstanding as of the immediately preceding April 1 or October 1, as the case may be. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will be paid on overdue principal and other overdue amounts at the same rate.

Form of Notes

The Additional Euro Notes will be issued only in fully registered form without coupons and only in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The Additional Euro Notes will be initially in the form of one or more global notes (the "Global Notes"). The Global Notes will be deposited with a common depositary for Euroclear and Clearstream Banking, or a nominee of such common depositary. Ownership of interests in the Global Notes, referred to as "book-entry interests", will be limited to persons that have accounts with, Euroclear or Clearstream Banking or their respective participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream Banking and their participants. The terms of the Senior Notes Indenture will provide for the issuance of definitive registered Notes in certain circumstances. See "Book-Entry; Delivery and Form."

Transfer and Exchange

The Global Notes may be transferred in accordance with the Senior Notes Indenture. All transfers of book-entry interests between participants in Euroclear or Clearstream Banking will be effected by Euroclear or Clearstream Banking pursuant to customary procedures and subject to applicable rules and procedures established by Euroclear or Clearstream Banking and their respective participants. See "Book-Entry; Delivery and Form."

The Notes will be subject to certain restrictions on transfer and certification requirements, as described under "Notice to Investors."

Payments on the Notes; Paying Agent

The Issuer will make all payments, including principal of, premium, if any, and interest on the Euro Notes, at its office or through an agent in London, England that it will maintain for these purposes. Initially that agent will be the corporate trust office of Citibank, N.A., London Branch. The Issuer may change the paying agents without prior notice to the holders of the Notes. In addition, the Issuer or any of its Subsidiaries may act as paying agent in connection with the Notes other than for the purposes of effecting a redemption described under "—Optional Redemption" or an offer to purchase the Notes described under "—Purchase of Notes upon a Change of Control" or "—Certain Covenants—Limitation on Sale of Certain Assets". The Issuer will make payments on the Global Notes to the common depositary as the registered holder of the Global Notes. The Issuer will make all payments in same-day funds.

The Issuer undertakes that it will maintain a paying agent in an EU Member State that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

No service charge will be made for any registration of a transfer, exchange or redemption of the Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange (but not for a redemption).

Additional Amounts

All payments that the Issuer makes under or with respect to the Notes or that the Guarantors make under or with respect to the Guarantees will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other similar liabilities related thereto) of whatever nature (collectively, "Taxes") imposed or levied on such payments by or on behalf of any jurisdiction in which the Issuer or any Guarantor is incorporated, resident or doing business for tax purposes or from or through which any of the foregoing makes any payment on the Notes or by or within any department, political subdivision or governmental authority of or in any of the foregoing having power to tax (each, a "Relevant Taxing Jurisdiction"), unless the Issuer or such Guarantor, as the case may be, is required to withhold or deduct Taxes by law or by the interpretation or administration of law. If the Issuer or a Guarantor is required to withhold or deduct any amount for or on account of Taxes imposed or levied on behalf of a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or any Guarantee, the Issuer or the Guarantor, as the case may be, will pay additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by each holder of the Notes after such withholding or deduction (including any withholding or deduction in respect of any Additional Amounts) will not be less than the amount the holder would have received if such Taxes had not been withheld or deducted.

Neither the Issuer nor any Guarantor will, however, pay Additional Amounts in respect or on account of:

(a) any Taxes, to the extent such Taxes are imposed or levied by a Relevant Taxing Jurisdiction by reason of the holder's present or former connection with such Relevant Taxing Jurisdiction (other than the mere receipt, ownership, holding or disposition of Notes, or by reason of the receipt of any payments in respect of any Note or any Guarantee, or the exercise or enforcement of rights under any Notes or any Guarantee);

(b) any Taxes to the extent such Taxes are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the Issuer's written request addressed to the holder or beneficial owner, to comply with any certification, identification, information or other reporting requirements (to the extent such holder or beneficial owner is legally eligible to do so), whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

(c) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes;

(d) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to the Notes or any Guarantee;

(e) any Tax imposed on or with respect to any payment by the Issuer or Guarantor to the holder if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Note;

(f) any Tax that is imposed on or with respect to a payment made to a holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Notes to another paying agent in a member state of the European Union;

(g) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period); or

(h) any withholding or deduction in respect of any Taxes where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any Directive implementing the conclusions of the ECOFIN Council meetings of November 26 and 27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, any such Directive.

The Issuer and the Guarantors will (i) make such withholding or deduction as is required by applicable law and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes or any Guarantee is due and payable, if the Issuer or a Guarantor will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes or any Guarantee is due and payable, in which case it will be promptly thereafter), the Issuer will deliver to the Trustee an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to holders on the payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer will promptly publish a notice in accordance with the provisions set forth in "—Notices" stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

In addition, the Issuer and the Guarantors will pay any present or future stamp, issue, registration, court, documentary, excise or property taxes or other similar taxes, charges and duties, including without limitation, interest, penalties and other similar liabilities with respect thereto, imposed by any Relevant Taxing Jurisdiction in respect of (i) the execution, issue, delivery or registration of the Notes or any Guarantee or any other document or instrument referred to thereunder, or (ii) the receipt of any payments with respect to, or enforcement of, the Notes or any Guarantee.

Upon written request, the Issuer or a Guarantor will furnish to the Trustee or a holder within a reasonable time certified copies of tax receipts evidencing the payment by the Issuer or such Guarantor (as the case may be) of any Taxes imposed or levied by a Relevant Taxing Jurisdiction, in accordance with the procedures described in "—Notices" hereafter, in such form as provided in the normal course by the taxing authority imposing such Taxes. If, notwithstanding the efforts of the Issuer or Guarantor to obtain such receipts, the same are not obtainable, the Issuer or such Guarantor will provide the Trustee or such holder with other evidence reasonably satisfactory to the Trustee or holder of such payments by the Issuer or Guarantor. If requested in writing by the Trustee, the Issuer and (to the extent necessary) any Guarantors will provide to the Trustee such information as may be reasonably available to the Issuer and the Guarantors (and not otherwise in the possession of the Trustee) to enable determination of the amount of any withholding taxes attributable to any particular holder(s).

Whenever the Senior Notes Indenture or this "Description of the Senior Notes" refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Note (including payments thereof made pursuant to a Guarantee), such reference includes the payment of Additional Amounts, if applicable.

The preceding provisions will survive any termination, defeasance or discharge of the Senior Notes Indenture and shall apply *mutatis mutandis* to any jurisdiction in which any successor person to the Issuer or any Guarantor is incorporated, resident or doing business for tax purposes or any jurisdiction from or through which such person makes any payment on the Note (or any Guarantee) and any political subdivision or taxing authority or agency thereof or therein.

Currency Indemnity

U.S. dollars and euro are the required currencies (each a "Required Currency") of account and payment for all sums payable under the Notes, the Guarantees and the Senior Notes Indenture. Any amount received or recovered in respect of the Notes or the Guarantees in a currency other than the applicable Required Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Subsidiary or otherwise) by the Trustee or a holder of the Notes in respect of any sum expressed to be due to such holder from the Issuer or the Guarantors will constitute a discharge of their obligation only to the extent of the amount of the applicable Required Currency which the recipient is able to purchase with the amount so received or recovered in such other currency on the date of that receipt or recovery (or, if it is not possible to purchase the applicable Required Currency on that date, on the first date on which it is possible to do so). If the amount of the applicable Required Currency to be recovered is less than the amount of the applicable Required Currency expressed to be due to the recipient under any Note, the Issuer or the Guarantors will indemnify the recipient against the cost of making any further purchase of the applicable Required Currency in an amount equal to such difference. For the purposes of this paragraph, it will be sufficient for the holder to certify that it would have suffered a loss had the actual purchase of the applicable Required Currency been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of the applicable Required Currency on that date had not been possible, on the first date on which it would have been possible). These indemnities, to the extent permitted by law:

(a) constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations;

(b) give rise to a separate and independent cause of action;

(c) apply irrespective of any waiver granted by any holder of a Note; and

(d) will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Optional Redemption

Optional Redemption prior to October 15, 2013 upon Public Equity Offering

At any time prior to October 15, 2013, upon not less than 30 nor more than 60 days' notice, the Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of the Euro Notes at a redemption price equal to 109.250% of their principal amount, in each case, plus accrued and unpaid interest, if any, to the redemption date, with the net proceeds from one or more Public Equity Offerings. The Issuer may only do this, however, if:

(a) at least 65% of the aggregate principal amount of Euro Notes that were initially issued would remain outstanding immediately after the proposed redemption; and

(b) the redemption occurs within 90 days after the closing of such Public Equity Offering.

Optional Redemption prior to October 15, 2015

At any time prior to October 15, 2015, upon not less than 30 nor more than 60 days' notice, the Issuer may also redeem all or part of the Euro Notes, as the case may be, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus the Applicable Redemption Premium and accrued and unpaid interest to the redemption date.

"Applicable Redemption Premium" means the greater of:

(1) 1.0% of the principal amount of the Euro Notes; and

(2) the excess of:

  (a) the present value at such redemption date of (x) the redemption price of such Euro Note at October 15, 2015 (such redemption price being set forth in the table appearing below under the caption "—Optional Redemption on or after October 15, 2015") below, plus (y) all required interest payments that would otherwise be due to be paid on such Note during the period between the redemption date and October 15, 2015 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

  (b) the outstanding principal amount of such Euro Note.

For the avoidance of doubt, calculation of the Applicable Redemption Premium shall not be a duty or obligation of the Trustee or any paying agent.

Optional Redemption on or after October 15, 2015

At any time on or after October 15, 2015 and prior to maturity, upon not less than 30 nor more than 60 days' notice, the Issuer may redeem all or part of the Euro Notes. These redemptions will be in amounts of €1,000 or integral multiples thereof at the following redemption prices (expressed as percentages of their principal amount at maturity), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period commencing on October 15 of the years set forth below. This redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

Year	Redemption Price Euro Notes
2015	104.625%
2016	103.083%
2017	101.542%
2018 and thereafter	100.000%

Redemption Upon Changes in Withholding Taxes

If, as a result of:

(a) any amendment to, or change in, the laws (or regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction which becomes effective after the date of the Senior Notes Indenture; or

(b) any change which becomes effective after the date of the Senior Notes Indenture in the official application or official interpretation of such laws, regulations or rulings (including by virtue of a holding, judgment or order by a court competent jurisdiction) of any Relevant Taxing Jurisdiction (each of the foregoing clauses (a) and (b), a "Change in Tax Law"),

the Issuer would be obligated to pay, on the next date for any payment and as a result of that amendment or change, Additional Amounts as described above under "—Additional Amounts" with respect to the Relevant Taxing Jurisdiction, which the Issuer cannot avoid by the use of reasonable measures available to it, then the Issuer may redeem all, but not less than all, of the Notes, at any time thereafter, upon not less than 30 nor more than 60 days' notice (which notice shall be irrevocable and given in accordance with the procedures described above under "—Notices"), at a redemption price of 100% of their principal amount, plus accrued and unpaid interest, if any, to the redemption date. Prior to the giving of any notice of the redemption described in this paragraph, the Issuer will deliver to the Trustee:

(a) an Officer's Certificate stating that the obligation to pay such Additional Amounts cannot be avoided by the Issuer's taking reasonable measures available to it; and

(b) a written opinion of independent tax counsel to the Issuer of recognized standing qualified under the laws of the Relevant Taxing Jurisdiction and reasonably satisfactory to the Trustee to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of a Change in Tax Law.

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Issuer would be obliged to make such payment of Additional Amounts if a payment in respect of the Notes, were then due and (b) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Notice of Optional Redemption

The Issuer will publish a notice of any optional redemption of the Notes described above in accordance with the provisions of the Senior Notes Indenture described above under "—Notices." These notice provisions include a requirement to publish any such notice in a newspaper having general circulation in Ireland (which is expected to be *The Irish Times*) if and so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require. The Issuer will inform the Irish Stock Exchange of the principal amount of the Euro Notes that have not been redeemed in connection with any optional redemption. If fewer than all the Euro Notes are to be redeemed at any time, the Trustee will select the Euro Notes by a method that complies with the requirements, as certified to the Trustee by the Issuer, of the principal securities exchange, if any, on which the Euro Notes are listed at such time or, if the Euro Notes are not listed on a securities exchange, pro rata, by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Euro Note not redeemed to less than €100,000. The Trustee shall not be liable for any selections made by it in accordance with this paragraph.

Sinking Fund; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer or the Parent Guarantor may be required to offer to purchase the Notes as described under the captions "—Purchase of Notes upon a Change of Control" and "—Certain Covenants—Limitation on Sale of Certain Assets." The Parent Guarantor and any Restricted Subsidiaries, including the Issuer, may at any time and from time to time purchase Notes in the open market or otherwise.

Purchase of Notes upon a Change of Control

If a Change of Control occurs at any time, then the Issuer or the Parent Guarantor must make an offer (a "Change of Control Offer") to each holder of Notes to purchase such holder's Notes, at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Purchase Date") (subject to the rights of holders of record on relevant regular record dates that are prior to the Change of Control Purchase Date to receive interest due on an interest payment date). Purchases made under a Change of Control Offer will also be subject to other procedures set forth in the Senior Notes Indenture.

Within 30 days following any Change of Control, the Issuer or the Parent Guarantor will:

(a) cause a notice of the Change of Control Offer to be published (i) in a leading newspaper having a general circulation in each of London (which is expected to be the *Financial Times*) and in New York (which is expected to be *The Wall Street Journal*); (ii) through the newswire service of Bloomberg, or if Bloomberg does not then operate, any similar agency; and (iii) if at the time of such notice the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, in the *The Irish Times* (or another leading newspaper of general circulation in Ireland); and

(b) send notice of the Change of Control Offer by first class mail, with a copy to the Trustee, to each holder of Notes to the address of such holder appearing in the security register, which notice will state:

  (i) that a Change of Control has occurred, and the date it occurred;

  (ii) the circumstances and relevant facts regarding such Change of Control (including, but not limited to, applicable information with respect to pro forma historical income, cash flow and capitalization after giving effect to the Change of Control);

  (iii) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a business day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act and any applicable securities laws or regulations;

  (iv) that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid;

  (v) that any Note (or part thereof) not tendered will continue to accrue interest; and

  (vi) any other procedures that a holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance (which procedures may also be performed at the office of the paying agent in Ireland as long as the Notes are listed on the Irish Stock Exchange).

The Trustee will promptly authenticate and deliver a new Note or Notes equal in principal amount to any unpurchased portion of Notes surrendered, if any, to the holder of Notes in global form or to each holder of Certificated Notes. The Issuer or the Parent Guarantor will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

The ability of the Issuer or the Parent Guarantor to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that would constitute a Change of Control could constitute a default under the Senior Credit Facilities or could constitute a change of control under the Existing Ardagh Bonds or the Senior PIK Notes. In addition, certain events that may constitute a change of control under the Senior Credit Facilities, the Existing Ardagh Bonds or the Senior PIK Notes may not constitute a Change of Control under the Senior Notes Indenture. The Parent Guarantor's future indebtedness and the future indebtedness of its Subsidiaries may also require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require a repurchase of the Notes upon a Change of Control could cause a default under such indebtedness, even if the Change of Control itself does not, due to the possible financial effect on the Issuer or the Parent Guarantor of such repurchase.

If a Change of Control Offer is made, neither the Issuer nor the Parent Guarantor can provide any assurance that they will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by holders of the Notes seeking to accept the Change of Control Offer. If the Issuer or the Parent Guarantor fails to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the Trustee and the holders of the Notes the rights described under "—Events of Default."

Even if sufficient funds were otherwise available, the terms of the other indebtedness of the Parent Guarantor and its Subsidiaries may prohibit the prepayment of the Notes prior to their scheduled maturity. If the Issuer or the Parent Guarantor were not able to prepay any indebtedness containing any such restrictions or obtain requisite consents, the Issuer and the Parent Guarantor would be unable to fulfill their repurchase obligations to holders of Notes who exercise their right to redeem their Notes following a Change of Control, which would cause a Default under the Senior Notes Indenture. A Default under the Senior Notes Indenture, unless waived by holders, would result in a cross default under certain of the financing arrangements described under "Description of Other Indebtedness."

Neither the Issuer nor the Parent Guarantor will be required to make a Change of Control Offer if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Notes Indenture applicable to a Change of Control Offer made by the Issuer or the Parent Guarantor and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. The Change of Control provisions described above will be applicable whether or not any other provisions of the Senior Notes Indenture are applicable. Except as described above with respect to a Change of Control, the provisions of the Senior Notes Indenture will not give holders the right to require the Issuer or the Parent Guarantor to repurchase the Notes in the event of certain highly leveraged transactions, or certain other transactions, including a reorganization, restructuring, merger or similar transaction and, in certain circumstances, an acquisition by the Parent Guarantor's management or its Affiliates, that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control. Any such transaction, however, would have to comply with the applicable provisions of the Senior Notes Indenture, including the "Limitation on Debt" covenant. The existence of a holder of the Notes' right to require the Issuer or the Parent Guarantor to repurchase such holder's Notes upon a Change of Control may deter a third party from acquiring the Parent Guarantor or its Subsidiaries in a transaction which constitutes a Change of Control.

The Issuer and the Parent Guarantor will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations (including those of Ireland) in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Senior Notes Indenture, the Issuer and the Parent Guarantor will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the Senior Notes Indenture by virtue of such conflict.

"Change of Control" means the occurrence of any of the following events:

(a) the consummation of any transaction (including a merger or consolidation) the result of which is that (i) any person or group, other than one or more Permitted Holders, is or as a result of such transaction becomes, the beneficial owner, directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Parent Guarantor and (ii) the Permitted Holders, individually or in the aggregate, do not beneficially own, directly or indirectly, a larger percentage of the total voting power of such Voting Stock than such other person or group;

(b) the sale, transfer, conveyance or other disposition (other than by way of merger, consolidation or transfer of the Parent Guarantor's Voting Stock) of all or substantially all of the assets (other than Capital Stock, Debt or other securities of any Unrestricted Subsidiary) of the Parent Guarantor, the Issuer and its Restricted Subsidiaries, on a consolidated basis, (i) if following such sale, transfer, conveyance or other disposition, the transferee entity is not listed on a stock exchange or automated quoting system and any person or group, other than one or more Permitted Holders, is or as a result of such sale, transfer, conveyance or other disposition becomes the beneficial owner, directly or indirectly, of a larger percentage of the total voting power of the Voting Stock of the transferee entity than the Permitted Holders, individually or in the aggregate or (ii) if the transferee entity is and is expected to continue to be listed on a stock exchange or automated quotation system following such sale, transfer, conveyance or other disposition (x) any person or group other than one or more Permitted Holders, is or as a result of such transaction becomes the beneficial owner, directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the transferee entity and (y) the Permitted Holders, individually or in the aggregate, do not beneficially own, directly or indirectly, a larger percentage of the total voting power of such Voting Stock than such other person or groups;

(c) during any consecutive two-year period following the date of the Senior Notes Indenture, individuals who at the beginning of such period constituted the Parent Guarantor's board of directors (together with any new members whose election to such board, or whose nomination for election by the Parent Guarantor's shareholders, was approved by a vote of at least a majority of the members of the Parent Guarantor's board of directors then still in office who were either members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the Parent Guarantor's board of directors then in office;

(d) the Parent Guarantor or the Issuer is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under "—Certain Covenants—Consolidation, Merger and Sale of Assets"; or

(e) the Parent Guarantor or any Surviving Entity ceases to beneficially own, directly or indirectly, 100% of the Voting Stock of the Issuer, other than director's qualifying shares and other shares required to be issued by law.

For the purposes of this definition, (i) "person" and "group" have the meanings they have in Sections 13(d) and 14(d) of the Exchange Act; (ii) "beneficial owner" is used as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time; and (iii) a Person or group will be deemed to beneficially own all Voting Stock of an entity held by a parent entity, if such Person or group is or becomes the beneficial owner, directly or indirectly, of more than 35% of the total voting power of the Voting Stock of such parent entity and the Permitted Holders, individually or in the aggregate, do not beneficially own, directly or indirectly, a larger percentage of the total voting power of such Voting Stock than such Person or group.

Certain Covenants

The Senior Notes Indenture contains, among others, the following covenants.

Limitation on Debt

(1) The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to "incur" or, as appropriate, an "incurrence"), any Debt (including any Acquired Debt); *provided* that the Parent Guarantor, the Issuer and any Restricted Subsidiary will be permitted to incur Debt (including Acquired Debt) if in each case (a) after giving effect to the incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis, no Default or Event of Default would occur or be continuing and (b) at the time of such incurrence and after giving effect to the incurrence of such Debt and the application of the proceeds thereof, on a pro forma basis, the Consolidated Fixed Charge Coverage Ratio for the four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Debt, taken as one period, would be greater than 2.0 to 1.0.

(2) This covenant will not, however, prohibit the following (collectively, "Permitted Debt"):

(a) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Debt under Credit Facilities and the New Secured Notes (including additional New Secured Notes) in an aggregate principal amount at any one time outstanding not to exceed an amount equal to (i) €825,000,000 plus (ii) $350,000,000;

(b) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Debt under Credit Facilities in an aggregate principal amount not to exceed the greater of (i) €350,000,000 and (ii) an amount equal to (I) 85% of Total Receivables *plus* 60% of Total Inventories *less* (II) €250,000,000;

(c) (i) any Debt of the Parent Guarantor or any Restricted Subsidiary (other than Debt described in clauses (a) and (b) of this paragraph) outstanding on the date of the Senior Notes Indenture, (ii) the Existing Ardagh Bonds and (iii) the Notes issued on the Issue Date;

(d) the incurrence by the Parent Guarantor or any Restricted Subsidiary of intercompany Debt between the Parent Guarantor and any Restricted Subsidiary or between or among Restricted Subsidiaries; *provided* that:

(i) if the Issuer or a Guarantor is the obligor on any such Debt, unless required by a Credit Facility, it is unsecured; and

(ii) (x) any disposition, pledge or transfer of any such Debt to a Person (other than a disposition, pledge or transfer to the Parent Guarantor or a Restricted Subsidiary) and (y) any transaction pursuant to which any Restricted Subsidiary that has Debt owing by the Parent Guarantor or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an incurrence of such Debt not permitted by this clause (d);

(e) guarantees of the Parent Guarantor's Debt or Debt of any Restricted Subsidiary by any Restricted Subsidiary that are permitted by and made in accordance with the provisions of the "Limitation on Guarantees of Debt by Restricted Subsidiaries" covenant described below;

(f) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Debt represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Debt incurred or assumed in connection with the acquisition or development of real or personal, movable or immovable, property or assets, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price, lease expense or cost of construction or improvement of property plant or equipment used in the Parent Guarantor's or any Restricted Subsidiary's business (including any reasonable related fees or expenses incurred in connection with such acquisition or development); *provided* that the principal amount of such Debt so incurred when aggregated with other Debt previously incurred in reliance on this clause (f) and still outstanding will not in the aggregate exceed the greater of €100,000,000 and 3.00% of Total Assets, and *provided*, *further*, that the total principal amount of any Debt incurred in connection with an acquisition or development permitted under this clause (f) did not in each case at the time of incurrence exceed (i) the Fair Market Value of the acquired or constructed asset or improvement so financed or (ii) in the case of an uncompleted constructed asset, the amount of the asset to be constructed, as determined on the date the contract for construction of such asset was entered into by the Parent Guarantor or the relevant Restricted Subsidiary (including, in each case, any reasonable related fees and expenses incurred in connection with such acquisition, construction or development);

(g) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Debt arising from agreements providing for guarantees, indemnities or obligations in respect of purchase price adjustments in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock, other than guarantees or similar credit support given by the Parent Guarantor or any Restricted Subsidiary of Debt incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (g) will at no time exceed the net proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received from the sale of such assets;

(h) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Debt under Commodity Hedging Agreements entered into in the ordinary course of business and not for speculative purposes;

(i) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Debt under Currency Agreements entered into in the ordinary course of business and not for speculative purposes;

(j) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Debt under Interest Rate Agreements entered into in the ordinary course of business and not for speculative purposes;

(k) the incurrence of Debt by the Parent Guarantor or any Restricted Subsidiary of Debt in respect of workers' compensation and claims arising under similar legislation, or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;

(l) the incurrence of Debt by the Parent Guarantor or any Restricted Subsidiary arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided* that such Debt is extinguished within 5 business days of incurrence, (ii) bankers' acceptances, performance, surety, judgment, appeal or similar bonds, instruments or obligations, (iii) completion guarantees provided or letters of credit obtained by the Parent Guarantor or any Restricted Subsidiary in the ordinary course of business; and (iv) the financing of insurance premiums in the ordinary course of business;

(m) any Debt of the Parent Guarantor or any Restricted Subsidiary incurred pursuant to the GE Commercial Finance Facility or any other Permitted Receivables Financing in an aggregate principal amount at any one time outstanding not to exceed the maximum principal amount that may be drawn for borrowing under the GE Commercial Finance Facility on the date of the Senior Notes Indenture;

(n) the incurrence by a Person of Permitted Refinancing Debt in exchange for or the net proceeds of which are used to refund, replace or refinance Debt incurred by it pursuant to, or described in, paragraphs (1) and 2(c) of this covenant, as the case may be;

(o) guarantees by the Parent Guarantor or a Restricted Subsidiary of Debt incurred by Permitted Joint Ventures in an aggregate principal amount at any one time outstanding not to exceed an amount equal to €30,000,000;

(p) cash management obligations and Debt in respect of netting services, pooling arrangements or similar arrangements in connection with cash management in the ordinary course of business consistent with past practice; and

(q) the incurrence of Debt by the Parent Guarantor or any Restricted Subsidiary (other than and in addition to Debt permitted under clauses (a) through (p) above) in an aggregate principal amount at any one time outstanding not to exceed €100,000,000.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Debt of the same class will not be deemed to be an incurrence of Debt for purposes of this covenant.

(3) For purposes of determining compliance with any restriction on the incurrence of Debt in euros where Debt is denominated in a different currency, the amount of such Debt will be the Euro Equivalent determined on the date of such determination; *provided* that if any such Debt denominated in a different currency is subject to a Currency Agreement (with respect to euros) covering principal amounts payable on such Debt, the amount of such Debt expressed in euros will be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Debt incurred in the same currency as the Debt being refinanced will be the Euro Equivalent of the Debt refinanced determined on the date such Debt being refinanced was initially incurred. Notwithstanding any other provision of this covenant, for purposes of determining compliance with this "Limitation on Debt" covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that the Parent Guarantor or a Subsidiary Guarantor may incur under this "Limitation on Debt" covenant.

(4) For purposes of determining any particular amount of Debt under this "Limitation on Debt" covenant:

   (a) obligations with respect to letters of credit, guarantees or Liens, in each case supporting Debt otherwise included in the determination of such particular amount will not be included;

   (b) any Liens granted pursuant to the equal and ratable provisions referred to in the "Limitation on Liens" covenant will not be treated as Debt; and

   (c) accrual of interest, accrual of dividends, the accretion of accreted value, the obligation to pay commitment fees and the payment of interest in the form of additional Debt will not be treated as Debt.

(5) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in the "Limitation on Debt" covenant, the Parent Guarantor, in its sole discretion, will classify items of Debt and will only be required to include the amount and type of such Debt in one of such clauses and the Parent Guarantor will be entitled to divide and classify an item of Debt in more than one of the types of Debt described in this "Limitation on Debt" covenant, and may change the classification of an item of Debt (or any portion thereof) to any other type of Debt described in this "Limitation on Debt" covenant at any time.

Notwithstanding the foregoing, Debt under the Revolving Credit Facility outstanding on the Issue Date will be deemed to have been incurred on such date under clause (b) of paragraph (2) of this covenant and the Parent Guarantor shall not be permitted to change the classification of all or any portion of such Debt.

Limitation on Restricted Payments

(1) The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "Restricted Payment" and which are collectively referred to as "Restricted Payments"):

   (a) declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of the Parent Guarantor's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving the Parent Guarantor or any Restricted Subsidiary) (other than (i) to the Parent Guarantor or any Wholly Owned Restricted Subsidiary or (ii) to all holders of Capital Stock of such Restricted Subsidiary on a pro rata basis or on a basis that results in the receipt by the Parent Guarantor or a Restricted Subsidiary of dividends or distributions of greater value than the Parent Guarantor or such Restricted Subsidiary would receive on a pro rata basis; *provided* that any amount so paid or distributed to holders of Capital Stock of a Restricted Subsidiary other than the Parent Guarantor or a Restricted Subsidiary shall be included in the calculation of the aggregate amount of all Restricted Payments declared or made after the date of the Senior Notes Indenture for the purposes of paragraph (2) of this "Limitation on Restricted Payments" covenant) and any payment of cash interest on Deeply Subordinated Funding, except for dividends or distributions payable solely in shares of the Parent Guarantor's Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock;

   (b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any shares of the Parent Guarantor's Capital Stock or any Capital Stock of any Affiliate of the Parent Guarantor held by persons other than the Parent Guarantor or a Restricted Subsidiary (other than Capital Stock of any Restricted Subsidiary or any entity that becomes a Restricted Subsidiary as a result thereof) or any options, warrants or other rights to acquire such shares of Capital Stock;

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, sinking fund payment or maturity, any Subordinated Debt or any Deeply Subordinated Funding; or

(d) make any Investment (other than any Permitted Investment) in any Person.

If any Restricted Payment described above is not made in cash, the amount of the proposed Restricted Payment will be the Fair Market Value of the asset to be transferred as of the date of transfer.

(2) Notwithstanding paragraph (1) above, the Parent Guarantor or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving pro forma effect to such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing;

(b) the Parent Guarantor could incur at least €1.00 of additional Debt (other than Permitted Debt) pursuant to the "Limitation on Debt" covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after the date of the Senior Notes Indenture does not exceed the sum of:

(i) 50% of aggregate Consolidated Adjusted Net Income on a cumulative basis during the period beginning on the first day of the first full fiscal quarter following the closing date of the Acquisition and ending on the last day of the Parent Guarantor's last fiscal quarter ending prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount); plus

(ii) the aggregate Net Cash Proceeds received by the Parent Guarantor after the date of the Senior Notes Indenture as capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of the Parent Guarantor's Qualified Capital Stock or Deeply Subordinated Funding (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase shares of the Parent Guarantor's Qualified Capital Stock or Deeply Subordinated Funding (except, in each case to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Debt or Deeply Subordinated Funding as set forth in clause (b) or (c) of paragraph (3) below) (excluding the Net Cash Proceeds from the issuance of the Parent Guarantor's Qualified Capital Stock or Deeply Subordinated Funding financed, directly or indirectly, using funds borrowed from the Parent Guarantor or any Subsidiary until and to the extent such borrowing is repaid); plus

(iii) (x) the amount by which the Parent Guarantor's Debt or Debt of any Restricted Subsidiary is reduced on the Parent Guarantor's consolidated balance sheet after the date of the Senior Notes Indenture upon the conversion or exchange (other than by the Parent Guarantor or its Subsidiary) of such Debt into the Parent Guarantor's Qualified Capital Stock or Deeply Subordinated Funding, and (y) the aggregate Net Cash Proceeds received after the date of the Senior Notes Indenture by the Parent Guarantor from the issuance or sale (other than to any Subsidiary) of Redeemable Capital Stock that has been converted into or exchanged for the Parent Guarantor's Qualified Capital Stock or Deeply Subordinated Funding, to the extent such

Redeemable Capital Stock was originally sold for cash or Cash Equivalents, together with, in the case of both clauses (x) and (y), the aggregate Net Cash Proceeds received by the Parent Guarantor at the time of such conversion or exchange (excluding the Net Cash Proceeds from the issuance of the Parent Guarantor's Qualified Capital Stock or Deeply Subordinated Funding financed, directly or indirectly, using funds borrowed from the Parent Guarantor or any Subsidiary until and to the extent such borrowing is repaid); plus

(iv) (x) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after the date of the Senior Notes Indenture, an amount (to the extent not included in Consolidated Adjusted Net Income) equal to the lesser of the return of capital with respect to such Investment and the initial amount of such Investment, in either case, less the cost of the disposition of such Investment and net of taxes, and (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Parent Guarantor's interest in such Subsidiary; *provided* that such amount will not in any case exceed the amount of the Restricted Payment deemed made at the time that the Subsidiary was designated as an Unrestricted Subsidiary.

(3) Notwithstanding paragraphs (1) and (2) above, the Parent Guarantor and any Restricted Subsidiary may take the following actions so long as (with respect to clauses (b) through (f) and clauses (h) through (i) below) no Default or Event of Default has occurred and is continuing:

(a) the payment of any dividend within 60 days after the date of its declaration if at such date of its declaration such payment would have been permitted by the provisions of this covenant;

(b) the repurchase, redemption or other acquisition or retirement for value of any shares of the Parent Guarantor's Capital Stock or options, warrants or other rights to acquire such Capital Stock in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of the Parent Guarantor's Qualified Capital Stock or options, warrants or other rights to acquire such Capital Stock or Deeply Subordinated Funding;

(c) the repurchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Debt or Deeply Subordinated Funding in exchange for, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of the Parent Guarantor's Qualified Capital Stock or Deeply Subordinated Funding;

(d) the purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (other than Redeemable Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(e) the repurchase of Capital Stock deemed to occur upon the exercise of stock options with respect to which payment of the cash exercise price has been forgiven if the cumulative aggregate value of such deemed repurchases does not exceed the cumulative aggregate amount of the exercise price of such options received;

(f) payments or distributions to dissenting shareholders pursuant to applicable law in connection with or in contemplation of a merger, consolidation or transfer of assets that complies with the provisions of the Senior Notes Indenture relating to mergers, consolidations or transfers of substantially all of the Parent Guarantor's assets;

(g) cash payments in lieu of issuing fractional shares pursuant to the exchange or conversion of any exchangeable or convertible securities;

(h) cash payments, advances, loans or expense reimbursements made to any parent company of the Parent Guarantor to permit any such company to pay (i) general operating expenses, customary directors' fees, accounting, legal, corporate reporting and administrative expenses incurred in the ordinary course of business in an amount not to exceed €10,000,000 in the aggregate in any fiscal year, and (ii) any taxes, duties or similar governmental fees of any such parent company to the extent such tax obligations are directly attributable to its ownership of the Parent Guarantor and its Restricted Subsidiaries; and

(i) any other Restricted Payment; *provided* that the total aggregate amount of Restricted Payments made under this clause (i) does not exceed €50,000,000.

The actions described in clauses (a), (f) and (i) of this paragraph (3) are Restricted Payments that will be permitted to be made in accordance with this paragraph (3) but that reduce the amount that would otherwise be available for Restricted Payments under clause (c) of paragraph (2) above.

Limitation on Transactions with Affiliates

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service), with, or for the benefit of, any Affiliate of the Parent Guarantor or any Restricted Subsidiary's Affiliate unless such transaction or series of transactions is entered into in good faith (and, in the case of such a transaction or series of transactions having a value greater than €20,000,000, in writing) and:

(a) such transaction or series of transactions is on terms that, taken as a whole, are not materially less favorable to the Parent Guarantor or such Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's length transaction with third parties that are not Affiliates;

(b) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case having a value greater than €20,000,000, the Parent Guarantor will deliver a resolution of its board of directors (set out in an Officer's Certificate to the Trustee) resolving that such transaction complies with clause (a) above and that the fairness of such transaction has been approved by a majority of the Disinterested Directors (or in the event there is only one Disinterested Director, by such Disinterested Director) of the Parent Guarantor's board of directors; and

(c) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case having a value greater than €40,000,000, the Parent Guarantor will deliver to the Trustee a written opinion of an accounting, appraisal, investment banking or advisory firm of international standing stating that the transaction or series of transactions is on terms not less favorable to the Parent Guarantor or such Restricted Subsidiary than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

(i) customary directors' fees, indemnification and similar arrangements (including the payment of directors' and officers' insurance premiums), consulting fees, employee salaries, bonuses, employment agreements and arrangements, compensation or employee benefit arrangements, including stock options or legal fees, so long as the Parent Guarantor's board of directors has approved the terms thereof and deemed the services theretofore or thereafter to be performed for such compensation or payments to be fair consideration therefore; *provided* that the restrictions set forth in this description will apply to any fees paid in respect of engineering or other similar services to any Unrestricted Subsidiary or any employee thereof;

(ii) any Restricted Payments not prohibited by the "Limitation on Restricted Payments" covenant or the making of an Investment that is a Permitted Investment;

(iii) agreements and arrangements existing on the date of the Senior Notes Indenture and any amendment, modification or supplement thereto; *provided* that any such amendment, modification or supplement to the terms thereof is not more disadvantageous to the holders of the Notes and to the Parent Guarantor and the Restricted Subsidiaries, as applicable, in any material respect than the original agreement or arrangement as in effect on the date of the Senior Notes Indenture and *provided*, *further*, that such amendment or modification is (x) on a basis substantially similar to that which would be conducted in an arm's length transaction with third parties who are not Affiliates and (y) in the case of any transaction having a Fair Market Value of greater than €20,000,000, approved by the Parent Guarantor's board of directors (including a majority of the Disinterested Directors);

(iv) any payments or other transactions pursuant to a tax sharing agreement between the Parent Guarantor and any other Person with which the Parent Guarantor files a consolidated tax return or with which the Parent Guarantor is part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;

(v) the issuance of securities pursuant to, or for the purpose of the funding of, employment arrangements, stock options, and stock ownership plans, as long as the terms thereof are or have been previously approved by the Parent Guarantor's board of directors;

(vi) the granting and performance of registration rights for the Parent Guarantor's securities;

(vii) (A) issuances or sales of Qualified Capital Stock of the Parent Guarantor or Deeply Subordinated Funding and (B) any amendment, waiver or other transaction with respect to any Deeply Subordinated Funding in compliance with the other provisions of the Senior Notes Indenture;

(viii) pledges by the Parent Guarantor or any Restricted Subsidiary of the Capital Stock of an Unrestricted Subsidiary or Permitted Joint Venture securing debt owing by such Unrestricted Subsidiary or Permitted Joint Venture;

(ix) transactions between any joint venture and a Restricted Subsidiary made in the ordinary course of business and consistent with the Restricted Subsidiary's past practices; *provided* that the partner in such joint venture is not an Affiliate of the Parent Guarantor or the applicable Restricted Subsidiary;

(x) transactions between or among the Parent Guarantor and the Restricted Subsidiaries or between or among Restricted Subsidiaries; and

(xi) any employment agreement, consultancy agreement or employee benefit arrangement with any employee, consultant, officer or director of the Parent Guarantor or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business.

Limitation on Liens

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind (except for Permitted Liens) or assign or otherwise convey any right to receive any income, profits or proceeds on or with respect to any of the Parent Guarantor's or any Restricted Subsidiary's property or assets, including any shares of stock or any Debt of any Restricted Subsidiary but excluding any Capital Stock, Debt or other securities of any Unrestricted Subsidiary, whether owned at or acquired after the date of the Senior Notes Indenture, or any income, profits or proceeds therefrom unless:

(a) in the case of any Lien securing Subordinated Debt, the Issuer's obligations in respect of the Notes (or a Guarantee in the case of Liens securing Subordinated Debt of a Guarantor) are directly secured by a Lien on such property, assets or proceeds that is senior in priority to the Lien securing the Subordinated Debt until such time as the Subordinated Debt is no longer secured by a Lien; and

(b) in the case of any other Lien, the Issuer's obligations in respect of the Notes (or a Guarantee in the case of Liens securing Indebtedness of a Guarantor), and all other amounts due under the Senior Notes Indenture are equally and ratably secured with the obligation or liability secured by such Lien.

Limitation on Sale of Certain Assets

(1) The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

  (a) the consideration the Parent Guarantor or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold (as determined in good faith by the Parent Guarantor's board of directors);

  (b) at least 75% of the consideration the Parent Guarantor or such Restricted Subsidiary receives in respect of such Asset Sale consists of (i) cash (including any Net Cash Proceeds received from the conversion within 90 days of such Asset Sale of securities, notes or other obligations received in consideration of such Asset Sale); (ii) Cash Equivalents; (iii) the assumption by the purchaser of (x) the Parent Guarantor's Debt or Debt of any Restricted Subsidiary (other than Subordinated Debt) as a result of which neither the Parent Guarantor nor any of the Restricted Subsidiaries remains obligated in respect of such Debt or (y) Debt of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if the Parent Guarantor and each other Restricted Subsidiary is released from any guarantee of such Debt as a result of such Asset Sale; (iv) Replacement Assets; (v) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (b), not to exceed €30,000,000 at the time of the receipt of such Designated Non-cash Consideration, with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value or (vi) a combination of the consideration specified in clauses (i) to (v); and

  (c) the Parent Guarantor delivers an Officer's Certificate to the Trustee certifying that such Asset Sale complies with the provisions described in the foregoing clauses (a) and (b).

(2) If the Parent Guarantor or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds from such Asset Sale, within 360 days after the consummation of such Asset Sale, may be used by the Parent Guarantor or such Restricted Subsidiary to (i) permanently

repay or prepay any then outstanding Senior Debt of the Parent Guarantor or any Restricted Subsidiary (and to effect a corresponding commitment reduction if such Senior Debt is revolving credit borrowings) owing to a Person other than the Parent Guarantor or a Restricted Subsidiary, or (ii) invest in any Replacement Assets, or (iii) any combination of the foregoing; *provided* that in the case of clause (ii), following the date on which none of the Existing Ardagh Bonds remain outstanding if the Issuer or such Restricted Subsidiary, as the case may be, has entered into a binding commitment in definitive form within such 360-day period to so apply such Net Cash Proceeds with the good faith expectation that such Net Cash Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an "Acceptable Commitment"), such binding commitment shall be treated as a permitted application of such Net Cash Proceeds; *provided further* that if any Acceptable Commitment is later cancelled or terminated for any reason before such Net Cash Proceeds are applied and after such initial 360-day period, then such Net Cash Proceeds shall constitute Excess Proceeds (as defined below). The amount of such Net Cash Proceeds not so used as set forth in this paragraph (2) constitutes "Excess Proceeds." The Parent Guarantor may reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the terms of the Senior Notes Indenture.

(3) The Parent Guarantor or the Issuer may also at any time, and the Parent Guarantor or the Issuer will within 20 Business Days after the aggregate amount of Excess Proceeds exceeds (i) for so long as any of the Existing Ardagh Bonds remain outstanding €25 million and (ii) thereafter €30 million, make an offer to purchase (an "Excess Proceeds Offer") from all holders of Notes and from the holders of any Pari passu Debt, to the extent required by the terms thereof, on a pro rata basis, in accordance with the procedures set forth in the Senior Notes Indenture or the agreements governing any such Pari passu Debt, the maximum principal amount (expressed as an integral multiple of €1,000 with respect to the Euro Notes of the Notes and any such Pari passu Debt that may be purchased with the amount of the Excess Proceeds. The offer price as to each Note and any such Pari passu Debt will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note and (solely in the case of Pari passu Debt) no greater than 100% of the principal amount (or accreted value, as applicable) of such Pari passu Debt, plus in each case accrued and unpaid interest, if any, to the date of purchase.

To the extent that the aggregate principal amount of Notes and any such Pari passu Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Parent Guarantor may use the amount of such Excess Proceeds not used to purchase Notes and Pari passu Debt for general corporate purposes that are not otherwise prohibited by the Senior Notes Indenture. If the aggregate principal amount of Notes and any such Pari passu Debt validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Notes and any such Pari passu Debt to be purchased will be selected by the Trustee on a pro rata basis (based upon the principal amount of Notes and the principal amount or accreted value of such Pari passu Debt tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

(4) If the Parent Guarantor or the Issuer is obligated to make an Excess Proceeds Offer, the Parent Guarantor or the Issuer will purchase the Notes and Pari passu Debt, at the option of the holders thereof, in whole or in part (in an integral multiple of €1,000 with respect to the Euro Notes), on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act; *provided* that Euro Notes of €100,000 will be purchased in full. If the Parent Guarantor or the Issuer is required to make an Excess

Proceeds Offer, the Parent Guarantor and the Issuer will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations, including any securities laws of Ireland and the requirements of any applicable securities exchange on which Notes or the Existing Ardagh Bonds are then listed. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, we will comply with such securities laws and regulations and will not be deemed to have breached our obligations described in this covenant by virtue thereof.

Additional Subsidiary Guarantees

On or prior to the fifth Business Day following the completion of the Acquisition and subject to the Agreed Security Principles, the Parent Guarantor shall ensure that each of the Subsidiaries of the Parent Guarantor who is a guarantor of the Existing Ardagh Bonds shall become a Guarantor and, in connection therewith, cause such Subsidiary to deliver such agreements, instruments, certificates and opinions of counsel that may be required by the Senior Notes Indenture or as reasonably requested by the Trustee.

Subject to the Agreed Security Principles, on or prior to the 60^{th} day following the completion of the Acquisition, the Parent Guarantor shall ensure that each of the Subsidiaries of Impress Coöperatieve U.A. in those jurisdictions specified under the Agreed Security Principles shall become a Guarantor and, in connection therewith, cause such Subsidiary to deliver such agreements, instruments, certificates and opinions of counsel that may be required by the Senior Notes Indenture or as reasonably requested by the Trustee.

Notwithstanding the foregoing, the Parent Guarantor shall not be obligated to cause any such Restricted Subsidiary to guarantee the Notes to the extent that such Guarantee would reasonably be expected to give rise to or result in any violation of applicable law, rule, regulation or order that cannot be avoided or otherwise prevented through measures reasonably available to the Parent Guarantor or such Restricted Subsidiary.

Limitation on Guarantees of Debt by Restricted Subsidiaries

(1) The Parent Guarantor will not permit any Restricted Subsidiary that is not the Issuer or a Guarantor, directly or indirectly, to guarantee, assume or in any other manner become liable for the payment of any Pari passu Debt or Subordinated Debt of the Issuer (other than the Notes), the Parent Guarantor or any Subsidiary Guarantor, unless:

(a)

(i) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Senior Notes Indenture providing for a Guarantee of payment of the Notes by such Restricted Subsidiary on the same terms as the guarantee of such Debt; and

(ii) with respect to any guarantee of Subordinated Debt by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's Guarantee with respect to the Notes at least to the same extent as such Subordinated Debt is subordinated to the Notes; and

(b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Parent Guarantor or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee.

This paragraph (1) will not be applicable to any guarantees of any Restricted Subsidiary:

(i) guaranteeing Debt under Credit Facilities permitted to be incurred pursuant to paragraph (2)(b) of "—Certain Covenants—Limitation on Debt" or existing on the date of the Senior Notes Indenture;

(ii) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; or

(iii) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €500 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the Parent Guarantor's benefit or that of any Restricted Subsidiary.

(2) Notwithstanding the foregoing, any Guarantee of the Notes created pursuant to the provisions described in paragraph (1) above may provide by its terms that it will be automatically and unconditionally released and discharged upon:

(a) any sale, exchange or transfer, to any Person who is not the Parent Guarantor's Affiliate, of all of the Capital Stock owned by the Parent Guarantor and its other Restricted Subsidiaries in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the Senior Notes Indenture); or

(b) (with respect to any Guarantee created after the date of the Senior Notes Indenture) the release by the holders of the Issuer's, the Parent Guarantor's or the Subsidiary Guarantor's Debt described in paragraph (1) above, of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee), at a time when:

(i) no other Debt of the Issuer, the Parent Guarantor or any Subsidiary Guarantor has been guaranteed by such Restricted Subsidiary; or

(ii) the holders of all such other Debt that is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee); or

(c) the release of the Guarantees on the terms and conditions and in the circumstances described in "—Ranking of the Notes and the Guarantees; Subordination" and in "—The Guarantees."

Notwithstanding the foregoing, the Parent Guarantor shall not be obligated to cause any such Restricted Subsidiary to guarantee the Notes to the extent that such Guarantee would reasonably be expected to give rise to or result in any violation of applicable law, rule, regulation or order that cannot be avoided or otherwise prevented through measures reasonably available to the Parent Guarantor or such Restricted Subsidiary.

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to the Parent Guarantor or any other Restricted Subsidiary;

(c) make loans or advances to the Parent Guarantor or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to the Parent Guarantor or any other Restricted Subsidiary.

(2) The provisions of the covenant described in paragraph (1) above will not apply to:

(a) encumbrances and restrictions imposed by the Notes, the New Secured Notes, the Existing Ardagh Bonds, the Senior Notes Indenture, the New Secured Notes Indenture, the 2007 Indenture, the 2009 Indenture, the 2010 Indenture, the Senior Credit Facilities, the Intercreditor Agreement, the Senior PIK Notes and the security documents related thereto or by other indentures or agreements governing other Debt we incur ranking equally with the Notes; *provided* that the encumbrances or restrictions imposed by such other indentures or agreements are not materially more restrictive, taken as a whole, than the encumbrances or restrictions imposed by the Senior Notes Indenture;

(b) any customary encumbrances or restrictions created under any agreements with respect to Debt of the Parent Guarantor or any Restricted Subsidiary permitted to be incurred subsequent to the date of the Senior Notes Indenture pursuant to the provisions of "—Limitation on Debt," including encumbrances or restrictions imposed by Debt permitted to be incurred under Credit Facilities or any guarantees thereof in accordance with such covenant; *provided* that such agreements do not prohibit the payment of interest with respect to the Notes or the Guarantees absent a default or event of default under such agreement;

(c) encumbrances or restrictions contained in any agreement in effect on the date of the Senior Notes Indenture (other than an agreement described in another clause of this paragraph (2));

(d) with respect to restrictions or encumbrances referred to in clause (1)(d) above, encumbrances and restrictions that restrict in a customary manner the subletting, assignment or transfer of any properties or assets that are subject to a lease, license, conveyance or other similar agreement to which the Parent Guarantor or any Restricted Subsidiary is a party;

(e) encumbrances or restrictions contained in any agreement or other instrument of a Person (including its Subsidiaries), acquired by the Parent Guarantor or any Restricted Subsidiary in effect at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (including its Subsidiaries);

(f) encumbrances or restrictions contained in contracts for sales of Capital Stock or assets permitted by the "Limitation on Sale of Certain Assets" covenant with respect to the assets or Capital Stock to be sold pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Capital Stock or assets or any of the Parent Guarantor's Subsidiaries by another Person;

(g) with respect to restrictions or encumbrances referred to in clause (1)(d) above, any customary encumbrances or restrictions pertaining to any asset or property subject to a Lien to the extent set forth in the security document or any related document governing such Lien;

(h) encumbrances or restrictions imposed by applicable law or regulation or by governmental licenses, concessions, franchises or permits;

(i) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts entered into the ordinary course of business;

(j) customary limitations on the distribution or disposition of assets or property in joint venture agreements entered into the ordinary course of business and in good faith by any Restricted Subsidiary; *provided* that such encumbrance or restriction is applicable only to such Restricted Subsidiary and its Subsidiaries and *provided* that:

   (i) the encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable agreements (as determined by the Parent Guarantor); and

   (ii) the Parent Guarantor determines that any such encumbrance or restriction will not materially affect the ability of the Issuer or any Guarantor to make any anticipated principal or interest payments on the Notes;

(k) in the case of clause 1(d) above, customary encumbrances or restrictions in connection with purchase money obligations, mortgage financings and Capitalized Lease Obligations for property acquired in the ordinary course of business;

(l) any encumbrance or restriction arising by reason of customary non-assignment provisions in agreements;

(m) encumbrances or restrictions with respect to any Permitted Receivables Financing; *provided* that such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Financing in similar types of documents relating to the purchase of similar receivables in connection with the financing thereof;

(n) encumbrances or restrictions with respect to a Restricted Subsidiary imposed pursuant to a Permitted Joint Venture; or

(o) encumbrances or restrictions incurred in accordance with the covenant described under "—Limitation on Liens"; or

(p) any encumbrances or restrictions existing under any agreement that extends, renews, amends, modifies, restates, supplements, refunds, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(a) through (o); *provided* that the terms and conditions of any such encumbrances or restrictions are not materially less favorable, taken as a whole, to the holders of the Notes than those under or pursuant to the agreement so extended, renewed, amended, modified, restated, supplemented, refunded, refinanced or replaced.

Limitation on Layered Debt

The Subsidiary Guarantors will not incur, create, issue, assume, guarantee or otherwise become liable for any Debt that is subordinate or junior in right of payment to any Senior Debt of the Subsidiary Guarantors and senior in any respect in right of payment to the Guarantees or any other Pari passu Debt of the Subsidiary Guarantors; *provided* that the foregoing limitation will not apply to distinctions between categories of Senior Debt that exist by reason of any Liens or guarantees arising or created in respect of some but not all of such Senior Debt or pursuant to the Intercreditor Agreement.

Designation of Unrestricted and Restricted Subsidiaries

The Parent Guarantor's board of directors may designate any Subsidiary (including newly acquired or newly established Subsidiaries) to be an "Unrestricted Subsidiary" only if:

(a) no Default has occurred and is continuing at the time of or after giving effect to such designation;

(b) the Parent Guarantor would be permitted to make an Investment (including a Permitted Investment described in clause (n) of the definition of Permitted Investment but excluding any other Permitted Investment) at the time of designation (assuming the effectiveness of such designation) pursuant to the "Limitation on Restricted Payments" covenant in an amount equal to the greater of (i) the net book value of the Parent Guarantor's interest in such Subsidiary calculated in accordance with GAAP or (ii) the Fair Market Value of the Parent Guarantor's interest in such Subsidiary;

(c) neither the Parent Guarantor nor any Restricted Subsidiary has a contract, agreement, arrangement, understanding or obligation of any kind, whether written or oral, with such Subsidiary unless (i) the terms of such contract, arrangement, understanding or obligation are no less favorable to the Parent Guarantor or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Parent Guarantor or of any Restricted Subsidiary or (ii) such contract, arrangement, understanding or obligation is permitted pursuant to the covenant described under "—Limitation on Transactions with Affiliates";

(d) such Subsidiary does not own any Capital Stock, Redeemable Capital Stock or Debt of, or own or hold any Lien on any property or assets of, or have any Investment in, the Parent Guarantor or any other Restricted Subsidiary;

(e) such Subsidiary is not liable, directly or indirectly, with respect to any Debt, Lien or other obligation that, if in default, would result (with the passage of time or notice or otherwise) in a default on any of the Parent Guarantor's Debt or Debt of any Restricted Subsidiary; *provided* that an Unrestricted Subsidiary may provide a Guarantee for the Notes and (if providing a Guarantee of the Notes) the Existing Ardagh Bonds and the Debt outstanding under the Senior Credit Facilities;

(f) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of the Parent Guarantor and its Subsidiaries; and

(g) such Subsidiary is a Person with respect to which neither the Parent Guarantor nor any of the Restricted Subsidiaries has any direct or indirect obligation to:

  (i) subscribe for additional Capital Stock of such Person; or

(ii) maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results.

In the event of any such designation, the Parent Guarantor will be deemed to have made an Investment constituting a Restricted Payment pursuant to the "Limitation on Restricted Payments" covenant for all purposes of the Senior Notes Indenture in an amount equal to the greater of (i) the net book value of the Parent Guarantor's interest in such Subsidiary calculated in accordance with GAAP or (ii) the Fair Market Value of the Parent Guarantor's interest in such Subsidiary.

The Senior Notes Indenture will further provide that neither the Parent Guarantor nor any Restricted Subsidiary will at any time:

(a) provide a guarantee of, or similar credit support to, any Debt of any Unrestricted Subsidiary (including of any undertaking, agreement or instrument evidencing such Debt); *provided* that the Parent Guarantor or any Restricted Subsidiary may pledge Capital Stock or Debt of any Unrestricted Subsidiary on a nonrecourse basis as long as the pledgee has no claim whatsoever against the Parent Guarantor or any Restricted Subsidiary other than to obtain such pledged property, except to the extent permitted under the "Limitation on Restricted Payments" and "Limitation on Transactions with Affiliates" covenants;

(b) be directly or indirectly liable for any Debt of any Unrestricted Subsidiary, except to the extent permitted under the "Limitation on Restricted Payments" and "Limitation on Transactions with Affiliates" covenants; or

(c) be directly or indirectly liable for any other Debt that provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon (or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity) upon the occurrence of a default with respect to any other Debt that is Debt of an Unrestricted Subsidiary (including any corresponding right to take enforcement action against such Unrestricted Subsidiary).

The Parent Guarantor's board of directors may designate any Unrestricted Subsidiary as a Restricted Subsidiary if:

(a) no Default or Event of Default has occurred and is continuing at the time of or will occur and be continuing after giving effect to such designation; and

(b) unless such redesignated Subsidiary shall not have any Debt outstanding (other than Debt that would be Permitted Debt), immediately before and after giving effect to such proposed designation, and after giving pro forma effect to the incurrence of any such Debt of such redesignated Subsidiary as if such Debt was incurred on the date of the redesignation, the Parent Guarantor could incur €1.00 of additional Debt (other than Permitted Debt) pursuant to the "Limitation on Debt" covenant.

Any such designation as an Unrestricted Subsidiary or Restricted Subsidiary by the Parent Guarantor's board of directors will be evidenced to the Trustee by filing a resolution of the Parent Guarantor's board of directors with the Trustee giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions, and giving the effective date of such designation. Any such filing with the Trustee must occur within 45 days after the end of the Parent Guarantor's fiscal quarter in which such designation is made (or, in the case of a designation made during the last fiscal quarter of the Parent Guarantor's fiscal year, within 90 days after the end of such fiscal year).

Reports to Holders

So long as any Notes are outstanding, the Issuer or the Parent Guarantor will furnish to the Trustee (who, at the Issuer's or the Parent Guarantor's expense, will furnish by mail to holders of the Notes):

(a) within 120 days following the end of each of the Parent Guarantor's fiscal years, an annual report containing substantially the same information as would be required to be contained in an annual report filed with the Commission on Form 20-F (as in effect on the date of the Senior Notes Indenture) other than (i) the information required: under Item 3.A of Form 20-F entitled "Selected Financial Data"; Item 8 of Form 20-F entitled "Financial Information"; Item 9.A.4 of Form 20-F entitled "Offer and Listing Details" regarding the price history of the Parent Guarantor's securities; Item 10 of Form 20-F entitled "Additional Information" regarding the Parent Guarantor's share capital, constitutional documents and any material contracts to which the Parent Guarantor or the Restricted Subsidiaries are party other than contracts entered into in ordinary course of business; Item 15 of Form 20-F entitled "Controls and Procedures" regarding internal disclosure controls and procedures; and Items 17 and 18 entitled "Financial Statements"; but including (ii) annual audited balance sheets, statements of income, statements of shareholders equity, and statements of cash flows (with notes thereto) for (x) the Parent Guarantor and its Subsidiaries on a consolidated basis and (y) the Parent Guarantor and the Restricted Subsidiaries on a consolidated basis, in each case for the year then ended and the prior fiscal year and prepared in accordance with GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the Commission;

(b) within 60 days following the end of the first three fiscal quarters in each of the Parent Guarantor's fiscal years, quarterly reports containing unaudited balance sheets, statements of income, statements of shareholders equity and statements of cash flows for (i) the Parent Guarantor and its Subsidiaries on a consolidated basis and (ii) the Parent Guarantor and the Restricted Subsidiaries on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year and prepared in accordance with GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the Commission, together with an operating and financial review for such quarterly period and condensed footnote disclosure; and

(c) promptly from time to time after the occurrence of an event required to be reported therein, such other reports containing substantially the same information required to be contained in Form 6-K (or any successor form) of the Commission.

In addition, the Issuer or the Parent Guarantor shall furnish to the holders of the Notes and to prospective investors, upon the requests of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Exchange Act by Persons who are not "affiliates" under the Securities Act.

The Issuer or the Parent Guarantor will also make available copies of all reports furnished to the Trustee (a) on the Parent Guarantor's website; and (b) through the newswire service of Bloomberg, or, if Bloomberg does not then operate, any similar agency.

Consolidation, Merger and Sale of Assets

The Parent Guarantor will not, in a single transaction or through a series of transactions, consolidate or merge with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of, or take any action pursuant to any resolution passed by the Parent Guarantor's board of directors or shareholders with respect to a demerger or division pursuant to which the Parent

Guarantor would dispose of, all or substantially all of the Parent Guarantor's properties and assets (other than Capital Stock, Debt or other securities of any Unrestricted Subsidiary) to any other Person or Persons and the Parent Guarantor will not permit any Restricted Subsidiary to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets (other than Capital Stock, Debt or other securities of any Unrestricted Subsidiary) of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis to any other Person or Persons. The previous sentence will not apply if:

(a) at the time of, and immediately after giving effect to, any such transaction or series of transactions, either (i) the Parent Guarantor will be the continuing corporation or (ii) the Person (if other than the Parent Guarantor) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or disposition of all or substantially all the properties and assets of the Parent Guarantor and the Restricted Subsidiaries on a consolidated basis has been made (the "Surviving Entity"):

  (x) will be a corporation duly incorporated and validly existing under the laws of any member state of the European Union or the European Economic Area, the United States of America, any state thereof, the District of Columbia, Canada, Switzerland, Australia or Bermuda; and

  (y) will expressly assume, by a supplemental indenture in form satisfactory to the Trustee, the Parent Guarantor's obligations under the Notes and the Senior Notes Indenture and the Notes and the Senior Notes Indenture will remain in full force and effect as so supplemented;

(b) immediately after giving effect to such transaction or series of transactions on a pro forma basis (and treating any obligation of the Parent Guarantor or any Restricted Subsidiary incurred in connection with or as a result of such transaction or series of transactions as having been incurred by the Parent Guarantor or such Restricted Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(c) immediately before and immediately after giving effect to such transaction or series of transactions on a pro forma basis (on the assumption that the transaction or series of transactions occurred on the first day of the four-quarter fiscal period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such pro forma calculation), the Parent Guarantor (or the Surviving Entity if the Parent Guarantor is not the continuing obligor under the Senior Notes Indenture) could incur at least €1.00 of additional Debt under the provisions of the "Limitation on Debt" covenant;

(d) any Subsidiary Guarantor, unless it is the other party to the transactions described above, will have by supplemental indenture confirmed that its Guarantee will apply to such Person's obligations under the Senior Notes Indenture and the Notes;

(e) any of the Parent Guarantor's or any Restricted Subsidiary's property or assets would thereupon become subject to any Lien, the provisions of the "Limitation on Liens" covenant are complied with; and

(f) the Parent Guarantor or the Surviving Entity will have delivered to the Trustee, in form and substance satisfactory to the Trustee, an Officers' Certificate (attaching the computations to demonstrate compliance with clause (c) above) and an opinion of independent counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Senior Notes Indenture and that all conditions precedent in the Senior Notes Indenture relating to such transaction have been satisfied and that the Senior Notes Indenture and the Notes constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms.

The Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, the Parent Guarantor under the Senior Notes Indenture, but, in the case of a lease of all or substantially all of the Parent Guarantor's assets, the Parent Guarantor will not be released from the obligation to pay the principal of, premium, if any, and interest, on the Notes.

Nothing in the Senior Notes Indenture prevents (i) any Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to the Parent Guarantor or any other Restricted Subsidiary or (ii) any Subsidiary Guarantor from consolidating with, merging into or transferring all or substantially all of its properties and assets to the Parent Guarantor, the Issuer or another Subsidiary Guarantor (and upon any such transfer, the Guarantee of the transferring Subsidiary Guarantor shall automatically be released).

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The Parent Guarantor will publish a notice of any consolidation, merger or sale of assets described above in accordance with the provisions of the Senior Notes Indenture described under "—Notices" and, so long as the rules of the Irish Stock Exchange so require, notify such exchange of any such consolidation, merger or sale.

Events of Default

(1) Each of the following is an "Event of Default" under the Senior Notes Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note (whether or not prohibited by the subordination provisions of the Senior Notes Indenture or the Intercreditor Agreement);

(b) default in the payment of the principal of or premium, if any, on any Note at its Maturity (upon acceleration, optional or mandatory redemption, if any, required repurchase or otherwise) whether or not prohibited by the subordination provisions of the Senior Notes Indenture or the Intercreditor Agreement;

(c) failure to comply with the provisions of "—Certain Covenants—Consolidation, Merger and Sale of Assets";

(d) failure to make or consummate an Excess Proceeds Offer in accordance with the provisions of "—Certain Covenants—Limitation on Sale of Certain Assets";

(e) failure to make or consummate a Change of Control Offer in accordance with the provisions of "—Purchase of Notes upon a Change of Control";

(f) failure to comply with any covenant or agreement of the Parent Guarantor or of any Restricted Subsidiary that is contained in the Senior Notes Indenture or any Guarantees (other than specified in clause (a), (b), (c), (d) or (e) above) and such failure continues for a period of 30 days or more after the written notice specified in clause (2) below;

(g) default under the terms of any instrument evidencing or securing the Debt of the Parent Guarantor or any Restricted Subsidiary having an outstanding principal amount in excess of (i) for so long as any of the Existing Ardagh Bonds are outstanding, €20,000,000 or (ii) thereafter €40,000,000, in each case, individually or in the aggregate, if that default: (x) results in the acceleration of the payment of such Debt or (y) is caused by the failure to pay such Debt at final maturity thereof after giving effect to the expiration of any applicable grace periods and other than by regularly scheduled required prepayment, and such failure to make any payment has not been waived or the maturity of such Debt has not been extended, and in either case the total amount of such Debt unpaid or accelerated exceeds (i) for so long as any of the Existing Ardagh Bonds are outstanding, €20,000,000 or its equivalent at the time or (ii) thereafter €40,000,000 or its equivalent at the time;

(h) any Guarantee ceases to be, or shall be asserted in writing by any Guarantor, or any Person acting on behalf of any Guarantor, not to be in full force and effect or enforceable in accordance with its terms (other than as provided for in the Senior Notes Indenture, any Guarantee or the Intercreditor Agreement);

(i) one or more final judgments, orders or decrees (not subject to appeal and not covered by insurance) shall be rendered against the Parent Guarantor or any Material Subsidiary, either individually or in an aggregate amount, in excess of (i) for so long as any of the Existing Ardagh Bonds are outstanding, €20,000,000 or (ii) thereafter €40,000,000, and either a creditor shall have commenced an enforcement proceeding upon such judgment, order or decree or there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree was not (by reason of pending appeal or otherwise) in effect; and

(j) the occurrence of certain events of bankruptcy, insolvency, receivership or reorganization with respect to the Parent Guarantor or any Material Subsidiary.

(2) If an Event of Default (other than as specified in clause (1)(j) above) occurs and is continuing, the Trustee or the holders of not less than 25% in aggregate principal amount of the Notes then outstanding by written notice to the Issuer and the Parent Guarantor (and to the Trustee if such notice is given by the holders) may, and the Trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued interest on all of the outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(j) above occurs and is continuing, then the principal of, premium, if any, and Additional Amounts and accrued and unpaid interest on all of the outstanding Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.

(4) At any time after a declaration of acceleration under the Senior Notes Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Issuer, the Parent Guarantor and the Trustee, may rescind such declaration and its consequences if:

(a) the Parent Guarantor or the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(i) all overdue interest and Additional Amounts on all Notes then outstanding;

(ii) all unpaid principal of and premium, if any, on any outstanding Notes that has become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes;

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes; and

(iv) all sums paid or advanced by the Trustee under the Senior Notes Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and any Additional Amounts and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(5) The holders of not less than a majority in aggregate principal amount of the outstanding Notes may, on behalf of the holders of all the Notes, waive any past defaults under the Senior Notes Indenture, except a default:

(a) in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note; or

(b) in respect of a covenant or provision which under the Senior Notes Indenture cannot be modified or amended without the consent of the holders of 90% of the outstanding Notes.

(6) No holder of any of the Notes has any right to institute any proceedings with respect to the Senior Notes Indenture or any remedy thereunder, unless the holders of at least 25% in aggregate principal amount of the outstanding Notes have made a written request to, and offered indemnity or security satisfactory to, the Trustee to institute such proceeding as trustee under the Notes and the Senior Notes Indenture, the Trustee has failed to institute such proceeding within 30 days after receipt of such notice and indemnity or security and the Trustee within such 30-day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

(7) If a Default or an Event of Default occurs and is continuing and is known to the Trustee, the Trustee will mail to each holder of the Notes notice of the Default or Event of Default within 15 Business Days after its occurrence. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Notes, the Trustee may withhold the notice to the holders of such Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the Notes.

(8) The Issuer and the Parent Guarantor are required to furnish to the Trustee annual statements as to the performance of the Issuer, the Parent Guarantor and the Restricted Subsidiaries under the Senior Notes Indenture and as to any default in such performance. The Issuer and the Parent Guarantor are also required to notify the Trustee within 15 Business Days of the occurrence of any Default stating what action, if any, they are taking with respect to that Default.

Legal Defeasance or Covenant Defeasance of Senior Notes Indenture

The Senior Notes Indenture provides that the Issuer and the Parent Guarantor may, at their option and at any time prior to the Stated Maturity of the Notes, elect to have the obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors discharged with respect to the outstanding Notes ("Legal Defeasance"). Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes except as to:

(a) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due;

(b) the Issuer's obligations to issue temporary Notes, register, transfer or exchange any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee and the obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors in connection therewith; and

(d) the Legal Defeasance provisions of the Senior Notes Indenture.

In addition, the Issuer and the Parent Guarantor may, at their option and at any time, elect to have the obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors released with respect to certain covenants set forth in the Senior Notes Indenture ("Covenant Defeasance"), and thereafter any omission to comply with such covenants will not constitute a Default or an Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events described under "—Events of Default" will no longer constitute an Event of Default with respect to the Notes. These events do not include events relating to non-payment, bankruptcy, insolvency, receivership and reorganization. The Issuer and the Parent Guarantor may exercise their Legal Defeasance option regardless of whether they previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer or the Parent Guarantor must irrevocably deposit or cause to be deposited in trust with the Trustee, for the benefit of the holders of the Notes, cash in US dollars, non-callable US Government Securities, or a combination of cash in US dollars and US Government Securities (in the case of the Dollar Notes) and cash in euro, European Government Obligations, or a combination of cash in euro and European Government Obligations (in the case of the Euro Notes), in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of, premium, if any, and interest, on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer or the Parent Guarantor must (i) specify whether the Notes are being defeased to maturity or to a particular redemption date; and (ii) if applicable, have delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes of such principal, premium, if any, or interest;

(b) in the case of Legal Defeasance, the Issuer or the Parent Guarantor must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee stating that (x) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (y) since the date of the Senior Notes Indenture, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer or the Parent Guarantor must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee to the effect that the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default will have occurred and be continuing (i) on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) or (ii) insofar as bankruptcy or insolvency events described in clause (1)(j) of "—Events of Default" above is concerned, at any time during the period ending on the 123rd day after the date of such deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not cause the Trustee for the Notes to have a conflicting interest as defined in the Senior Notes Indenture and for purposes of the Trust Indenture Act with respect to any of the Issuer's securities;

(f) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit), the Senior Notes Indenture or any material agreement or instrument to which the Parent Guarantor or any Restricted Subsidiary is a party or by which the Parent Guarantor or any Restricted Subsidiary is bound;

(g) such defeasance or Covenant Defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the U.S. Investment Company Act of 1940 unless such trust shall be registered under such Act or exempt from registration thereunder;

(h) the Issuer or the Parent Guarantor must have delivered to the Trustee an opinion of independent counsel in the country of the Issuer's incorporation to the effect that after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and an opinion of independent counsel reasonably acceptable to the Trustee that the Trustee shall have a perfected security interest in such trust funds for the ratable benefit of the holders of the Notes;

(i) the Issuer or the Parent Guarantor must have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer or the Parent Guarantor with the intent of preferring the holders of the Notes over the other creditors of the Issuer or the Parent Guarantor with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer the Parent Guarantor or others, or removing assets beyond the reach of the relevant creditors or increasing debts of the Issuer or the Parent Guarantor to the detriment of the relevant creditors;

(j) no event or condition shall exist that would prevent the Issuer from making payments of the principal of, premium, if any, and interest on the Notes on the date of such deposit or at any time ending on the 123rd day after the date of such deposit; and

(k) the Issuer or the Parent Guarantor must have delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent provided for relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

If the funds deposited with the Trustee to effect Covenant Defeasance are insufficient to pay the principal of, premium, if any, and interest on the Notes when due because of any acceleration occurring after an Event of Default, then the Issuer and the Guarantors will remain liable for such payments.

Satisfaction and Discharge

The Senior Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for in the Senior Notes Indenture) when:

(a) the Issuer or the Parent Guarantor has irrevocably deposited or caused to be deposited with the Trustee as funds in trust for such purpose an amount in cash in US dollars, US Government Securities, or a combination of cash in US dollars and US Government Securities (in the case of the Dollar Notes) and cash in euros, European Government Obligations or a combination of cash in euros and European Government Obligations (in the case of the Euro Notes) sufficient to pay and discharge the entire Debt on such Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be and the Issuer or the Parent Guarantor has delivered irrevocable instructions to the Trustee under the Senior Notes Indenture to apply the deposited money toward the payment of Notes at Maturity or on the redemption date, as the case may be and either:

   (i) all the Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Senior Notes Indenture) have been delivered to the Trustee for cancellation; or

   (ii) all Notes that have not been delivered to the Trustee for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Issuer's name, and at the Issuer's expense; and

(b) the Issuer or the Parent Guarantor has paid or caused to be paid all sums payable by the Issuer under the Senior Notes Indenture;

(c) the Issuer or the Parent Guarantor has delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that:

   (i) all conditions precedent provided in the Senior Notes Indenture relating to the satisfaction and discharge of the Senior Notes Indenture have been satisfied; and

   (ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Senior Notes Indenture or any other agreement or instrument governed by the laws of the State of New York to which the Issuer or any Subsidiary is a party or by which the Issuer or any Subsidiary is bound.

Amendments and Waivers

The Senior Notes Indenture contains provisions permitting the Issuer, the Guarantors and the Trustee to enter into a supplemental indenture without the consent of the holders of the Notes for certain limited purposes, including, among other things, curing ambiguities, defects or inconsistencies, or making any change that does not adversely affect the rights of any holder of the Notes in any material respect. With the consent of the holders of not less than a majority in aggregate principal amount of the Notes then outstanding, the Issuer, the Guarantors and the Trustee are permitted to amend or supplement the Senior Notes Indenture; *provided* that no such modification or amendment may, without the consent of the holders of 90% of the outstanding Notes, with respect to any such Notes held by a non-consenting holder:

(a) change the Stated Maturity of the principal of, or any installment of or Additional Amounts or interest on, any Note;

(b) reduce the principal amount of any Note (or Additional Amounts or premium, if any) or the rate of or change the time for payment of interest on any Note;

(c) change the coin or currency in which the principal of any Note or any premium or any Additional Amounts or the interest thereon is payable;

(d) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date);

(e) amend, change or modify the obligation to make and consummate an Excess Proceeds Offer with respect to any Asset Sale in accordance with the "Limitation on Sale of Assets" covenant or the obligation to make and consummate a Change of Control offer in the event of a Change of Control in accordance with the "Purchase of Notes upon a Change of Control" covenant, including, in each case, amending, changing or modifying any definition relating thereto;

(f) reduce the principal amount of Notes whose holders must consent to any amendment, supplement or waiver of provisions of the Senior Notes Indenture;

(g) modify any of the provisions relating to supplemental indentures requiring the consent of holders of the Notes or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Notes required for such actions or to provide that certain other provisions of the Senior Notes Indenture cannot be modified or waived without the consent of the holder of each Note affected thereby;

(h) make any change to the Intercreditor Agreement (or any amended Intercreditor Agreement or replacement thereof) or any provisions of the Senior Notes Indenture affecting the ranking of the Notes or the Guarantees, in each case in a manner that adversely affects the rights of the holders of the Notes; or

(i) make any change in the provisions of the Senior Notes Indenture described under "—Additional Amounts" that adversely affects the rights of any holder of the Notes or amend the terms of the Notes or the Senior Notes Indenture in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer or the Guarantors agree to pay Additional Amounts (if any) in respect thereof in the supplemental indenture.

Notwithstanding the foregoing, without the consent of any holder of the Notes, the Issuer, the Guarantors and the Trustee may modify, amend or supplement the Senior Notes Indenture:

(i) to evidence the succession of another Person to the Parent Guarantor and the assumption by any such successor of the covenants in the Senior Notes Indenture and in the Notes in accordance with "—Certain Covenants—Consolidation, Merger and Sale of Assets";

(ii) to add to the Issuer's covenants and those of any Guarantor or any other obligor upon the Notes for the benefit of the holders of the Notes or to surrender any right or power conferred upon the Issuer or any Guarantor or any other obligor upon the Notes, as applicable, in the Senior Notes Indenture, in the Notes or in any Guarantees;

(iii) to cure any ambiguity, or to correct or supplement any provision in the Senior Notes Indenture, the Notes or any Guarantees that may be defective or inconsistent with any other provision in the Senior Notes Indenture, the Notes or any Guarantees or make any other provisions with respect to matters or questions arising under the Senior Notes Indenture, the Notes or any Guarantees; *provided* that, in each case, such provisions shall not adversely affect the interests of the holders of the Notes;

(iv) to release any Guarantor in accordance with and if permitted by the terms of and limitations set forth in the Senior Notes Indenture and to add a Subsidiary Guarantor or other guarantor under the Senior Notes Indenture (which will only require execution of the relevant supplemental indenture only by the Issuer, the Parent Guarantor and such additional Subsidiary Guarantor(s) or other guarantor(s);

(v) to evidence and provide the acceptance of the appointment of a successor Trustee under the Senior Notes Indenture;

(vi) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the holders of the Notes as additional security for the payment and performance of the Issuer's and any Guarantor's obligations under the Senior Notes Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to the Senior Notes Indenture or otherwise;

(vii) to provide for the issuance of Additional Notes in accordance with and if permitted by the terms of and limitations set forth in the Senior Notes Indenture.

In formulating its opinion on such matters, the Trustee shall be entitled to require and rely on such evidence as it deems appropriate, including an opinion of counsel and an Officer's Certificate.

The Issuer will inform the Irish Stock Exchange of any material amendment to the Senior Notes Indenture or any supplement thereto. The Issuer will also publish a notice of any such material amendment in accordance with the provisions of the Senior Notes Indenture described immediately below under "—Notices."

Notices

Notices regarding the Notes will be:

(a) (i) published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) and in New York (which is expected to be *The Wall Street Journal*) and (ii) through the newswire service of Bloomberg or, if Bloomberg does not then operate, any similar agency, and (iii) if and so long as the Notes are listed on the Irish Stock Exchange and the rules and regulations of the Irish Stock Exchange so require, a newspaper having a general circulation in Ireland (which is expected to be *The Irish Times*); and

(b) in the case of certificated Notes, mailed to holders of such Notes by first class mail at their respective addresses as they appear on the registration books of the registrar.

Notices given by first class mail will be deemed given five calendar days after mailing and notices given by publication will be deemed given on the first date on which publication is made.

If and so long as the Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange.

The Trustee

The Senior Notes Indenture and provisions of the Trust Indenture Act included or expressly incorporated therein, directly or by reference, contain limitations on the rights of the Trustee under the Senior Notes Indenture in the event the Trustee becomes a creditor of the Issuer or any Guarantor. These include limitations on the Trustee's rights to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise.

The Senior Notes Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified to its satisfaction.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator, member or shareholder of the Parent Guarantor, the Issuer or any Subsidiary Guarantor will have any liability for any obligations of the Parent Guarantor, the Issuer or any Subsidiary Guarantor under the Notes, any Guarantee or the Senior Notes Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws.

Governing Law

The Senior Notes Indenture, the Notes and the Guarantees are governed by and will be construed in accordance with the laws of the State of New York, and provide for the submission of the parties to the jurisdiction of the courts in the State of New York.

Certain Definitions

"8¾% Notes" means the €180,000,000 aggregate principal amount of 8¾% Senior Notes due 2020 that were issued by Ardagh Glass Finance plc and guaranteed on a senior basis by Ardagh Glass Holdings Limited and on a senior subordinated basis by certain of its wholly-owned subsidiaries.

"2007 Indenture" means the indenture governing the 2007 Notes.

"2007 Notes" means the €310,000,000 aggregate principal amount of 7.125% Senior Notes due 2017 issued by Ardagh Glass Finance plc.

"2009 Indenture" means the indenture governing the Existing Secured Notes.

"2010 Indenture" means the indenture governing the Existing Unsecured Notes.

"Acquired Debt" means Debt of a Person:

(a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with the Parent Guarantor or any Restricted Subsidiary; or

(b) assumed in connection with the acquisition of assets from any such Person,

in each case; *provided* that such Debt was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

Acquired Debt will be deemed to be incurred on the date the acquired Person becomes a Restricted Subsidiary or the date of the related acquisition.

"Acquisition" means the acquisition of all the membership interests and participation interests in Impress Coöperatieve U.A. pursuant to the Sale and Purchase Agreement.

"Affiliate" means, with respect to any specified Person:

(a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person;

(b) any other Person that owns, directly or indirectly, 5% or more of such specified Person's Capital Stock or any officer or director of any such specified Person or other Person or, with respect to any natural Person, any Person having a relationship with such Person by blood, marriage or adoption not more remote than first cousin; or

(c) any other Person 5% or more of the Voting Stock of which is beneficially owned or held, directly or indirectly, by such specified Person.

For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling," "controlled" have meanings correlative to the foregoing.

"Agreed Security Principles" means the Agreed Guarantee Security as set forth in the Senior Notes Indenture (or a schedule thereto), as applied reasonably and in good faith by the Parent Guarantor.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Parent Guarantor or a Restricted Subsidiary);

(b) all or substantially all of the properties and assets of any division or line of business of the Parent Guarantor or any Restricted Subsidiary; or

(c) any other of the Parent Guarantor's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any transfer or disposition of assets that is governed by the provisions of the Senior Notes Indenture described under "—Certain Covenants—Consolidation, Merger and Sale of Assets" and "—Purchase of Notes upon a Change of Control";

(ii) any transfer or disposition of assets by the Parent Guarantor to the Issuer or any Subsidiary Guarantor, or by any Restricted Subsidiary to the Parent Guarantor, the Issuer or any Restricted Subsidiary in accordance with the terms of the Senior Notes Indenture;

(iii) any transfer or disposition of obsolete or permanently retired equipment or facilities that are no longer useful in the conduct of the Parent Guarantor's and any Restricted Subsidiary's business and that are disposed of in the ordinary course of business;

(iv) any disposition of accounts receivable and related assets in a Permitted Receivables Financing;

(v) any single transaction or series of related transactions that involves assets or Capital Stock having a Fair Market Value of less than €10,000,000;

(vi) for the purposes of "—Certain Covenants—Limitation on Sale of Certain Assets" only, the making of a Permitted Investment or a disposition permitted under "—Certain Covenants—Limitation on Restricted Payments";

(vii) the sale, lease or other disposition of equipment, inventory, property or other assets in the ordinary course of business;

(viii) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(ix) an issuance of Capital Stock by a Restricted Subsidiary to the Parent Guarantor or to another Restricted Subsidiary;

(x) a Permitted Investment or a Restricted Payment (or a transaction that would constitute a Restricted Payment but for the exclusions from the definition thereof) that is not prohibited by the "—Certain Covenants—Limitation on Restricted Payments" covenant;

(xi) any disposition of Capital Stock, Debt or other securities of any Unrestricted Subsidiary or a Permitted Joint Venture;

(xii) sales of assets received by the Parent Guarantor or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Parent Guarantor or any Restricted Subsidiary;

(xiii) sales or grants of licenses to use the patents, trade secrets, know-how and other intellectual property of the Parent Guarantor or any of its Restricted Subsidiaries to the extent that such license does not prohibit the Parent Guarantor or any of its Restricted Subsidiaries from using the technologies licensed (other than pursuant to exclusivity or non-competition arrangements negotiated on an arm's length basis) or require the Parent Guarantor or any of its Restricted Subsidiaries to pay any fees for any such use;

(xiv) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business; or

(xv) sales, issuances, conveyances, transfers, leases or other dispositions to the extent constituting Permitted Liens.

"Attributable Debt" means, with respect to any sale and leaseback transaction at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with GAAP or, if not known, at the Issuer's incremental borrowing rate) of the total obligations of the lessee of the property subject to such lease for rental payments during the remaining term of the lease included in such sale and leaseback transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, or until the earliest date on which the lessee may terminate such lease without penalty or upon payment of penalty (in which case the rental payments shall include such penalty), after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water, utilities and similar charges.

"Average Life" means, as of the date of determination with respect to any Debt, the quotient obtained by dividing:

(a) the sum of the products of:

(i) the numbers of years from the date of determination to the date or dates of each successive scheduled principal payment of such Debt multiplied by

(ii) the amount of each such principal payment;

by

(b) the sum of all such principal payments.

"Banks" means the lenders at any given time under the Senior Credit Facilities.

"Bund Rate" means, with respect to any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund issue, assuming a price for the Comparable German Bund issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(a) "Comparable German Bund Issues" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to October 15, 2015, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to October 15, 2015; *provided* that if the period from such redemption date to October 15, 2015 is less than one year, a fixed maturity of one year shall be used;

(b) "Comparable German Bund Price" means, with respect to any redemption date, the average of the Reference German Bund Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(c) "Reference German Bund Dealer" means any dealer of German Bundesanleihe securities appointed by the Trustee in consultation with the Issuer; and

(d) "Reference German Bund Dealer Quotations" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third business day preceding such redemption date.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in Dublin, New York City or London and, in relation to a transaction involving euro, any TARGET day.

"Capital Stock" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock, whether now outstanding or issued after the date of the Senior Notes Indenture.

"Capitalized Lease Obligation" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a capital lease obligation under GAAP, and, for purposes of the Senior Notes Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined in accordance with GAAP and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Cash Equivalents" means any of the following:

(a) any evidence of Debt with a maturity of 180 days or less from the date of acquisition issued or directly and fully guaranteed or insured by a member state of the European Union or European Economic Area, the United States of America, any state thereof or the District of Columbia, Canada, Switzerland, Australia or any agency or instrumentality thereof (each, an "Approved Jurisdiction");

(b) time deposit accounts, certificates of deposit, money market deposits or bankers' acceptances with a maturity of 180 days or less from the date of acquisition issued by a bank or trust company having combined capital and surplus and undivided profits of not less than €500 million, whose debt has a rating, at the time any investment is made therein, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's;

(c) commercial paper with a maturity of 180 days or less from the date of acquisition issued by a corporation that is not the Issuer's or any Restricted Subsidiary's Affiliate and is at the time of acquisition, rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's;

(d) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clause (a) or (b) above entered into with a financial institution meeting the qualifications described in clause (b) above; and

(e) investments in money market mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (d) above.

"Change of Control" has the meaning given to such term under "—Purchase of Notes upon a Change of Control."

"Commission" means the U.S. Securities and Exchange Commission.

"Commodity Hedging Agreements" means any type of commodity hedging agreement designed to protect against or manage exposure to fluctuations in commodity prices and entered into in good faith in the ordinary course of business for such purposes.

"Consolidated Adjusted Net Income" means, for any period, the Parent Guarantor's and the Restricted Subsidiaries' consolidated net income (or loss) for such period as determined in accordance with GAAP, adjusted by excluding (to the extent included in such consolidated net income or loss), without duplication:

(a) any net after-tax extraordinary gains or losses;

(b) any net after-tax gains or losses attributable to sales of assets of the Parent Guarantor or any Restricted Subsidiary that are not sold in the ordinary course of business;

(c) the portion of net income (but not the loss) of any Person (other than the Parent Guarantor or a Restricted Subsidiary), including Unrestricted Subsidiaries, in which the Parent Guarantor or any Restricted Subsidiary has an equity ownership interest, except that the Parent Guarantor's or a Restricted Subsidiary's equity in the net income of such Person for such period shall be included in such Consolidated Adjusted Net Income to the extent of the aggregate amount of dividends or other distributions actually paid to the Parent Guarantor or any Restricted Subsidiary in cash dividends or other distributions during such period;

(d) the net income (but not the loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the date of determination permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary or its shareholders (other than restrictions contained in the Credit Facilities and related agreements permitted by clause 2(a) of "—Certain Covenants—Limitation on Debt");

(e) net after-tax gains attributable to the termination of any employee pension benefit plan;

(f) any restoration to net income of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following the date of the Senior Notes Indenture;

(g) any net gain arising from the acquisition of any securities or extinguishment, under GAAP, of any Debt of such Person;

(h) the net income attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(i) any gains (but not losses) from currency exchange transactions not in the ordinary course of business;

(j) any extraordinary, exceptional, unusual or nonrecurring loss, expense or charge (including severance, relocation, plant closure, operational improvement or restructuring costs or reserves or provisions therefor) relating to, or directly or indirectly resulting from, or incurred in connection with, any Asset Sale, Investment, acquisition, reorganization, restructuring or operational improvement initiative, or offering or refinancing of debt or equity securities, *provided* that for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of paragraph (2) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," only the non-cash portion of any such loss, expense or charge shall be excluded;

(k) the non-cash accounting effects of any acquisition, purchase, merger, reorganization or other similar transaction, including any increase in amortization or depreciation resulting from adjustments to tangible or intangible assets, the consequence of any revaluation of inventory or other non-cash charges or effects (including losses on derivatives);

(l) the cumulative effect of a change in accounting principles after the date of the Senior Notes Indenture; and

(m) any charge or expense recorded for non-cash or capitalized interest on Deeply Subordinated Funding.

"Consolidated Fixed Charge Coverage Ratio" of the Parent Guarantor means, for any period, the ratio of:

(a) the sum of Consolidated Adjusted Net Income, plus in each case to the extent deducted in computing Consolidated Adjusted Net Income for such period:

  (i) Consolidated Net Interest Expense;

  (ii) Consolidated Tax Expense; and

  (iii) Consolidated Non-cash Charges, less all non-cash items increasing Consolidated Adjusted Net Income for such period and less all cash payments during such period relating to non-cash charges that were added back to Consolidated Adjusted Net Income in determining the Consolidated Fixed Charge Coverage Ratio in any prior period;

(b) to the sum of:

  (i) Consolidated Net Interest Expense; and

  (ii) cash and non-cash dividends due (whether or not declared) on the Parent Guarantor's and any Restricted Subsidiary's Preferred Stock (to any Person other than the Parent Guarantor and any Wholly Owned Restricted Subsidiary), in each case for such period;

provided that in calculating the Consolidated Fixed Charge Coverage Ratio or any element thereof for any period, pro forma effect will be given to any realized or expected synergies, cost efficiencies and cost savings relating to, or directly or indirectly resulting from, or associated with, any Asset Sale, Investment, acquisition, reorganization, restructuring or operational improvement initiative that has occurred during the period included in the calculation or any prior period as if such synergies, cost efficiencies or cost savings had been effective throughout the period included in the calculation;

provided further, without limiting the application of the previous proviso, that:

(w) if the Parent Guarantor or any Restricted Subsidiary has incurred any Debt since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio is an incurrence of Debt or both, Consolidated Adjusted Net Income and Consolidated Net Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Debt as if such Debt had been incurred on the first day of such period and the discharge of any other Debt repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Debt as if such discharge had occurred on the first day of such period;

(x) if, since the beginning of such period, the Parent Guarantor or any Restricted Subsidiary shall have made any Asset Sale, Consolidated Adjusted Net Income for such period shall be reduced by an amount equal to the Consolidated Adjusted Net Income (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period, or increased by an amount equal to the Consolidated Adjusted Net Income (if negative) directly attributable thereto, for such period and the Consolidated Net Interest Expense for such period shall be reduced by an amount equal to the Consolidated Net Interest Expense directly attributable to any Debt of the Parent Guarantor or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Parent Guarantor and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Net Interest Expense for such period directly attributable to the Debt of such Restricted Subsidiary to the extent the Parent Guarantor and the continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

(y) if, since the beginning of such period, the Parent Guarantor or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated Adjusted Net Income and Consolidated Net Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the incurrence of any Debt) as if such Investment or acquisition occurred on the first day of such period; and

(z) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Parent Guarantor or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (x) or (y) above if made by the Parent Guarantor or a Restricted Subsidiary during such period, Consolidated Adjusted Net Income and Consolidated Net Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Sale or Investment or acquisition occurred on the first day of such period.

If any Debt bears a floating rate of interest and is being given pro forma effect, the interest expense on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

"Consolidated Net Interest Expense" means, for any period, without duplication and in each case determined on a consolidated basis in accordance with GAAP, the sum of:

(a) the Parent Guarantor's and the Restricted Subsidiaries' total interest expense for such period, including, without limitation:

(i) amortization of debt discount;

(ii) the net costs of Commodity Hedging Agreements, Interest Rate Agreements and Currency Agreements (including amortization of fees and discounts);

(iii) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and similar transactions;

(iv) the interest portion of any deferred payment obligation and amortization of debt issuance costs; plus

(b) the interest component of the Parent Guarantor's and the Restricted Subsidiaries' Capitalized Lease Obligations accrued and/or scheduled to be paid or accrued during such period other than the interest component of Capitalized Lease Obligations between or among the Parent Guarantor and any Restricted Subsidiary or between or among Restricted Subsidiaries; plus

(c) the Parent Guarantor's and the Restricted Subsidiaries non-cash interest expenses and interest that was capitalized during such period; plus

(d) the interest expense on Debt of another Person to the extent such Debt is guaranteed by the Parent Guarantor or any Restricted Subsidiary or secured by a Lien on the Parent Guarantor's or any Restricted Subsidiary's assets, but only to the extent that such interest is actually paid by the Parent Guarantor or such Restricted Subsidiary; minus

(e) the interest income of the Parent Guarantor and the Restricted Subsidiaries during such period.

Notwithstanding any of the foregoing, Consolidated Net Interest Expense shall not include any of the following:

(a) interest accrued, capitalized or paid in respect of Deeply Subordinated Funding;

(b) gains, losses, expenses or charges associated with refinancing of debt;

(c) gains, losses, expenses or charges associated with the total or partial extinguishment of debt; or

(d) gains, losses, expenses or charges resulting from "mark to market" provisions or fair value charges applied to or resulting from derivatives.

"Consolidated Non-cash Charges" means, for any period, the aggregate depreciation, amortization and other non-cash expenses of the Parent Guarantor and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (excluding any such non-cash charge that requires an accrual but including reserve for cash charges for any future period).

"Consolidated Tax Expense" means, for any period with respect to any Relevant Taxing Jurisdiction, the provision for all national, local and foreign federal, state or other income taxes of the Parent Guarantor and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"Credit Facility" or "Credit Facilities" means one or more debt facilities, indentures or other arrangements (including the Senior Credit Facilities or commercial paper facilities) with banks, insurance companies, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financings, letters of credit or other forms of guarantees and assurances, or other Debt, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, repaid or refinanced (and whether in whole or in part and whether or not with the original administrative agent or lenders or another administrative agent or agents or other bank or institutions and whether provided under the Senior Credit Facilities and one or more other credit or other agreements, indentures, financing agreements or otherwise) and, for the avoidance of doubt, includes any agreement extending the maturity of, refinancing or restructuring all or any portion of the indebtedness under such agreements or any successor agreements.

"Currency Agreements" means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in foreign currency exchange rates.

"Debt" means, with respect to any Person, without duplication:

(a) all liabilities of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business;

(b) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person in connection with any letters of credit, bankers' acceptances, receivables facilities or other similar facilities;

(d) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business;

(e) all Capitalized Lease Obligations and Attributable Debt of such Person;

(f) all obligations of such Person under or in respect of Commodity Hedging Agreements, Interest Rate Agreements and Currency Agreements;

(g) all Debt referred to in (but not excluded from) the preceding clauses (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the fair market value of such property or asset and the amount of the obligation so secured);

(h) all guarantees by such Person of Debt referred to in this definition of any other Person;

(i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed repurchase price and involuntary maximum fixed repurchase price plus accrued and unpaid dividends; and

(j) Preferred Stock of any Restricted Subsidiary;

provided that the term "Debt" shall not include (i) non-interest bearing installment obligations and accrued liabilities incurred in the ordinary course of business that are not more than 90 days past due; (ii) Debt in respect of the incurrence by the Parent Guarantor or any Restricted Subsidiary of Debt in respect of standby letters of credit, performance bonds or surety bonds provided by the Parent Guarantor or any Restricted Subsidiary in the ordinary course of business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth business day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond; (iii) anything accounted for as an operating lease in accordance with GAAP as at the date of the Senior Notes Indenture; (iv) any pension obligations of the Parent Guarantor or a Restricted Subsidiary; (v) Debt incurred by the Parent Guarantor or one of the Restricted Subsidiaries in connection with a transaction where (x) such Debt is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €500 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A or the equivalent thereof by S&P and A2 or the equivalent thereof by Moody's and (y) a substantially concurrent Investment is made by the Parent Guarantor or a Restricted Subsidiary in the form of cash deposited with the lender of such Debt, or a Subsidiary or Affiliate thereof, in amount equal to such Debt; and (vi) Deeply Subordinated Funding.

For purposes of this definition, the "maximum fixed repurchase price" of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to the Senior Notes Indenture, and if such price is based upon, or measured by, the fair market value of such Redeemable Capital Stock, such fair market value will be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock; *provided*, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

"Deeply Subordinated Funding" means any funds provided to the Parent Guarantor pursuant to an agreement, note, security or other instrument, other than Capital Stock, that (i) is subordinated in right of payment to all Debt of the Parent Guarantor, (ii)(A) does not mature or require any amortization, redemption or other repayment of principal, (B) does not require payment of any cash interest or any similar cash amounts, and (C) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment (other than as a result of insolvency proceedings of the Parent Guarantor), in each case prior to the 90th day following the repayment in full of the Notes and all other amounts due under the Senior Notes Indenture, (iii) does not provide for or require any security interest or encumbrance over any asset of the Parent Guarantor or any Restricted Subsidiary and (iv) does not contain any covenants (financial or otherwise) other than a covenant to pay such Deeply Subordinated Funding.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Designated Non-cash Consideration" means the Fair Market Value of non-cash consideration received by the Parent Guarantor or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, executed by the principal financial officer of the Parent Guarantor, less the amount of Cash Equivalents received in connection with a subsequent sale, redemption, repurchase of, or collection or payment on, such Designated Non-cash Consideration.

"Designated Senior Debt" means (a) any Debt outstanding under the Senior Credit Facilities and the Senior Secured Notes and (b) any other Senior Debt permitted under the Senior Notes Indenture the principal amount of which is €20,000,000 or more as of the date of determination and that has been designated by the Issuer, the Parent Guarantor or the relevant Restricted Subsidiary as "Designated Senior Debt."

"Disinterested Director" means, with respect to any transaction or series of related transactions, a member of the Parent Guarantor's board of directors who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions or is not an Affiliate, or an officer, director or employee of any Person (other than the Parent Guarantor or any Restricted Subsidiary) who has any direct or indirect financial interest in or with respect to such transaction or series of related transactions; *provided* that no member of the Parent Guarantor's board of directors shall be deemed to have any such direct or indirect financial interest solely as a result of such member's ownership of Capital Stock of Ardagh Glass Group S.A. or any successor or holding company thereof or such member's serving on the board of directors of Ardagh Glass Group S.A. or any successor or holding company thereof.

"dollars" or "$" means the lawful currency of the United States of America.

"Enforcement Action" means, in relation to any Debt of a Subsidiary Guarantor, any action (whether taken by the relevant creditor or creditors or an agent or trustee on its or their behalf) to:

(a) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of all or any part of such Debt;

(b) recover all or any part of such Debt (including, by exercising any rights of set-off or combination of accounts);

(c) exercise or enforce any rights under or pursuant to any guarantee or other assurance given by such Subsidiary Guarantor in respect of such Debt;

(d) exercise or enforce any rights under any security interest whatsoever which secures such Debt;

(e) commence legal proceedings against any Person; or

(f) commence, or take any other steps which could lead to the commencement of:

  (i) any insolvency, liquidation, dissolution, winding-up, administration, receivership, compulsory merger or judicial re-organization of any Person;

  (ii) the appointment of a trustee in bankruptcy, or insolvency conciliator, ad hoc official, judicial administrator, a liquidator or other similar officer in respect of any Person; or

  (iii) any other similar process or appointment.

"euro" or "€" means the lawful currency of the member states of the European Union who have agreed to share a common currency in accordance with the provisions of the Maastricht Treaty dealing with European monetary union.

"Euro Equivalent" means, with respect to any monetary amount in a currency other than euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro with the applicable foreign currency as published under "Currency Rates" in the section of the *Financial Times* entitled "Currencies, Bonds & Interest Rates" on the date that is two Business Days prior to such determination.

"European Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of a member state of the European Union as of January 1, 2007 (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such government is pledged.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Existing Ardagh Bonds" means (i) the Existing Secured Notes and (ii) the Existing Unsecured Notes.

"Existing Secured Notes" means the €300,000,000 aggregate principal amount of 9.250% First Priority Senior Secured Notes due 2016 issued by Ardagh Glass Finance plc and guaranteed on a senior secured basis by Ardagh Glass Holdings Limited and certain of its wholly-owned subsidiaries.

"Existing Unsecured Notes" means (i) the 8¾% Notes and (ii) the 2007 Notes.

"Fair Market Value" means, with respect to any asset or property, the sale value that would be obtained in an arm's length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Parent Guarantor's board of directors.

"GE Commercial Finance Facility" means the £35,000,000 business finance agreement dated March 23, 2009 between Ardagh Glass Limited and GE Commercial Finance Limited relating to an invoice discounting facility.

"Generally Accepted Accounting Principles" or "GAAP" means International Financial Reporting Standards as adopted by the European Union, as in effect from time to time.

"Guarantee" means any guarantee of the Issuer's obligations under the Senior Notes Indenture and the Notes by the Parent Guarantor, any Restricted Subsidiary or any other Person in accordance with the provisions of the Senior Notes Indenture, including the Guarantees by the Guarantors dated as of the date of the Senior Notes Indenture. When used as a verb, "Guarantee" shall have a corresponding meaning.

"guarantees" means, as applied to any obligation,

(a) a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

"Interest Rate Agreements" means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect such Person against or manage exposure to fluctuations in interest rates.

"Intercreditor Agreement" means the Intercreditor Agreement to be dated on or around the closing date of the Acquisition, as amended, restated, modified or replaced from time to time, by and among the Issuer, the Parent Guarantor, the Subsidiary Guarantors party thereto, the Trustee, as trustee for the Notes, Citibank, N.A., London Branch, as trustee for the New Secured Notes, The Bank of New York Mellon, as trustee for the 2007 Notes Law Debenture Trust Company of New York, as trustee for the Existing Secured Notes, and others.

"Investment" means, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including guarantees) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP. In addition, the portion (proportionate to the Parent Guarantor's equity interest in such Restricted Subsidiary) of the fair market value of the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary will be deemed to be an "Investment" that the Parent Guarantor made in such Unrestricted Subsidiary at such time. The portion (proportionate to the Parent Guarantor's equity interest in such Restricted Subsidiary) of the fair market value of the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary will be considered a reduction in outstanding Investments. "Investments" excludes extensions of trade credit on commercially reasonable terms in accordance with normal trade practices.

"Issue Date" means October 8, 2010.

"Lien" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation, assignment for security, standard security, assignation in security claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"Material Subsidiary" means any Restricted Subsidiary that represents 5% or more of the Total Assets or consolidated EBITDA of the Parent Guarantor, measured, in the case of Total Assets, as of the last day of the most recent fiscal quarter for which financial statements are available, and in the case of consolidated EBITDA, for the four fiscal quarters ended most recently for which financial statements are available.

"Maturity" means, with respect to any indebtedness, the date on which any principal of such indebtedness becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means:

(a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including (x) payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Parent Guarantor or any Restricted Subsidiary) and (y) any cash or Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of:

  (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

  (ii) provisions for all taxes paid or payable, or required to be accrued as a liability under GAAP as a result of such Asset Sale;

(iii) all distributions and other payments required to be made to any Person (other than the Parent Guarantor or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

(iv) appropriate amounts required to be provided by the Parent Guarantor or any Restricted Subsidiary, as the case may be, as a reserve in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the Parent Guarantor or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officers' Certificate delivered to the Trustee; and

(b) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under "—Certain Covenants—Limitation on Restricted Payments," the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Parent Guarantor or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"New Revolving Credit Facility" means the revolving facility agreement to be dated on or about the closing date of the Acquisition among Ardagh Glass Holdings Limited and Citigroup Global Markets Limited, Credit Suisse International and J.P. Morgan plc, as arrangers and original lenders, Citibank International plc, as facility agent, and Citibank, N.A., London Branch, as security agent, providing for borrowings in an aggregate principal amount of up to €200.0 million.

"New Secured Notes" means the €825,000,000 aggregate principal amount of 7.375% senior secured notes and $350,000,000 aggregate principal amount of 7.375% senior secured notes issued by Ardagh Packaging Finance plc on the Issue Date.

"New Secured Notes Indenture" means the indenture governing the New Secured Notes.

"Officer's Certificate" means a certificate signed by an officer of the Parent Guarantor, of the Issuer, a Guarantor or a Surviving Entity, as the case may be, and delivered to the Trustee.

"Pari passu Debt" means (a) any Debt of the Issuer that ranks equally in right of payment with the Notes or (b) with respect to any Guarantee, any Debt that ranks equally in right of payment to such Guarantee.

"Permitted Debt" has the meaning given to such term under "—Certain Covenants—Limitation on Debt."

"Permitted Holders" means (a) Yeoman Capital S.A., (b) any of Paul Coulson, Brendan Dowling, Houghton Fry, Edward Kilty, John Riordan or Niall Wall, and any trust created for the benefit of one or more of the foregoing or their respective natural person Affiliates, or the estate, executor, administrator, committee or beneficiaries of any thereof, and (c) any of their respective Affiliates.

"Permitted Investments" means any of the following:

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (d) of the definition of "Permitted Debt";

(c) Investments in (i) the form of loans or advances to, or debt securities issued by, the Parent Guarantor, (ii) a Restricted Subsidiary or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, the Parent Guarantor or a Restricted Subsidiary;

(d) Investments made by the Parent Guarantor or any Restricted Subsidiary as a result of or retained in connection with an Asset Sale permitted under or made in compliance with "—Certain Covenants—Limitation on Sale of Certain Assets" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) expenses or advances to cover payroll, travel, entertainment, moving, other relocation and similar matters that are expected at the time of such advances to be treated as expenses in accordance with GAAP;

(f) Investments in the Notes, the New Secured Notes and the Existing Ardagh Bonds;

(g) Investments existing at the date of the Senior Notes Indenture;

(h) Investments in Commodity Hedging Agreements, Interest Rate Agreements and Currency Agreements permitted under clauses (h), (i) and (j) of "—Certain Covenants—Limitation on Debt";

(i) Investments made in the ordinary course of business, the Fair Market Value of which in the aggregate does not exceed €2,000,000 million in any transaction or series of related transactions;

(j) loans and advances (or guarantees to third-party loans) to directors, officers or employees of the Parent Guarantor or any Restricted Subsidiary made in the ordinary course of business and consistent with the Parent Guarantor's past practices or past practices of the Restricted Subsidiaries, as the case may be, in an amount outstanding not to exceed at any one time €10,000,000;

(k) Investments in a Person to the extent that the consideration therefor consists of the net proceeds of the issue and sale (other than to any Subsidiary) of shares of the Parent Guarantor's Qualified Capital Stock or Deeply Subordinated Funding; *provided* that the net proceeds of such sale have been excluded from, and shall not have been included in, the calculation of the amount determined under clause (2)(c)(ii) of "—Certain Covenants—Limitation on Restricted Payments";

(l) any payments or other transactions pursuant to a tax sharing agreement between the Parent Guarantor and any other Person with whom the Parent Guarantor files or filed a consolidated tax return or with which the Parent Guarantor is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;

(m) Investments of the Parent Guarantor or the Restricted Subsidiaries described under item (v) to the proviso to the definition of "Debt";

(n) Investments of the Parent Guarantor or the Restricted Subsidiaries in Unrestricted Subsidiaries and Permitted Joint Ventures, the amount of which, measured by reference to the Fair Market Value of each such Investment on the date it was made, not to exceed the sum of (x) the greater of €40,000,000 and 1.25% of Total Assets in the aggregate outstanding at any one time and (y) the sum of (i) the aggregate net after-tax amount returned in cash on or with respect to any Investments made in Unrestricted Subsidiaries and Permitted Joint Ventures whether through interest payments, principal payments, dividends or other distributions or payments on account of such Investment and (ii) the net after-tax cash proceeds received by the Parent Guarantor or any Restricted Subsidiary from the disposition of all or any portion of such Investments (other than to a Subsidiary); *provided*, *however*, that such net after-tax amounts have not been included in Consolidated Adjusted Net Income for the purpose of calculating clause (c)(i) in the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(o) Investments resulting from the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person;

(p) Investments by the Parent Guarantor or any Restricted Subsidiary in connection with a Permitted Receivables Financing;

(q) loans or advances to (i) directors, officers or employees of the Parent Guarantor or any Restricted Subsidiary to pay for the purchase of Capital Stock of the Parent Guarantor or any direct or indirect parent company thereof pursuant to management equity plans or similar management or employee benefit arrangement or (ii) stock option plans, trust and similar asset pools to pay for the purchase of Capital Stock of the Parent Guarantor or any direct or indirect parent company thereof not to exceed €10,000,000 in the aggregate outstanding at any one time; and

(r) (i) stock, obligations or securities received in satisfaction of judgments, foreclosure of liens or settlement of debts, and (ii) any Investments received in compromise of obligations of such persons incurred in the ordinary course of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer.

"Permitted Joint Venture" means any joint venture transaction pursuant to which the Parent Guarantor or any Restricted Subsidiary enters into, acquires or subscribes for any shares, stock, securities or other interest in or transfers any assets to any joint venture; *provided, however,* that the primary business of such joint venture is a Related Business.

"Permitted Junior Securities" means, with respect to a Subsidiary Guarantor: (a) Capital Stock in such Subsidiary Guarantor or (b) debt securities of the Subsidiary Guarantor that are subordinated to all Senior Debt and any debt securities issued in exchange for Senior Debt to substantially the same extent as, or to a greater extent than, the Notes are subordinated to Senior Debt pursuant to the Senior Notes Indenture.

"Permitted Liens" means the following types of Liens:

(a) Liens existing as of the date of the issuance of the Notes;

(b) Liens securing Debt under Credit Facilities, the New Secured Notes and any other Senior Debt permitted to be incurred pursuant to "—Certain Covenants—Limitation on Debt" and Liens on any property or assets of the Parent Guarantor or a Restricted Subsidiary to secure Debt permitted to be incurred pursuant to clause (b) of paragraph (2) of "—Certain Covenants—Limitation on Debt";

(c) Liens on assets given, disposed of, or otherwise transferred in connection with a Permitted Receivables Financing permitted to be incurred pursuant to clause (m) of paragraph (2) of "—Certain Covenants—Limitation on Debt";

(d) Liens on any property or assets of a Restricted Subsidiary granted in favor of the Parent Guarantor, the Issuer or any Restricted Subsidiary;

(e) Liens on any of the Parent Guarantor's or any Restricted Subsidiary's property or assets securing the Notes or any Guarantees;

(f) any interest or title of a lessor under any Capitalized Lease Obligation and Liens to secure Debt (including Capitalized Lease Obligations) permitted under "—Certain Covenants—Limitation on Debt" covering only the assets acquired with such Debt;

(g) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Parent Guarantor or any Restricted Subsidiary in the ordinary course of business in accordance with the Parent Guarantor's or such Restricted Subsidiary's past practices prior to the date of the Senior Notes Indenture;

(h) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Liens arising in the ordinary course of the Parent Guarantor's or any Restricted Subsidiary's business and with respect to amounts not yet delinquent or being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made or Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;

(i) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(j) Liens incurred or deposits made to secure the performance of tenders, bids or trade or government contracts, or to secure leases, statutory or regulatory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business (other than obligations for the payment of money);

(k) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects and incurred in the ordinary course of business that do not in the aggregate materially interfere with in any material respect the ordinary conduct of the business of the Parent Guarantor and its Restricted Subsidiaries on the properties subject thereto, taken as a whole;

(l) Liens arising by reason of any judgment, decree or order of any court so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(m) Liens on property existing at the time such property is acquired or on property of, or on shares of Capital Stock or Debt of, any Person existing at the time such Person is acquired by, merged with or into or consolidated with, the Parent Guarantor or any Restricted Subsidiary; *provided* that such Liens (i) do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than (A) the property or assets acquired or (B) the property or assets of the Person acquired, merged with or into or consolidated with the Parent Guarantor or Restricted Subsidiary and (ii) were created prior to, and not in connection with or in contemplation of such acquisition, merger or consolidation;

(n) Liens securing the Parent Guarantor's or any Restricted Subsidiary's obligations under Commodity Hedging Agreements, Interest Rate Agreements or Currency Agreements permitted under clauses (h), (i) and (j) of paragraph (2) under "—Certain Covenants—Limitation on Debt" or any collateral for the Debt to which such Commodity Hedging Agreements, Interest Rate Agreements or Currency Agreements relate;

(o) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance (including unemployment insurance);

(p) Liens incurred in connection with a cash management program established in the ordinary course of business for the Parent Guarantor's benefit or that of any Restricted Subsidiary in favor of a bank or trust company of the type described in paragraph (1) of "—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries";

(q) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Parent Guarantor or any Restricted Subsidiary, including rights of offset and set-off;

(r) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (q); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets;

(s) Liens securing Debt incurred to refinance Debt that has been secured by a Lien permitted by the Senior Notes Indenture, *provided* that (i) any such Lien shall not extend to or cover any assets not securing the Debt so refinanced and (ii) the Debt so refinanced shall have been permitted to be incurred pursuant to clause (n) of paragraph (2) of the "Limitation on Debt" covenant;

(t) purchase money Liens to finance property or assets of the Parent Guarantor or any Restricted Subsidiary acquired in the ordinary course of business; *provided* that (i) the related purchase money Debt shall not exceed the cost of such property or assets and shall not be secured by any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property and assets so acquired and (ii) the Lien securing such Debt shall be created within 90 days of such acquisitions;

(u) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(v) Liens arising from a pledge by the Parent Guarantor or a Restricted Subsidiary of the Captial Stock of an Unrestricted Subsidiary or Permitted Joint Venture for the benefit of the lenders of such Unrestricted Subsidiary or Permitted Joint Venture; and

(w) Liens incurred in the ordinary course of business of the Parent Guarantor or any Restricted Subsidiary with respect to obligations that do not exceed €40,000,000 at any one time outstanding and that (i) are not incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (ii) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation of the Parent Guarantor's or such Restricted Subsidiary's business.

"Permitted Receivables Financing" means any financing pursuant to which the Parent Guarantor or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in, any accounts receivable (and related assets) in an aggregate principal amount equivalent to the Fair Market Value of such accounts receivable (and related assets) of the Parent Guarantor or any Restricted Subsidiary; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by the Parent Guarantor's board of directors) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Parent Guarantor's board of directors) at the time such financing is entered into, and (c) such financing shall be non-recourse to the Parent Guarantor or any Restricted Subsidiary except to a limited extent customary for such transactions.

"Permitted Refinancing Debt" means any renewals, extensions, substitutions, refinancings or replacements (each, for purposes of this definition and paragraph (2)(n) of "—Certain Covenants—Limitation on Debt," a "refinancing") of any Debt of the Parent Guarantor or a Restricted Subsidiary or pursuant to this definition, including any successive refinancings, so long as:

(a) such Debt is in an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being refinanced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;

(b) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being refinanced;

(c) the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being refinanced;

(d) the new Debt is not senior in right of payment to the Debt that is being refinanced; and

(e) such Debt is unsecured, or is secured by a Silent Second Lien, if the Debt being refinanced is unsecured;

provided that Permitted Refinancing Debt will not include (i) Debt of a Subsidiary (other than the Issuer or a Guarantor) that refinances the Debt of the Issuer or any Guarantor or (ii) Debt of any Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock" means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person whether now outstanding, or issued after the date of the Senior Notes Indenture, and including, without limitation, all classes and series of preferred or preference stock of such Person.

"pro forma" means, with respect to any calculation made or required to be made pursuant to the terms of the Senior Notes Indenture, a calculation made in good faith by a responsible financial or accounting officer of the Parent Guarantor; *provided* that any such calculation shall (x) give effect to any realized or expected synergies, cost efficiencies and cost savings relating to, or directly or indirectly resulting from, or associated with, any Asset Sale, Investment, acquisition, reorganization, restructuring or operational improvement initiative that has occurred during the period included in the calculation or any prior period as if such synergies, cost efficiencies or cost savings had been effective throughout the period included in the calculation and (y) eliminate any extraordinary, exceptional, unusual or nonrecurring loss, expense or charge (including severance, relocation, plant closure, operational improvement or restructuring costs or reserves therefor) relating to, or directly or indirectly resulting from, or incurred in connection with, any Asset Sale, Investment, acquisition, reorganization, restructuring or operational improvement initiative, or offering of debt or equity securities.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock, and other securities of, any other Person. For purposes of any calculation required pursuant to the Senior Notes Indenture, the value of any Property shall be its Fair Market Value.

"Public Equity Offering" means an underwritten public offer and sale of capital stock (which is Qualified Capital Stock) of the Parent Guarantor or any direct or indirect parent holding company of the Parent Guarantor with gross proceeds to the issuer of at least €20 million (including any sale of Capital Stock purchased upon the exercise of any over-allotment option granted in connection therewith).

"Qualified Capital Stock" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"Redeemable Capital Stock" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable, or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of the Parent Guarantor in circumstances in which the holders of the Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity; *provided* that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in "—Certain Covenants—Limitation on Sale of Certain Assets" and "—Purchase of Notes upon a Change of Control" covenants described herein and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Parent Guarantor's or the Issuer's repurchase of such Notes as are required to be repurchased pursuant to "—Certain Covenants—Limitation on Sale of Certain Assets" and "—Purchase of Notes upon a Change of Control."

"Related Business" means a business related to the packaging business of the Parent Guarantor and its Restricted Subsidiaries as conducted from time to time.

"Replacement Assets" means properties and assets that replace the properties and assets that were the subject of an Asset Sale or properties and assets that are, or will be, used in the Parent Guarantor's business or in that of the Restricted Subsidiaries or any and all businesses that in the good faith judgment of the board of directors of the Parent Guarantor are reasonably related, and, in each case, any capital expenditure relating thereto.

"Restricted Subsidiary" means any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary.

"S&P" means Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. and its successors.

"Sale and Purchase Agreement" means the Sale and Purchase Agreement dated as of September 24, 2010, among Ardagh Glass Group S.A. and the holders of the equity interests of Impress Coöperatieve U.A. for the sale and purchase of all membership interests and participation interests in Impress Coöperatieve U.A.

"Securities Act" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Senior Agent" means any agent or successor agent appointed under any Senior Credit Facility or the Senior Secured Notes to which any Subsidiary Guarantor is a party or designated as "Senior Agent" in any instrument or document evidencing Senior Debt.

"Senior Credit Facilities" means any Credit Facility of the Guarantors, including the New Revolving Credit Facility and the GE Commercial Finance Facility.

"Senior Debt" means:

(a) all Debt under any Credit Facility permitted to be incurred under the provisions of the "Limitation on Debt" covenant and all Commodity Hedging Agreements, Currency Agreements and Interest Rate Agreements and other obligations with respect thereto;

(b) any other Debt permitted to be incurred by the Issuer, the Parent Guarantor or any Restricted Subsidiary that provides a Guarantee under the terms of the Senior Notes Indenture unless, with respect to such a Restricted Subsidiary, the instrument under which such Debt is incurred expressly provides that it is on a parity with or subordinated in right of payment to its Guarantee, as the case may be; and

(c) all obligations with respect to the items listed in the preceding clauses (a) and (b).

Notwithstanding anything to the contrary in the preceding, Senior Debt will not include:

(i) any liability for taxes owed or owing by the Issuer or the Guarantors;

(ii) any Debt that is incurred in violation of the Senior Notes Indenture or the terms of the Notes, as the case may be; or

(iii) any trade payables.

"Senior PIK Notes" means the €126,250,000 10.75% Senior PIK Notes due 2015 issued originally by Caona plc (now Ardagh Glass Group plc).

"Senior Secured Notes" means the Existing Secured Notes and the New Secured Notes.

"Silent Second Liens" means Liens granted in favor of Debt (the "second priority Debt") on property or assets of the Parent Guarantor or any of its Restricted Subsidiaries that:

(a) are by law or under the terms of an intercreditor agreement reasonably acceptable to the Trustee second in priority to first priority Liens on such property or assets; and

(b) are subject to arrangements in form and substance reasonably satisfactory to the Trustee which provide (x) that any payments on enforcement of the Liens in such property or assets (other than payments to the security agent, trustee, administrative agent or other representative of the holders of the second priority Debt) to the holders of the second priority Debt (or their representatives) will only be made once the Debt secured by the first priority Liens on such property or assets have been satisfied in full and (y) that the holders of the second priority Debt (and their representatives) will have no ability to cause the enforcement of, or direct the relevant security agent in the enforcement of, the Liens in such property or assets until the Debt secured by the first priority Liens on such property or assets have been satisfied in full.

"Stated Maturity" means, when used with respect to any note or any installment of interest thereon, the date specified in such note as the fixed date on which the principal of such note or such installment of interest, respectively, is due and payable, and, when used with respect to any other indebtedness, means the date specified in the instrument governing such indebtedness as the fixed date on which the principal of such indebtedness, or any installment of interest thereon, is due and payable.

"Subordinated Debt" means Debt of the Issuer or any of the Guarantors (other than the Existing Ardagh Bonds, the New Secured Notes and Debt outstanding under the GE Commercial Finance

Facility) that is subordinated in right of payment to the Notes or the Guarantees of such Guarantors, as the case may be; *provided* that no Debt will be deemed to be subordinated in right of payment to any other Debt solely by virtue of being unsecured or by virtue of being secured on a junior Lien basis.

"Subsidiary" means, with respect to any Person:

(a) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof; and

(b) any other Person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, has at least majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Person performing similar functions).

"Subsidiary Guarantors" means any Restricted Subsidiary that provides a Guarantee, in each case until it is released from its obligations under the Guarantee and the Secured Notes Indenture in accordance the terms thereof.

"TARGET Day" means a day on which the trans-European Automated Real-time Gross Settlement Express Transfer system is operating.

"Total Assets" means the consolidated total assets of the Parent Guarantor and its Restricted Subsidiaries as shown on the most recent consolidated balance sheet of the Parent Guarantor.

"Total Inventories" means as of any date, the amount of raw materials, packaging materials, work-in-progress and finished goods of the Parent Guarantor and the Restricted Subsidiaries, net of any provisions in respect of the foregoing items, in each case as of the date of the most recent balance sheet of the Parent Guarantor which has been delivered in accordance with the provisions of "—Certain Covenants—Reports to Holders."

"Total Receivables" means as of any date, (a) the amount of accounts receivable of the Parent Guarantor and the Restricted Subsidiaries plus (b) the amount of accounts receivable of the Parent Guarantor and the Restricted Subsidiaries that has been sold, conveyed or otherwise transferred in Permitted Receivables Financings and is outstanding in each case as of the date of the most recent balance sheet of the Parent Guarantor which has been delivered in accordance with the provisions of "—Certain Covenants—Reports to Holders."

"Trust Indenture Act" means the U.S. Trust Indenture Act of 1939, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Unrestricted Subsidiary" means:

(a) any Subsidiary of the Parent Guarantor that at the time of determination is an Unrestricted Subsidiary (as designated by the Parent Guarantor's board of directors pursuant to the "Designation of Unrestricted and Restricted Subsidiaries" covenant); and

(b) any Subsidiary of an Unrestricted Subsidiary.

"U.S. Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" means any Restricted Subsidiary, all of the outstanding Capital Stock (other than directors' qualifying shares or shares of Restricted Subsidiaries required to be owned by third parties pursuant to applicable law) of which are owned by the Parent Guarantor or by one or more other Wholly Owned Restricted Subsidiaries or by the Parent Guarantor and one or more other Wholly Owned Restricted Subsidiaries.

BOOK-ENTRY; DELIVERY AND FORM

General

The Senior Notes sold to QIBs in reliance on Rule 144A will be represented by one or more global notes in registered form without interest coupons attached (the "Rule 144A Global Note"). The Senior Notes sold to persons outside the United States in reliance on Regulation S will be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Note" and, together with the Rule 144A Global Note, the "Global Notes"). The Global Notes will be deposited with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream Banking.

Ownership of interests in the Rule 144A Global Note (the "Rule 144A Book-Entry Interests") and in the Regulation S Global Note (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons who have accounts with Euroclear and/or Clearstream Banking, or persons who hold interests through such participants. Euroclear and Clearstream Banking will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Book-Entry Interests will not be held in definitive certificated form.

Book-Entry Interests will be shown on, and transfers thereof will be done only through, records maintained in the book-entry form by Euroclear and Clearstream Banking and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Senior Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Senior Notes for any purpose.

So long as the Senior Notes are held in global form, Euroclear and/or Clearstream Banking, as applicable (or their respective nominees), will be considered the sole holders of the Global Notes for all purposes under the Indenture governing the Senior Notes. In addition, participants must rely on the procedures of Euroclear and/or Clearstream Banking, and indirect participants must rely on the procedures of Euroclear, Clearstream Banking and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the Indenture.

Neither we nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream Banking, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream Banking, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream Banking, if fewer than all of a series of Senior Notes are to be redeemed at any time, Euroclear and Clearstream Banking will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; *provided, however*, that no Book-Entry Interest of less than €100,000 may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, and interest) to the common depositary or its nominee for Euroclear and Clearstream Banking, which will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "Description of the Senior Notes—Additional Amounts." If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Senior Notes—Additional Amounts," we will pay additional amounts as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer and the Trustee will treat the registered holder of the Global Notes (e.g., Euroclear or Clearstream Banking (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee or any of their respective agents has or will have any responsibility or liability for any aspect of the records of Euroclear, Clearstream Banking or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear, Clearstream Banking or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, or Euroclear, Clearstream Banking or any participant or indirect participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid through Euroclear and/or Clearstream in euro.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream Banking have advised the Issuer that they will take any action permitted to be taken by a holder of Senior Notes (including the presentation of Senior Notes for exchange as described below) only at the direction of one or more participants to whose account the Book-Entry Interests are credited and only in respect of such portion of the aggregate principal amount of Senior Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream Banking will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Indenture, each of Euroclear and Clearstream Banking reserves the right to exchange the Global Notes for definitive registered notes in certificated form ("Definitive Registered Notes") and to distribute Definitive Registered Notes to its participants.

Transfers

Transfers between participants in Euroclear and Clearstream Banking will be effected in accordance with Euroclear and Clearstream Banking rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in jurisdictions that require physical delivery of securities or to pledge such Senior Notes, such holder must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream Banking and in accordance with the procedures set forth in the Indenture.

The Global Note for Rule 144A Book-Entry Interests will have a legend to the effect set forth under "Notice to Investors." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Notice to Investors."

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Notes and a corresponding increase in the principal amount of the Rule 144A Global Notes.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

- if Euroclear or Clearstream Banking notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by us within 120 days;
- if the owner of a Book-Entry Interest requests such an exchange in writing delivered through Euroclear or Clearstream Banking following an Event of Default under the Indenture.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the registrar or transfer agent. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; *provided* that no Definitive Registered Note in a denomination less than €100,000, will be issued. We will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

We will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Senior Notes, (ii) any date fixed for redemption of the Senior Notes or (iii) the date fixed for selection of the Senior Notes to be redeemed in part. Also, we are not required to register the transfer or exchange of any Senior Notes selected for redemption. In the event of the transfer of any Definitive Registered Note, the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the applicable Indenture. We may require a holder to pay any taxes and fees required by law and permitted by the applicable Indenture and the Senior Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the registrar or at the office of the transfer agent, we will issue and the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect us, the Trustee or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by us in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged only after the transferor first delivers to the Trustee a written certification (in the form provided in the Indentures) to the effect that such transfer will comply with the transfer restrictions applicable to such Senior Notes. See "Notice to Investors."

So long as the Senior Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, we will publish a notice of any issuance of Definitive Registered Notes in a newspaper having general circulation in Ireland (which we expect to be *The Irish Times*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Irish Stock Exchange (http://www.ise.ie).

Information Concerning Euroclear and Clearstream Banking

Our understanding with respect to the organization and operations of Euroclear and Clearstream Banking is as follows. Euroclear and Clearstream Banking hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream Banking provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream Banking interface with domestic securities markets. Euroclear and Clearstream Banking participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream Banking is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream Banking participant, either directly or indirectly.

TAXATION

Prospective purchasers of the Additional Senior Notes are advised to consult their own tax advisers as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of Additional Senior Notes including, without limitation, the consequences of receipt of interest and premium, if any, on and sale of redemption of, the Additional Senior Notes or any interest therein.

References in this discussion to Additional Senior Notes acquired, owned, held or disposed of by noteholders include, except where otherwise expressly stated, the Book-Entry Interests held by purchasers in the Additional Senior Notes in global form deposited with, and registered in the name of a common depositary for Euroclear and/or Clearstream Banking.

Ireland Taxation

The following general summary describes the material Irish tax consequences of ownership of the Additional Senior Notes and is based on the Irish tax law and published practice of the Revenue Commissioners as in effect on the date of this Offering Memorandum and both are subject to change possibly with retroactive effect. The following summary does not purport to be a complete analysis of all Irish tax consideration relating to the Additional Senior Notes. It relates to the position of persons who are absolute beneficial owners of the Additional Senior Notes and may not apply to certain classes of persons such as dealers and certain tax exempt bodies. Holders of the Additional Senior Notes are advised to consult their own tax advisers regarding the taxation implications of acquiring, owning and disposing of the Additional Senior Notes.

Withholding Tax on Interest

In general, withholding tax at the rate of 20% must be deducted from Irish source interest payments made by an Irish company. However, for so long as the Senior Notes (including the Additional Senior Notes) are listed on a recognized stock exchange such as the Global Exchange Market of the Irish Stock Exchange, the Senior Notes (including the Additional Senior Notes) carry a right to interest, and are held in the Euroclear or Clearstream Banking clearing systems, the Senior Notes (including the Additional Senior Notes) will constitute "quoted Eurobonds" and no withholding for or on account of Irish income tax will be required to be made on interest arising on the Senior Notes under Section 64 ("Section 64") of the Irish Taxes Consolidation Act, 1997 (as amended) (the "TCA 1997").

In circumstances where the "quoted Eurobond" exemption from Irish withholding tax does not apply, the interest on the Additional Senior Notes will not be subject to Irish withholding tax in any of the following circumstances:

Firstly, there is no requirement for a company to deduct Irish withholding tax on interest payments made in the ordinary course of its trade or business to a company tax resident under the laws of a jurisdiction in the European Union or in a country with which Ireland has a double taxation agreement (such as the United States), provided the interest is not received in the course of a trade or business carried on by that person through a branch or agency in Ireland, and provided that such treaty state, or Member State as the case may be, imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory. The holder of the Additional Senior Notes should provide such evidence as is reasonably necessary to determine the tax residence of the holder.

Secondly, Irish withholding tax on interest in respect of the Additional Senior Notes may be eliminated or reduced in accordance with the terms of an appropriate double taxation agreement (the Irish tax treaty with the United States would generally eliminate such withholding tax, subject to the limitations on benefits clause in that treaty).

Thirdly, Irish withholding tax on interest in respect of the Additional Senior Notes does not apply if the interest is paid in Ireland to a person who subscribed for the Additional Senior Notes and is carrying on a bona fide banking business in Ireland.

Fourthly, Irish withholding tax on interest in respect of the Additional Senior Notes does not apply where the interest is paid in Ireland to a qualifying company (generally a securitization vehicle) within the meaning of Section 110 of the TCA 1997.

Fifthly, Irish withholding tax on interest in respect of the Additional Senior Notes does not apply where interest is paid to a company:

(i) which advances money in the ordinary course of a trade which includes the lending of money;

(ii) in whose hands any interest payable in respect of monies so advanced is taken into account in computing the trading income of such company; and

(iii) which has made the appropriate notifications under Section 246(5)(a) of the TCA 1997 to the Irish tax authorities and the Issuer.

No Irish withholding tax is payable in respect of a repayment of any principal amount of the Additional Senior Notes.

Charge to Irish Tax

Persons (individuals and companies) tax resident in Ireland are generally liable to Irish tax on their worldwide income, including any income from the Additional Senior Notes.

In the case of persons that are individuals, interest will be liable to income tax at the marginal rate (up to 52% depending on circumstances). In the case of corporate entities, the rate of corporation tax applying to the interest income is 25%.

Interest paid by the Issuer to persons resident outside Ireland and who are resident in a "relevant territory" are exempt from Irish income tax. A "relevant territory" for this purpose is a Member State of the European Union (other than Ireland), or a territory with which Ireland has entered into a double tax treaty.

Where interest is paid to or income gains or discounts realized by a person tax resident outside a relevant territory, such Irish source income may be chargeable to Irish income tax. Ireland operates a self-assessment system in respect of income taxes, corporation taxes, social welfare and income levies. Any person with Irish source income which is chargeable to Irish income tax comes within the scope of that system and may have to file a return.

Payments under the Guarantee Arrangement

Any payments made by the Parent Guarantor under the Parent Guarantor's Guarantee can be made without deduction of Irish withholding tax.

Such payments should not be subject to Irish tax in the hands of a recipient who is not tax resident in Ireland and is resident in a relevant territory and where the amount received is not connected with a trade carried on in Ireland by the recipient through a branch or agency. Persons who are resident outside a relevant territory and in receipt of such payments may be chargeable to Irish tax. Any such person may come within the scope of the self assessment system and may have to file a return.

Encashment Tax

If the Paying Agent is not in Ireland, which is the case, then there is no obligation to deduct encashment tax. If a person in Ireland were to pay the interest or receive the interest on behalf of a third party, then Irish encashment tax (at the standard rate—currently 20%) would apply to amounts belonging to Irish resident holders of the Additional Senior Notes, or non-Irish residents who hold Additional Senior Notes and who had not completed the requisite non-resident declaration forms.

Deposit Interest Retention Tax

The interest on the Additional Senior Notes will not be liable to Deposit Interest Retention Tax as the Issuer is not a relevant deposit taker as defined in Irish tax law.

Capital Gains Tax

In the case of a person who is either tax resident or ordinarily tax resident in Ireland, the disposal or redemption of the Additional Senior Notes may be liable to Irish capital gains tax at a rate of 25%. If the person is neither resident nor ordinarily resident in Ireland, he or she will not be liable to Irish capital gains tax on the disposal or redemption unless the Additional Senior Notes are situated in Ireland and have been used in or for the purposes of a trade carried on by such person in Ireland through a branch or agency, or which were used or held or acquired for use by or for the purposes of the branch or agency. Registered instruments will be deemed to be situated in Ireland if the register is located in Ireland at the time of the disposal or redemption.

Capital Acquisitions Tax

A gift or inheritance of the Additional Senior Notes will be within the charge to capital acquisitions tax where the donor or the beneficiary in relation to the gift/inheritance is tax resident or ordinarily tax resident in Ireland on the date of the gift or inheritance, or if the Additional Senior Notes are regarded as property situated in Ireland. Special rules with regard to tax residence apply where an individual is not domiciled in Ireland. Capital acquisitions tax is charged at a rate of 25% on the taxable value of the gift or inheritance above a tax-free threshold.

Value Added Tax

There is no Irish Value Added Tax ("VAT") payable in respect of payments in consideration for the issue of the Additional Senior Notes or for the transfer of an Additional Senior Note.

Stamp Duty

Issuance of Instruments

No stamp duty arises on the issuance of the Additional Senior Notes.

Transfer of Additional Senior Notes

No stamp duty is chargeable on a transfer of the Additional Senior Notes as they meet the following conditions for exemption under Irish tax legislation:

(i) they do not carry a right of conversion into stocks or marketable securities (other than loan capital) of a company having a register in Ireland or into loan capital having such a right;

(ii) they do not carry rights of the same kind as shares in the capital of the company, including rights such as voting rights, a share in the profits or a share in the surplus upon liquidations;

(iii) they are issued for a price which is not less than 90% of the nominal value; and

(iv) they do not carry a right to a sum in respect of repayment or interest which is related to certain movements in an index or indices specified in any instrument or other document relating to such loan capital.

EU Savings Directive on the Taxation of Savings Income

The European Union has adopted EU Council Directive 2003/48/EC (the "Savings Directive") regarding the taxation of savings income. The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise.

Investors should note that the European Commission adopted a new draft Savings Directive, which, among other changes, seeks to extend the application of the Savings Directive to (i) payments channelled through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. Further developments in this respect should be monitored on a continuing basis, since no certainty exists over whether and when the proposed amendments to the Savings Directive will be implemented. Investors who are in any doubt as to their position should consult their professional advisors.

United States Federal Income Taxation

General

UNITED STATES IRS CIRCULAR 230: To ensure compliance with Internal Revenue Service ("IRS") Circular 230, you are hereby notified that: (i) any discussion of U.S. federal tax issues in this Offering Memorandum is not intended or written to be relied upon, and cannot be relied upon, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code of 1986, as amended (the "Code"); (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein; and (iii) holders should seek advice based on their particular circumstances from an independent tax adviser.

The following summary describes certain U.S. federal income tax consequences that may be relevant with respect to the acquisition, ownership and disposition of Additional Senior Notes by U.S. Holders (as defined below) who purchase Additional Senior Notes in this offering at their "issue price" (i.e., the first price at which a substantial amount of Additional Senior Notes is sold for money to investors (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers)). This summary only addresses U.S. federal income tax considerations of U.S. Holders that will hold the Additional Senior Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Additional Senior Notes. In particular, this summary does not address tax considerations applicable to U.S. Holders that may be subject to special tax rules including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in securities or currencies; (iv) tax-exempt entities; (v) persons who will hold Additional Senior Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for U.S. federal income tax purposes; (vi) persons who have a "functional currency" other than the U.S. dollar; (vii) regulated investment companies; and (viii) persons who have ceased to be U.S. citizens or lawful permanent residents of the United States. Further, this summary does not address alternative minimum tax consequences or U.S. federal estate and gift tax consequences.

This summary is based on the Code and U.S. Treasury regulations and judicial and administrative interpretations thereof, as of the date of this Offering Memorandum. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of an Additional Senior Note that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation, or other entity treated as a corporation, created or organized in or under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) the trust was in existence on August 20, 1996 and has properly elected to continue to be treated as a U.S. person.

If any entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes holds Additional Senior Notes, the tax treatment of a partner in or owner of the partnership or other pass-through entity will generally depend upon the status of the partner or owner and the activities of the entity. A holder that is a partner in a partnership or other pass-through entity that is considering holding Additional Senior Notes should consult its own tax adviser.

Each prospective investor should consult its own tax adviser with respect to the U.S. federal (including income, estate and gift), state, local and foreign tax consequences of acquiring, owning and disposing of Additional Senior Notes. U.S. Holders should also review the discussion under "—Ireland Taxation" for the Irish tax consequences to a U.S. Holder of the ownership of Additional Senior Notes.

Payments of Stated Interest

Stated interest paid on an Additional Senior Note will generally be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes.

However, U.S. Holders may exclude from income the portion of the interest payment paid on April 15, 2011 that relates to the period from October 8, 2010 to the date the Additional Senior Notes are issued ("pre-issuance accrued interest"). Any pre-issuance accrued interest received by a U.S. Holder with respect to an Additional Senior Note will reduce such U.S. Holder's adjusted tax basis in the Additional Senior Note. U.S. Holders should consult their tax advisors regarding the foreign currency implications of the receipt of pre-issuance accrued interest.

A U.S. Holder who uses the cash method of accounting and who receives a payment of stated interest in euro (including a payment attributable to accrued but unpaid stated interest upon the sale, exchange, redemption, retirement or other disposition of an Additional Senior Note) will be required to include in income the U.S. dollar value of the euro payment received (determined based on the spot rate on the date the payment is received), regardless of whether the payment is in fact converted to U.S. dollars at that time. A cash basis U.S. Holder will not realize foreign currency exchange gain or loss on the receipt of stated interest income but may recognize exchange gain or loss attributable to the actual disposition of the euro received.

A U.S. Holder who uses the accrual method of accounting will accrue euro-denominated stated interest income in euro and translate that amount into U.S. dollars based on the average spot rate of exchange in effect for the accrual period or, with respect to an accrual period that spans two taxable years, at the average spot rate for the partial period within the applicable taxable year. Alternatively, an accrual method U.S. Holder may elect to translate stated interest income received in euro into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of such partial accrual period) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS. A U.S. Holder that uses the accrual method will recognize foreign currency gain or loss with respect to accrued euro-denominated stated interest income on the date the interest payment (or proceeds from a sale, exchange, redemption, retirement or other disposition attributable to accrued interest) is actually received. The amount of foreign currency gain or loss recognized will equal the difference between the U.S. dollar value of the euro payment received (determined based on the spot rate on the date the payment is received) in respect of the accrual period and the U.S. dollar value of stated interest income that has accrued during the accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars. This foreign currency gain or loss generally will be treated, for U.S. foreign tax credit purposes, as U.S. source ordinary income or loss, and generally will not be treated as an adjustment to interest income or expense.

Interest received by a U.S. Holder will be treated as foreign source income for purposes of calculating that holder's foreign tax credit limitation. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex and, therefore, U.S. Holders should consult their own tax advisers regarding the availability of foreign tax credits in their particular circumstances.

Bond Premium

If you purchase an Additional Senior Note for an amount that is greater than its principal amount, then you will be considered to have purchased the Additional Senior Note with "bond premium" equal to such excess amount. If you make (or have made) a proper election under Section 171 of the Code, then you may amortize any bond premium over the term of such Additional Senior Note as an offset to interest income on the Additional Senior Note, subject to certain limitations when, as in the case of the Additional Senior Notes, the bond is subject to early redemption at a premium. Any such election to amortize bond premium will apply to all taxable debt instruments held or subsequently acquired by you on or after the first day of the first taxable year to which the election applies and cannot be revoked without permission from the IRS.

If you make an election to amortize bond premium, your tax basis in an Additional Senior Note must be reduced by any amortization deductions allowable for the bond premium. If you do not make such an election, bond premium will be taken into account in computing the gain or loss recognized on your disposition of an Additional Senior Note because it is part of your tax basis for such note. U.S. Holders should consult their tax advisors regarding the foreign currency implications of the receipt of bond premium.

Disposition of an Additional Senior Note

Upon the sale, exchange, redemption, retirement or other taxable disposition of an Additional Senior Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on such disposition (except to the extent any amount realized is attributable to accrued but unpaid stated interest, which is taxable as described under "—Payments of Stated Interest") and the U.S. Holder's adjusted tax basis in the Additional Senior Note. A U.S. Holder's adjusted tax basis will generally be the U.S. dollar value of the euro paid for the Additional Senior Note, determined on the date of purchase (which generally should be the closing date), reduced by any amortized bond premium previously taken into account by you. The amount realized on the sale, exchange, redemption, retirement or other disposition of an Additional Senior Note for an amount of foreign currency will generally be the U.S. dollar value of such foreign currency based on the spot exchange rate on the date the Additional Senior Note is disposed of; *provided*, *however*, that if the Additional Senior Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of such foreign currency on the settlement date of the disposition. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. If an Additional Senior Note is not traded on an established securities market (or, if an Additional Senior Note is so traded, but a U.S. Holder is an accrual basis taxpayer that has not made the settlement date election), a U.S. Holder will recognize foreign currency gain or loss (taxable as ordinary income or loss) to the extent that the U.S. dollar value of the euro received (based on the spot rate on the settlement date) differs from the U.S. dollar value of the amount realized.

Except as discussed below with respect to foreign currency gain or loss, any gain or loss realized by a U.S. Holder on the disposition of an Additional Senior Note will be U.S. source capital gain or loss and will be treated as long-term capital gain or loss if the Additional Senior Note has been held for more than one year at the time of the disposition of the Additional Senior Note. For certain non-corporate holders (including individuals), any such long-term capital gain is currently subject to U.S. federal income tax at preferential rates. The deductibility of capital losses is subject to limitations.

Gain or loss realized upon the sale, exchange, retirement, redemption or other taxable disposition of an Additional Senior Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which generally will not be treated as interest income or expense. Gain or loss attributable to fluctuations in currency exchange rates generally will equal the difference between (i) the U.S. dollar value of your purchase price for the Additional Senior Note, determined on the date the Additional Senior Note is retired or disposed of, and (ii) the U.S. dollar value of your purchase price for the Additional Senior Note, determined on the date you acquired the Additional Senior Note (or, in each case, determined on the settlement date if the Additional Senior Notes are traded on an established securities market and the holder is either a cash basis or an electing accrual basis holder). Payments received that are attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest described above. Any foreign currency gain or loss attributable to principal interest will be recognized only to the extent of the total gain or loss realized by a U.S. Holder on the sale, exchange, retirement, redemption or other disposition of the Additional Senior Note. Generally, the foreign currency gain or loss will be U.S. source ordinary income or loss for U.S. foreign tax credit purposes.

Exchange of Foreign Currencies

A U.S. Holder's tax basis in any euro received as interest on or on the sale or other disposition of an Additional Senior Note will be the U.S. dollar value of such euro at the spot rate in effect on the date of receipt of the euro. Any gain or loss recognized by a U.S. Holder on a sale, exchange or other disposition of the euro will be ordinary income or loss and generally will be U.S. source income or loss for U.S. foreign tax credit purposes.

Tax Return Disclosure Requirements

Certain U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions cover certain transactions generally not regarded as tax shelters, including certain foreign currency transactions giving rise to losses in excess of a certain minimum amount (e.g., $50,000 in the case of an individual or trust), such as the receipt or accrual of interest or a sale, exchange, retirement or other taxable disposition of a foreign currency note or of foreign currency received in respect of a foreign currency note. Persons considering the purchase of the Additional Senior Notes should consult with their own tax advisers to determine the tax return disclosure obligations, if any, with respect to an investment in the Additional Senior Notes or the disposition of euro, including any requirement to file IRS Form 8886 (Reportable Transaction Statement).

Backup Withholding and Information Reporting

Backup withholding and information reporting requirements may apply to certain payments to U.S. Holders of interest on the Additional Senior Notes and to the proceeds of a sale, exchange or other disposition (including a retirement or redemption) of an Additional Senior Note. Backup withholding (currently at a rate of 28%) may be required if the U.S. Holder fails (i) to furnish the U.S. Holder's taxpayer identification number, (ii) to certify that such U.S. Holder is not subject to backup withholding or (iii) to otherwise comply with the applicable requirements of the backup withholding rules. Certain U.S. Holders (including, among others, corporations) are not subject to the backup withholding and information reporting requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder generally may be claimed as a credit against such U.S. Holder's U.S. federal income tax liability and any excess may result in a refund, *provided* that the required information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the purchase agreement dated on or about February 1, 2011, Citigroup Global Markets Limited has agreed to purchase, and we have agreed to sell to it, €200 million aggregate principal amount of the Additional Senior Notes.

The purchase agreement provides that the obligation of the initial purchaser to purchase the Additional Senior Notes is subject to approval of legal matters by counsel and to other conditions. The initial purchaser must purchase all of the Additional Senior Notes if they purchase any of the Additional Senior Notes.

The Senior Notes (including the Additional Senior Notes) and the Guarantees have not been and will not be registered under the U.S. Securities Act or qualified for sale under the securities laws of any state or jurisdiction outside the United States and may not be offered to, or for the account or benefit of, persons in the United States except in transactions exempt from the registration requirements of the U.S. Securities Act. See "Notice to Investors."

The initial purchaser may make offers and sales in the United States through certain affiliates of the initial purchaser. The initial purchaser may use affiliates or other appropriately licensed entities for sales of the Additional Senior Notes in jurisdictions in which they are otherwise not permitted.

We have been advised that the initial purchaser proposes to resell the Additional Senior Notes at the offering price set forth on the cover page of this Offering Memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. The price at which the Additional Senior Notes are offered may be changed at any time without notice.

In addition, until 40 days after the commencement of this offering, an offer or sale of Additional Senior Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the U.S. Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The initial purchaser represents and warrants that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issuance or sale of the Senior Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Senior Notes in, from or otherwise involving the United Kingdom.

Delivery of the Additional Senior Notes will be made against payment therefor on or about February 4, 2011, which will be the third business day following the date of pricing of the Additional Senior Notes (such settlement being referred to as "T+3"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise.

The Additional Senior Notes will be fungible with the Original Senior Notes, which are listed on the Global Exchange Market of the Irish Stock Exchange. Application has been made for the Additional Senior Notes to be listed on the Global Exchange Market of the Irish Stock Exchange. We cannot assure you that the prices at which the Senior Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Senior Notes will continue after this offering. The initial purchaser has advised us that it currently intends to make a market in the Senior Notes. However, it is not obligated to do so, and it may discontinue any market-making activities with respect to the Senior Notes at any time without notice. In addition, market-making activity will be subject to the limits imposed by the Exchange Act, and may be limited. Accordingly, we cannot assure you that you will be able to sell your Senior Notes at a particular time or that the prices that you receive when you sell will be favorable.

In connection with this offering, the initial purchaser is not acting for anyone other than us and will not be responsible to anyone other than us for providing the protections afforded to its clients or for providing advice in relation to this offering.

Buyers of the Additional Senior Notes sold by the initial purchaser may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the initial offering price set forth on the cover of this Offering Memorandum.

In connection with this offering, Citigroup Global Markets Limited may purchase and sell Senior Notes in the open market. These transactions may include over-allotment, syndicate-covering transactions and stabilizing transactions. However, there is no assurance that such transactions may be effected. Over-allotment involves sales of Senior Notes in excess of the principal amount of Additional Senior Notes to be purchased by the initial purchaser in this offering, which creates a short position for the initial purchaser. Covering transactions involve purchases of the Senior Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of Senior Notes made for the purpose of preventing or retarding a decline in the market price of the Senior Notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the Senior Notes. They may also cause the price of the Senior Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. Citigroup Global Markets Limited may conduct these transactions in the over-the-counter market or otherwise. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of Senior Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the Issuer receives the proceeds of the issue, or no later than 60 days after the date of the allotment of the Additional Senior Notes, whichever is the earlier. See "Stabilization."

We have agreed to indemnify the initial purchaser against certain liabilities, including liabilities under the U.S. Securities Act.

The initial purchaser and its affiliates perform various financial advisory, investment banking and commercial banking services from time to time for us and our affiliates. The initial purchaser acted as an arranger of the Revolving Credit Facility and certain of its affiliates act as a lender and as security agent thereunder. An affiliate of the initial purchaser is security agent under the Existing Secured Notes. They have received, or may in the future receive, customary fees and commissions for these transactions. The initial purchaser or its affiliates, as applicable, are hedging counterparties with Ardagh or the Acquired Business.

NOTICE TO INVESTORS

The Senior Notes (including the Additional Senior Notes) have not been registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Additional Senior Notes offered hereby are being offered and sold only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

Each purchaser of Additional Senior Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the initial purchaser as follows:

(1) It understands and acknowledges that the Senior Notes have not been registered under the U.S. Securities Act or any applicable state securities law, are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A under the U.S. Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (5) below.

(2) It is not an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) of the Issuer or acting on the Issuer's behalf and it is either:

(i) a QIB and is aware that any sale of Additional Senior Notes to it will be made in reliance on Rule 144A and the acquisition of Additional Senior Notes will be for its own account or for the account of another QIB; or

(ii) purchasing the Additional Senior Notes outside the United States in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.

(3) It acknowledges that neither we nor the initial purchaser, nor any person representing us or the initial purchaser, have made any representation to it with respect to the offering or sale of any Additional Senior Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Additional Senior Notes. It has had access to such financial and other information concerning us and the Additional Senior Notes as it has deemed necessary in connection with its decision to purchase any of the Additional Senior Notes.

(4) It is purchasing the Additional Senior Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Additional Senior Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) Each holder of the Additional Senior Notes issued in reliance on Rule 144A ("Rule 144A Senior Notes") agrees on its own behalf and on behalf of any investor account for which it is purchasing the Senior Notes, and each subsequent holder of the Additional Senior Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Additional Senior Notes prior to the date (the "Resale Restriction Termination Date") that is one year after the later of the issue date of the Additional Senior Notes and the last date on which the Issuer or any of its

affiliates was the owner of such Additional Senior Notes (or any predecessor thereto) only (i) to the Issuer; (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act; (iii) for so long as the Additional Senior Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act; (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the U.S. Securities Act; (v) to an institutional accredited investor (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act) that is not a qualified institutional buyer and that is purchasing for its own account or for the account of another institutional accredited investor, in each case in a minimum principal amount of Additional Senior Notes of $250,000; or (vi) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer pursuant to clause (iv), (v) or (vi) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them. Each purchaser acknowledges that each Rule 144A Senior Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE RE-OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATER OF ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER OR THE PARENT GUARANTOR, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE U.S. SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY

REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

(6) It agrees that it will give to each person to whom it transfers the Additional Senior Notes notice of any restrictions on transfer of such Additional Senior Notes.

(7) It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Additional Senior Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

(8) It acknowledges that the Transfer Agent will not be required to accept for registration of transfer any Additional Senior Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with.

(9) It acknowledges that we, the initial purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Additional Senior Notes are no longer accurate, it shall promptly notify the initial purchaser. If it is acquiring any Additional Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

LEGAL MATTERS

Certain legal matters with respect to the Additional Senior Notes and the Guarantees are being passed upon for us by Shearman & Sterling (London) LLP, U.S. and English counsel to the Issuer and the Guarantors, and William Fry, Irish counsel to the Issuer and the Guarantors. Certain legal matters with respect to the offering of the Additional Senior Notes will be passed upon for the initial purchaser by Cahill Gordon & Reindel LLP, U.S. counsel to the initial purchaser, and McCann FitzGerald, Irish counsel to the initial purchaser.

INDEPENDENT ACCOUNTANTS

The audited non-statutory consolidated financial statements of Ardagh Packaging Holdings Limited for each year in the three-year period ended December 31, 2009 and as of December 31, 2009, 2008 and 2007 included in this Offering Memorandum have been audited by PricewaterhouseCoopers, independent auditors, as stated in their report appearing herein.

The audited non-statutory consolidated financial statements of Impress Coöperatieve U.A. for the year ended December 31, 2009 included in this Offering Memorandum have been audited by Ernst & Young Accountants LLP, independent auditors, as stated in their report appearing herein.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

The Issuer is a direct wholly owned finance subsidiary of the Parent Guarantor incorporated in Ireland, and the Parent Guarantor is a company also incorporated in Ireland. The Initial Subsidiary Guarantors are incorporated in Denmark, England and Wales, Germany, Guernsey, Ireland, Italy, the Netherlands, Poland and Sweden. In addition, on or prior to February 7, 2011 and subject to the Agreed Security Principles, it is expected that the Senior Notes (including the Additional Senior Notes) will be guaranteed by certain subsidiaries of Impress Coöperatieve U.A. which are incorporated under the laws of one of Canada, the Czech Republic, England and Wales, France, Germany, Ireland, Hungary, the Netherlands, Poland, Puerto Rico, Spain, or the State of Delaware (United States). All of the directors and executive officers of the Issuer, the Parent Guarantor and the Subsidiary Guarantors (other than Guarantors located in the United States) reside outside the United States. In addition, substantially all of the assets of the Issuer, the Parent Guarantor and the Subsidiary Guarantors (other than Guarantors located in the United States) are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer, the Parent Guarantor, any of the Subsidiary Guarantors (other than Guarantors located in the United States) or any of their directors and executive officers, or to enforce against them judgments of U.S. courts predicated upon civil liability provisions of the U.S. federal or state securities laws.

If a judgment is obtained in a U.S. court against the Issuer, the Parent Guarantor, any Subsidiary Guarantor, or any of their respective directors or executive officers, investors will need to enforce such judgment in jurisdictions where the relevant company or individual has assets. We have been advised by counsel that there is doubt that a lawsuit based upon United States federal or state securities laws could be brought in an original action in Canada, the Czech Republic, Denmark, England and Wales, France, Germany, Guernsey, Ireland, Italy, the Netherlands, Poland, Spain, Sweden and that a foreign judgment based upon United States federal or state securities laws would be enforced in such countries. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not based on United States federal or state securities laws, would not be automatically enforceable in such countries. You should consult with your own advisers in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

The statute of limitations applicable to payment of interest and repayment of principal under New York law is six years.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Additional Senior Notes from the initial purchaser will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum acknowledges that:

- such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- such person has not relied on the initial purchaser or any person affiliated with the initial purchaser in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided above, no person has been authorized to give any information or to make any representation concerning the Additional Senior Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the initial purchaser.

This Offering Memorandum contains summaries, believed to be accurate in all material respects, of certain terms of certain agreements, but reference is made to the actual agreements (copies of which will be made available upon request to us or the initial purchaser) for complete information with respect thereto, and all such summaries are qualified in their entirety by this reference. While any Senior Notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of Senior Notes the information required pursuant to Rule 144A(d)(4) under the U.S. Securities Act during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Requests for such information and requests for the agreements summarized in this Offering Memorandum should be directed to John Riordan, Finance Director, Ardagh Packaging Holdings Limited, 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland. Our website can be found at www.ardaghglass.com. Information contained on our website is not incorporated by reference into this Offering Memorandum and is not part of this Offering Memorandum.

LISTING AND GENERAL INFORMATION

1. Application has been made for the Additional Senior Notes to be admitted to the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market in accordance with the rules of that exchange. This Offering Memorandum constitutes listing particulars for the purposes of such application. Notification of any optional redemption, change of control or any change in the rate of interest payable on the Senior Notes will be provided by the Issuer to the Irish Stock Exchange.
2. The admission of the Additional Senior Notes to the Global Exchange Market of the Irish Stock Exchange is expected to be granted on or about February 7, 2011.
3. Paper copies of the following documents (or copies thereof, translated into English, where relevant) will be available for physical inspection while the Senior Notes remain outstanding and listed on the Global Exchange Market of the Irish Stock Exchange at the registered office of the Issuer, the registered offices of the Guarantors and the registered office of the listing agent during normal business hours on any weekday:
   (i) the organizational documents of the Issuer and the Guarantors;
   (ii) the audited non-statutory consolidated financial statements published by the Parent Guarantor for the years ended December 31, 2009, 2008 and 2007; and
   (iii) the Indenture (which includes the Guarantees and the form of the Senior Notes).
4. We will maintain a listing agent in Ireland for as long as any of the Senior Notes are listed on the Irish Stock Exchange. We reserve the right to vary such appointment and we will provide notice of such change of appointment to holders of the Senior Notes and the Irish Stock Exchange.
5. The audited non-statutory consolidated financial statements of Ardagh Packaging Holdings Limited will be available for inspection at the registered office of Ardagh Packaging Holdings Limited.
6. The Irish Listing Agent is J&E Davy trading as Davy and the address of its registered office is Davy House, 49 Dawson Street, Dublin 2, Ireland.
7. The Trustee for the Senior Notes is Citibank, N.A., London Branch and its address is 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom. The Trustee will be acting in its capacity of trustee for the holders of the Senior Notes and will provide such services to the holders of the Senior Notes as described in the Indenture.
8. The Issuer, Ardagh Packaging Finance plc, was incorporated in Ireland as an Irish public limited company on September 17, 2010 as a wholly owned subsidiary of Ardagh Packaging Holdings Limited. Its corporate seat is in Dublin, Ireland and it is governed by the Irish Companies Acts 1963 to 2009. Its registered office is at 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland, and its registration number is 489258. The Issuer's telephone number is +353 1 605 2400 and its website is at www.ardaghglass.com. The information and other content on its website are not part of this Offering Memorandum. The address of its board of directors and senior management is the same as the address of its registered office.

   Ardagh Packaging Holdings Limited was incorporated in Ireland as a private limited company on August 5, 2005 as a wholly owned subsidiary of Ardagh Packaging Group Holdings Limited (previously Ardagh Glass Group Holdings Limited). Its corporate seat is in Dublin, Ireland and it is governed by the Irish Companies Acts 1963 to 2009. Its registered office is at 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland, and its registration number is 406237. Ardagh Packaging Holdings Limited's telephone number is +353 1 605 2400 and its website is at www.ardaghglass.com. The information and other content on its website are not part of this Offering Memorandum. The address of its board of directors and senior management is the same as the address of its registered office.

9. The auditors of Ardagh Packaging Finance plc and Ardagh Packaging Holdings Limited are PricewaterhouseCoopers of One Spencer Dock, North Wall Quay, Dublin 1, Ireland. PricewaterhouseCoopers is a member of the Institute of Chartered Accountants in Ireland.

10. The Senior Notes sold in reliance on Rule 144A have been accepted for clearance through Euroclear and Clearstream Banking under the Common Code 054702175 and the ISIN XS0547021757, the Senior Notes sold in reliance on Regulation S have been accepted for clearance through Euroclear and Clearstream Banking under the Common Code 054701977 and the ISIN XS0547019777.

11. The amount of the expenses of the offering, including underwriting commissions and discounts of the initial purchaser, is expected to be approximately €4.0 million. The net proceeds of the offering are estimated to be approximately €207.7 million.

12. The estimated amount of total expenses related to the admission of the Additional Senior Notes to the Global Exchange Market of the Irish Stock Exchange is approximately €15,000.

13. The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuer, or will be entered into by the Issuer in connection with this transaction, and are or may be material:

    (i) a purchase agreement, dated February 1, 2011, among the Issuer, the Parent Guarantor and the initial purchaser, pursuant to which the Issuer will sell the Additional Senior Notes to the initial purchaser; and

    (ii) an indenture, dated October 8, 2010, among the Issuer, the Parent Guarantor and Citibank, N.A., London Branch, as trustee, relating to the Senior Notes.

14. The consolidated non-statutory financial statements of Ardagh Packaging Holdings Limited, each for the years ended December 31, 2009, 2008 and 2007 are presented in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the European Union. The unaudited consolidated interim financial information for the nine-month periods ended September 30, 2010 and 2009 are prepared in accordance with the accounting policies of Ardagh Packaging Holdings Limited as of December 31, 2009.

15. Except as may otherwise be indicated in this Offering Memorandum, all authorizations, consents and approvals to be obtained by us for, or in connection with the creation and issuance of the Additional Senior Notes, the performance of our obligations expressed to be undertaken by us and the distribution of this Offering Memorandum have been or will be obtained and are or will be in full force and effect at the pricing of the offering. The issuance of the Additional Senior Notes by the Issuer was authorized pursuant to a resolution of its board of directors on or around January 31, 2011.

16. There has been no significant change in the financial position or prospects of Ardagh Packaging Holdings Limited, the Subsidiary Guarantors and Ardagh Packaging Finance plc and no significant change in their financial position or trading position since December 31, 2009, except as may otherwise be indicated in this Offering Memorandum.

17. There has been no significant change in the financial position or trading position of Ardagh Packaging Holdings Limited since September 30, 2010, except as may otherwise be indicated in this Offering Memorandum. Except as it may otherwise be indicated in this Offering Memorandum, none of Ardagh Packaging Finance plc, Ardagh Packaging Holdings Limited or the Subsidiary Guarantors has been involved in any litigation, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months preceding the date of this Offering Memorandum which may have, or have had in the recent past, a significant effect on its financial position.

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ARDAGH PACKAGING HOLDINGS LIMITED

INDEX TO THE FINANCIAL STATEMENTS

IMPRESS COÖPERATIEVE U.A.

INDEX TO THE FINANCIAL STATEMENTS

Unaudited consolidated interim financial information of Impress Coöperatieve U.A. for the nine months ended September 30, 2010

Audited financial statements of Impress Coöperatieve U.A. for the year ended December 31, 2009

UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF ARDAGH PACKAGING HOLDINGS LIMITED FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2010
(Unaudited)

	Note	30 September 2010	30 September 2009
		€'000	€'000
Non-current assets			
Goodwill		55,694	53,269
Intangible assets		3,400	6,295
Property, plant and equipment		694,959	712,097
Investment in joint venture		2,918	2,350
Other investments		642	636
Deferred tax assets		38,932	18,324
		796,545	792,971
Current assets			
Inventories		233,174	238,743
Trade receivables		240,352	233,415
Cash and cash equivalents	*3*	81,183	84,782
Restricted cash	*3*	865	—
		555,574	556,940
TOTAL ASSETS		1,352,119	1,349,911
Equity attributable to owners of the parent			
Ordinary shares		—	—
Capital contribution		101,212	100,650
Other reserves		(36,333)	(58,245)
Retained earnings		(96,099)	(55,936)
		(31,220)	(13,531)
Total equity		(31,220)	(13,531)
Non-current liabilities			
Borrowings	*4*	928,004	944,465
Deferred income		6,939	4,264
Retirement benefit obligations		107,929	63,255
Deferred tax liability		78,587	76,217
Provisions for other liabilities and charges		10,078	16,132
Derivative financial instruments		12,949	17,581
		1,144,486	1,121,914
Current liabilities			
Borrowings	*4*	12,715	14,743
Interest payable		16,046	17,711
Deferred income		1,701	1,136
Trade payables		181,629	182,397
Other payables		5,000	—
Payables to parent company		485	—
Provisions for other liabilities and charges		11,966	19,207
Current income tax payable		9,311	6,334
		238,853	241,528
TOTAL EQUITY AND LIABILITIES		1,352,119	1,349,911

The notes to the unaudited consolidated interim financial information are an integral part of the consolidated financial information

CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010
(Unaudited)

	Note	Before exceptional items 30 September 2010	Exceptional items 30 September 2010	Total 30 September 2010	Before exceptional items 30 September 2009	Exceptional items 30 September 2009	Total 30 September 2009
		€'000	€'000 (Note 6)	€'000	€'000	€'000 (Note 6)	€'000
Revenue	5	933,250	—	933,250	935,207	—	935,207
Cost of sales		(761,854)	4,420	(757,434)	(825,902)	(2,048)	(827,950)
Gross profit		171,396	4,420	175,816	109,305	(2,048)	107,257
Sales, general and administration expenses		(53,057)	(5,800)	(58,857)	(47,094)	(41,119)	(88,213)
Operating profit/(loss)		118,339	(1,380)	116,959	62,211	(43,167)	19,044
Finance expense	7	(80,356)	(8,423)	(88,779)	(71,043)	(7,320)	(78,363)
Finance income	7	13,601	—	13,601	13,728	—	13,728
Share of profit of joint venture		249	—	249	410	—	410
Profit/(loss) before tax		51,833	(9,803)	42,030	5,306	(50,487)	(45,181)
Income tax expense				(11,183)			(1,323)
Profit/(loss) for the period				30,847			(46,504)
Profit/(loss) attributable to							
Owners of the parent				30,847			(46,405)
Minority interest				—			(99)
				30,847			(46,504)

The notes to the unaudited consolidated interim financial information are an integral part of the consolidated financial information

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Unaudited)

	Nine months ended	
	30 September 2010	30 September 2009
	€'000	€'000
Profit/(loss) for the financial period	30,847	(46,504)
Other comprehensive income:		
Foreign currency translation adjustments	14,713	5,558
Pension scheme actuarial loss	(10,207)	—
Deferred taxation on actuarial loss	2,493	—
Cash flow hedges gain/(loss)	2,269	(1,404)
Other comprehensive income for the period	9,268	4,154
Total comprehensive income for the period	40,115	(42,350)
Attributable to:		
Owners of the parent	40,115	(42,251)
Minority interest	—	(99)
Total comprehensive income for the period	40,115	(42,350)

The notes to the unaudited consolidated interim financial information are an integral part of the consolidated financial information

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010
(Unaudited)

	Attributable to owners of the parent						
	Capital contribution	**Retained earnings**	**Foreign currency translation adjustment**	**Cash flow hedges**	**Total**	**Minority interest**	**Total Equity**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Balance as at 1 January 2009	100,650	(9,531)	(51,513)	(10,886)	**28,720**	2,489	**31,209**
Comprehensive income							
Loss for the period	—	(46,405)	—	—	**(46,405)**	(99)	**(46,504)**
Other comprehensive income							
Foreign currency translation adjustments	—	—	5,558	—	**5,558**	—	**5,558**
Cash flow hedges	—	—	—	(1,404)	**(1,404)**	—	**(1,404)**
Total other comprehensive income	—	—	5,558	(1,404)	**4,154**	—	**4,154**
Total comprehensive income	—	(46,405)	5,558	(1,404)	**(42,251)**	(99)	**(42,350)**
Purchase of minority interest	—	—	—	—	**—**	(2,390)	**(2,390)**
Balance as at 30 September 2009	**100,650**	**(55,936)**	**(45,955)**	**(12,290)**	**(13,531)**	—	**(13,531)**
Balance as at 1 January 2010	**100,650**	**(90,150)**	**(43,694)**	**(9,621)**	**(42,815)**	—	**(42,815)**
Comprehensive income							
Profit for the period	—	30,847	—	—	**30,847**	—	**30,847**
Other comprehensive income							
Foreign currency translation adjustments	—	—	14,713	—	**14,713**	—	**14,713**
Pension scheme actuarial loss	—	(10,207)	—	—	**(10,207)**	—	**(10,207)**
Deferred taxation on actuarial loss	—	2,493	—	—	**2,493**	—	**2,493**
Cash flow hedges	—	—	—	2,269	**2,269**	—	**2,269**
Total other comprehensive income	—	(7,714)	14,713	2,269	**9,268**	—	**9,268**
Total comprehensive income	—	23,133	14,713	2,269	**40,115**	—	**40,115**
Transactions with owners							
Dividends paid	—	(562)	—	—	**(562)**	—	**(562)**
Loan to parent company waived	—	(28,520)	—	—	**(28,520)**	—	**(28,520)**
Capital contribution	562	—	—	—	**562**	—	**562**
Total transactions with owners	562	(29,082)	—	—	**(28,520)**	—	**(28,520)**
Balance as at 30 September 2010	**101,212**	**(96,099)**	**(28,981)**	**(7,352)**	**(31,220)**	—	**(31,220)**

The notes to the unaudited consolidated interim financial information are an integral part of the consolidated financial information

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010
(Unaudited)

	Note	Nine months ended 30 September 2010	Nine months ended 30 September 2009
		€'000	€'000
Cash flows from operating activities			
Cash generated from operations (before costs relating to capacity realignment)	*8*	188,487	161,537
Redundancy and other costs relating to capacity realignment paid		(19,341)	(16,519)
Interest paid		(67,582)	(48,953)
Interest received		796	654
Income tax paid		(9,142)	(8,637)
Net cash generated from operating activities		93,218	88,082
Cash flows from investing activities			
Loans granted to parent		(29,020)	—
Acquisition of subsidiary		—	(2,795)
Cash in acquired subsidiary		—	379
Capital contribution from parent company	*9*	562	—
Purchase of property, plant and equipment		(67,437)	(74,946)
Purchase of software and other intangibles		(129)	(828)
Proceeds from disposal of property, plant and equipment		913	203
Dividend from joint venture		—	500
Investment in joint venture		(30)	—
Net cash used in investing activities		(95,141)	(77,487)
Cash flows from financing activities			
Proceeds from borrowings		189,988	355,976
Repayment of borrowings		(214,326)	(305,737)
Deferred debt issue costs paid relating to 8¾% €180,000,000 Senior Notes due 2020		(5,000)	—
Deferred debt issue costs paid relating to the 9.25% €300,000,000 First Priority Senior Secured Notes due 2016		—	(10,539)
Deferred debt issue costs paid relating to the GE Invoice Discounting Facility		—	(354)
Cost of early debt redemption of 8⅞% €175,000,000 Senior Notes due 2013 paid	*6*	(6,471)	—
Dividends paid		(562)	—
Repayment of borrowings related to lease obligations			(6,071)
Capital element of finance lease payments		(170)	(21,878)
Net (cash used in)/proceeds from financing activities		(36,541)	11,397
Net increase/(decrease) in cash and cash equivalents		(38,464)	21,992
Cash and cash equivalents at beginning of the period		118,372	61,949
Exchange (loss)/gains on cash and bank overdrafts		1,275	841
Cash and cash equivalents at end of the period	*3*	81,183	84,782

The notes to the unaudited consolidated interim financial information are an integral part of the consolidated financial information

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM GROUP FINANCIAL INFORMATION

1. General information

Ardagh Glass Holdings Limited was incorporated and registered in the Republic of Ireland as a private company on 5 August 2005. Its immediate parent is Ardagh Glass Group Holdings Limited. The ultimate parent company is Ardagh Glass Group S.A.

The Company was formed as a holding company for the Group's Glass Container Manufacturing and Glass Engineering businesses. It is the Parent Guarantor for €300,000,000 9.25% First Priority Senior Secured Notes due 2016, 7.125% €310,000,000 Senior Notes due 2017 and €180,000,000 8¾% Senior Notes due 2020, all issued by Ardagh Glass Finance plc. It was the Parent Guarantor for €175,000,000 8⅞% Senior Notes due 2013 issued by Ardagh Glass Finance B.V. which were redeemed on 19 January 2010 and replaced by the €180,000,000 Senior Notes due 2020.

The Company's Registered Office is:

4 Richview Office Park
Clonskeagh
Dublin 14
Ireland

The unaudited consolidated interim financial information has been approved for issue by the Board of Directors on 5 November 2010.

2. Basis of preparation

The consolidated financial information presented in this report has been prepared in accordance with the accounting policies in respect of recognition, measurement and presentation of Ardagh Glass Group S.A., Ardagh Glass Holdings Limited's ultimate parent. The accounting policies adopted in the preparation of the financial information are consistent with those applied in the annual report of Ardagh Glass Group S.A. for the financial year ended 31 December 2009 as described in those financial statements, except that those items which were previously described as Other Income and Expense are now described as Exceptional Items. This interim financial information is not required to be prepared in accordance with International Accounting Standard IAS 34—"Interim Financial Information", and consequently has not been prepared in accordance with IAS 34.

The consolidated financial information presented in this interim report does not represent statutory accounts within the meaning of Section 19 of the Companies (Amendment Act), 1986. Statutory accounts for Ardagh Glass Holdings Limited for the year ended 31st December 2009, upon which the auditors have given an unqualified audit report, have been filed with the Registrar of Companies.

3. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	30 September 2010	30 September 2009
	€'000	€'000
Cash at bank and in hand	43,609	37,964
Short term bank deposits	37,574	46,818
	81,183	84,782

The Group has €865,000 of restricted cash at the period end, the majority of which relates to the capacity realignment programme in Germany.

4. Borrowings

At 30 September 2010	Current Borrowings	Current Deferred debt issue costs	Current Total	Non-current Borrowings	Non-current Deferred debt issue costs	Non-current Total	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
8¾% Senior Notes due 2020	—	(500)	(500)	180,000	(4,167)	175,833	**175,333**
7.125% Senior Notes due 2017	—	(1,442)	(1,442)	310,000	(8,263)	301,737	**300,295**
9.25% First Priority Senior Secured Notes due 2016	—	(1,530)	(1,530)	295,365	(7,268)	288,097	**286,567**
Bank loans, overdrafts and revolving credit facilities	16,707	(659)	16,048	163,858	(1,797)	162,061	**178,109**
Invoice discounting facilities	—	(146)	(146)	—	—	—	**(146)**
Finance leases	285	—	285	276	—	276	**561**
	16,992	(4,277)	12,715	949,499	(21,495)	928,004	**940,719**

At 30 September 2009	Current Borrowings	Current Deferred debt issue costs	Current Total	Non-current Borrowings	Non-current Deferred debt issue costs	Non-current Total	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
8⅞% Senior Notes due 2013	—	(821)	(821)	175,000	(1,423)	173,577	**172,756**
7.125% Senior Notes due 2017	—	(1,442)	(1,442)	310,000	(9,262)	300,738	**299,296**
9.25% First Priority Senior Secured Notes due 2016	—	(2,143)	(2,143)	294,558	(12,321)	282,237	**280,094**
Bank loans, overdrafts and revolving credit facilities	20,056	(882)	19,174	190,256	(2,992)	187,264	**206,438**
Invoice discounting facilities	—	(137)	(137)	687	(137)	550	**413**
Finance leases	112	—	112	99	—	99	**211**
	20,168	(5,425)	14,743	970,600	(26,135)	944,465	**959,208**

5. Segmental analysis

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions. The board considers the business from a product perspective; glass container manufacturing and glass engineering.

Glass container manufacturing includes the entities involved in the production and sale of glass containers. Glass engineering includes the entities involved in the production and sale of glass engineering and manufacturing equipment.

The board assess the performance of the operating segments based on a measure of EBITDA (EBITDA is operating profit before depreciation, amortisation and exceptional items).

The segment results for the nine month period ended 30 September 2010 are as follows:

	Glass Container Manufacturing	Glass Engineering	Total
	€'000	€'000	€'000
Segment revenue	904,791	46,952	951,743
Inter-segment revenue	—	(18,493)	(18,493)
Third party revenue	904,791	28,459	933,250
EBITDA	194,693	6,621	201,314
Depreciation (Note 8)			(81,986)
Amortisation—intangible assets (Note 8)			(1,986)
Amortisation—government grants (Note 8)			997
Exceptional items (Note 6)			(9,803)
Finance expense (Note 7)			(80,356)
Finance income (Note 7)			13,601
Share of profit of joint venture (Note 8)			249
Profit before income tax			42,030
Income tax expense			(11,183)
Profit after income tax			30,847

5. Segmental analysis (Continued)

The segment results for the nine month period ended 30 September 2009 are as follows:

	Glass Container Manufacturing	Glass Engineering	Total
	€'000	€'000	€'000
Segment revenue	891,601	61,421	953,022
Inter-segment revenue	—	(17,815)	(17,815)
Third party revenue	891,601	43,606	935,207
EBITDA	163,472	8,885	172,357
Depreciation (Note 8)			(106,323)
Amortisation—intangible assets (Note 8)			(4,697)
Amortisation—government grants (Note 8)			874
Exceptional items (Note 6)			(50,487)
Finance expense (Note 7)			(71,043)
Finance income (Note 7)			13,728
Share of profit of joint venture (Note 8)			410
Loss before income tax			(45,181)
Income tax expense			(1,323)
Loss after income tax			(46,504)

All inter-segment sales are at arm's length.

The segment assets at 30 September 2010 and capital expenditure for the nine months ended 30 September 2010 are as follows:

	Glass Container Manufacturing	Glass Engineering	Total
	€'000	€'000	€'000
Segment assets	1,292,803	56,398	1,349,201
Investment in Joint Venture	2,918	—	2,918
Total assets	1,295,721	56,398	1,352,119
Capital expenditure	63,328	4,238	67,566

The segment assets at 30 September 2009 and capital expenditure for the nine months ended 30 September 2009 are as follows:

	Glass Container Manufacturing	Glass Engineering	Total
	€'000	€'000	€'000
Segment assets	1,292,434	55,127	1,347,561
Investment in Joint Venture	2,350	—	2,350
Total assets	1,294,784	55,127	1,349,911
Capital expenditure	73,773	2,001	75,774

Segment assets consist of all assets.

5. Segmental analysis (Continued)

Capital expenditure comprises additions to intangible assets, and property, plant and equipment.

6. Exceptional items

	Nine months ended	
	30 September 2010	30 September 2009
	€'000	€'000
Non-cash negative past service cost relating to the benefit change made to a UK pension scheme	4,420	—
Asset write downs relating to capacity realignment	—	(2,048)
Exceptional items—cost of sales	4,420	(2,048)
Impress acquisition costs	(5,000)	—
Redundancy costs relating to capacity realignment	(818)	(39,183)
New furnace start up costs	—	(2,062)
Other restructuring (costs)/credits relating to capacity realignment	18	42
Doubtful debt received	—	649
Loss on assets relating to capacity realignment	—	(565)
Exceptional items—sales, general and administration expenses	(5,800)	(41,119)
Cost of early debt redemption of €175,000,000 Senior Notes due 2013	(6,471)	—
Unamortised deferred debt issue costs written off relating to the 8⅞% €175,000,000 Senior Notes due 2013	(1,952)	—
Unamortised deferred debt issue costs written off relating to the Anglo partial repayment	—	(2,030)
De-designation of cashflow hedges to trading derivatives	—	(5,290)
Exceptional items—finance expense (Note 7)	(8,423)	(7,320)
Total exceptional items	(9,803)	(50,487)

7. Finance income and expense

	Nine months ended	
	30 September 2010	30 September 2009
	€'000	€'000
Finance expense:		
8¾% Senior Notes due 2020	11,326	—
7.125% Senior Notes due 2017	17,646	17,646
9.25% First Priority Senior Notes due 2016	22,572	7,996
8⅞% Senior Notes due 2013	870	12,687
Bank loans, overdrafts and revolving credit facilities	11,188	17,127
Invoice discounting facilities	545	922
Finance leases	36	1,086
Interest expense	64,183	57,464
Finance expense on pension plan liabilities	13,285	13,078
Movement on trading derivatives after de-designation of cashflow hedge	1,156	—
Foreign currency translation losses	1,610	360
Other finance expense	122	141
Finance expense before exceptional items	80,356	71,043
Cost of early debt redemption of €175,000,000 Senior Notes due 2013	6,471	—
Unamortised deferred debt issue costs written off relating to the 8⅞% €175,000,000 Senior Notes due 2013	1,952	—
Unamortised deferred debt issue costs written off relating to the Anglo partial repayment	—	2,030
De-designation of cashflow hedges to trading derivatives	—	5,290
Exceptional items—finance expense (Note 6)	8,423	7,320
Total finance expense	88,779	78,363

	Nine months ended	
	30 September 2010	30 September 2009
	€'000	€'000
Finance income:		
Foreign currency translation gains	1,932	3,308
Interest income	796	850
Expected return on pension plan assets	10,873	9,570
Total finance income	13,601	13,728
Net finance expense (Note 8)	75,178	64,635

8. Cash generated from operations (before costs relating to capacity realignment)

	Nine months ended	
	30 September 2010	30 September 2009
	€'000	€'000
Profit/(loss) before tax	42,030	(45,181)
Adjustments:		
Depreciation (Note 5)	81,986	106,323
Amortisation (Note 5)	1,986	4,697
Amortisation of capital grants (Note 5)	(997)	(874)
Net finance expenses (Note 7)	75,178	64,635
Profit/(loss) on disposal of property, plant and equipment	(153)	51
Share of profit of joint venture	(249)	(410)
Exceptional items (Note 6)		
—Redundancy charge relating to capacity realignment	818	39,183
—Other restructuring charge/(credit) relating to capacity realignment	(18)	(42)
—Asset write downs relating to capacity realignment	—	2,048
Non-cash negative past service cost relating to the benefit change made to a UK pension scheme	(4,420)	—
Movement in exceptional items payable	5,000	(4,431)
Changes in trade working capital:		
Inventories	13,300	39,586
Trade receivables	(46,257)	(34,221)
Trade payables	16,728	(6,985)
Movement on non-working capital payables	3,555	(2,842)
Cash generated from operations (before costs relating to capacity realignment)	188,487	161,537

9. Related party transactions

(a) Yeoman group of companies

As at 30 September 2010 Yeoman Capital S.A. owned 39.31% of the ordinary shares of Ardagh Glass Group S.A. Two of the directors of Ardagh Glass Holdings Limited, Paul Coulson and Brendan Dowling, also serve as directors of companies within the Yeoman group of companies. Paul Coulson, Wolfgang Baertz, Brendan Dowling and Herman Troskie, are directors of Ardagh Glass Group S.A., our ultimate parent company, and also serve as directors of companies within the Yeoman group of companies.

9. Related party transactions (Continued)

(b) Key management compensation

	Three months ended		Nine months ended	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
	€'000	€'000	€'000	€'000
Salaries and other short term employee benefits	1,843	1,485	5,349	4,689
Post employment benefits	152	268	478	645
	1,995	1,753	5,827	5,334

(c) Joint venture—Eura Glasrecycling GmbH & Co. KG

As at 30 September 2010, the Group owed €793,000 (2009: €685,000) to Eura Glasrecycling GmbH & Co. KG.

(d) Ardagh Glass Holdings Limited and its holding companies

In December 2009, Ardagh Glass Group S.A. ("ASA"), a Luxembourg company, became the ultimate parent company of the Ardagh Glass Group. ASA acquired all of the shares of Ardagh Glass Group plc ("APG plc") in exchange for the issue of shares to the APG plc shareholders in the same proportions as they had held shares in APG plc.

At 30 September 2010, ASA owed €834,000 to Ardagh Glass Holdings Limited ("AGHL") and AGHL owed €1,319,000 to APG plc.

In July 2010, AGHL received a capital contribution of €562,000 from its parent company Ardagh Glass Group Holdings Limited.

(e) Pension scheme

The pension schemes are related parties.

10. Impress Acquisition

On 25 September 2010, Ardagh announced the acquisition of Impress Coöperative U.A. (Impress Metal Packaging) for €1.7 billion, conditional on competition authority approvals.

On 27 September 2010, Ardagh Packaging Finance plc, a subsidiary of Ardagh Glass Holdings Limited, announced the offer of €825,000,000 and $350,000,000, 7.375% First Priority Senior Secured Notes due 2017, guaranteed on a senior secured basis by Ardagh Glass Holdings Limited and certain of its wholly owned subsidiaries. On the same date, Ardagh Packaging Finance plc, announced the offer of €275,000,000, 9.25% Senior Notes due 2020 and $450,000,000, 9.125% Senior Notes due 2020, both guaranteed on a senior basis by Ardagh Glass Holdings Limited and on a senior subordinated basis by certain of its wholly owned subsidiaries.

On 8 October 2010, the funds raised from the issue of Notes by Ardagh Packaging Finance plc, described above, were placed in an escrow account awaiting the competition authority approvals, which is expected to be received in early December 2010.

10. Impress Acquisition (Continued)

At 30 September 2010, Ardagh had an accrual of €5.0 million for costs associated with the acquisition, which were expensed in the three month period ended 30 September 2010. No other acquisition costs had been expensed or paid to 30 September 2010.

NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS OF ARDAGH PACKAGING HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2009

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF ARDAGH GLASS HOLDINGS LIMITED

We have audited the non-statutory consolidated financial statements ("the financial statements") of Ardagh Glass Holdings Limited ("the Group") for the year ended 31 December 2009 which comprise the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes. These financial statements have been prepared under the accounting policies set forth therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union are set forth in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's directors as a body and for no other person. We do not, in giving this opinion, accept or assume responsibility to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and generally accepted in Ireland. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Group's affairs as of 31 December 2009 and of the loss and cash flows of the Group for the year then ended.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin, Ireland

24 March 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the non-statutory consolidated financial statements to the bondholders in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union.

The directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that the financial statements comply with IFRS; and to
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website at www.ardaghglass.ie.

The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These non-statutory consolidated financial statements have been approved for issue by the Board of Directors on 24 March 2010.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2009

	Note	31 December 2009	31 December 2008	1 January 2008
		€'000	€'000	€'000
Non-current assets				
Goodwill	3	53,938	50,781	64,576
Intangible assets	3	5,241	12,120	14,234
Property, plant and equipment	4	697,325	727,799	817,957
Investment in joint venture	5	2,641	2,642	1,859
Other investments		635	1,276	726
Deferred tax assets	6	32,872	17,871	12,513
		792,652	812,489	911,865
Current assets				
Inventories	7	241,199	272,040	231,598
Trade and other receivables	8	187,507	196,395	194,550
Cash and cash equivalents	9	118,372	61,949	62,634
Restricted cash	9	2,433	—	—
Derivative financial instruments		—	—	116
		549,511	530,384	488,898
TOTAL ASSETS		1,342,163	1,342,873	1,400,763
Equity attributable to owners of the parent				
Ordinary shares	10	—	—	—
Capital contribution		100,650	100,650	100,650
Other reserves		(53,315)	(62,399)	(1,423)
Retained earnings		(90,150)	(9,531)	3,331
		(42,815)	28,720	102,558
Minority interest	11	—	2,489	2,603
Total equity		(42,815)	31,209	105,161
Non-current liabilities				
Borrowings	12	945,742	839,209	858,284
Deferred income—government grants	13	4,151	5,177	5,875
Retirement benefit obligations	14	98,041	58,638	46,798
Deferred tax liability	6	78,377	86,326	103,843
Provisions for other liabilities and charges	16	14,410	—	—
Derivative financial instruments	12	14,060	10,886	850
		1,154,781	1,000,236	1,015,650
Current liabilities				
Borrowings	12	15,534	97,482	49,781
Interest payable	12	22,993	8,758	8,750
Deferred income—government grants	13	1,473	1,134	1,052
Trade and other payables	15	161,883	187,369	195,995
Provisions for other liabilities and charges	16	24,321	14,151	13,728
Current income tax payable		3,993	2,534	10,646
		230,197	311,428	279,952
TOTAL EQUITY AND LIABILITIES		1,342,163	1,342,873	1,400,763

The notes to the non-statutory consolidated financial statements are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Before other income and expense 31 December 2009	Other income and expense 31 December 2009	Total 31 December 2009	Before other income and expense 31 December 2008	Other income and expense 31 December 2008	Total 31 December 2008
		€'000	€'000 Note 19	€'000	€'000	€'000	€'000
Revenue	17	1,235,783	—	1,235,783	1,357,204	—	1,357,204
Cost of sales	18	(1,081,167)	(11,643)	(1,092,810)	(1,178,093)	(270)	(1,178,363)
Gross profit		154,616	(11,643)	142,973	179,111	(270)	178,841
Sales, general and administration expenses	18	(63,127)	(48,087)	(111,214)	(73,785)	(24,894)	(98,679)
Operating profit		91,489	(59,730)	31,759	105,326	(25,164)	80,162
Finance expense	20	(93,277)	(8,356)	(101,633)	(102,918)	—	(102,918)
Finance income	20	18,946	—	18,946	18,938	—	18,938
Share of profit of joint venture	5	699	—	699	783	—	783
Profit/(loss) before tax		17,857	(68,086)	(50,229)	22,129	(25,164)	(3,035)
Income tax (charge)/credit	21	(1,794)	—	(1,794)	6,510	—	6,510
Profit/(loss) for the year		16,063	(68,086)	(52,023)	28,639	(25,164)	3,475
Profit/(loss) attributable to:							
Owners of the parent		16,162	(68,086)	(51,924)	28,313	(25,164)	3,149
Minority interest	11	(99)	—	(99)	326	—	326
		16,063	(68,086)	(52,023)	28,639	(25,164)	3,475

The notes to the non-statutory consolidated financial statements are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	31 December 2009	31 December 2008
		€'000	€'000
(Loss)/profit for the financial year		(52,023)	3,475
Other comprehensive income:			
Foreign currency translation adjustments		7,819	(50,824)
Actuarial loss on retirement benefit obligations	14	(38,834)	(21,936)
Deferred taxation on actuarial loss	6	10,139	5,925
Cash flow hedges gain/(loss)	12	1,265	(10,152)
Other comprehensive income for the year		(19,611)	(76,987)
Total comprehensive income for the year		(71,634)	(73,512)
Attributable to:			
Owners of the parent		(71,535)	(73,838)
Minority interest	11	(99)	326
Total comprehensive income for the year		(71,634)	(73,512)

Items in the statement above are disclosed gross of tax.

The notes to the non-statutory consolidated financial statements are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

		Attributable to owners of the parent						
	Note	Capital contribution	Retained earnings	Foreign currency translation adjustment	Cash flow hedges	Total	Minority interest	Total Equity
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2008		100,650	3,331	(689)	(734)	**102,558**	2,603	**105,161**
Comprehensive income								
Profit for the year		—	3,149	—	—	**3,149**	326	**3,475**
Other comprehensive income								
Foreign currency translation adjustments		—	—	(50,824)	—	**(50,824)**	—	**(50,824)**
Pension scheme actuarial loss	14	—	(21,936)	—	—	**(21,936)**	—	**(21,936)**
Deferred taxation on actuarial loss	6	—	5,925	—	—	**5,925**	—	**5,925**
Cash flow hedges	12	—	—	—	(10,152)	**(10,152)**	—	**(10,152)**
Total other comprehensive income		—	(16,011)	(50,824)	(10,152)	**(76,987)**	—	**(76,987)**
Total comprehensive income		—	(12,862)	(50,824)	(10,152)	**(73,838)**	326	**(73,512)**
Dividend paid to minority interest holders	11	—	—	—	—	**—**	(440)	**(440)**
Balance as of 1 January 2009		100,650	(9,531)	(51,513)	(10,886)	**28,720**	2,489	**31,209**
Comprehensive income								
Loss for the year		—	(51,924)	—	—	**(51,924)**	(99)	**(52,023)**
Other comprehensive income								
Foreign currency translation adjustments		—	—	7,819	—	**7,819**	—	**7,819**
Pension scheme actuarial loss	14	—	(38,834)	—	—	**(38,834)**	—	**(38,834)**
Deferred taxation on actuarial loss	6	—	10,139	—	—	**10,139**	—	**10,139**
Cash flow hedges	12	—	—	—	1,265	**1,265**	—	**1,265**
Total other comprehensive income		—	(28,695)	7,819	1,265	**(19,611)**	—	**(19,611)**
Total comprehensive income		—	(80,619)	7,819	1,265	**(71,535)**	(99)	**(71,634)**
Purchase of minority interest	11	—	—	—	—	**—**	(2,390)	**(2,390)**
Balance as of 31 December 2009		100,650	(90,150)	(43,694)	(9,621)	**(42,815)**	—	**(42,815)**

The notes to the non-statutory consolidated financial statements are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	31 December 2009	31 December 2008
		€'000	€'000
Cash flows from operating activities			
Cash generated from operations (before costs relating to capacity realignment)	22	250,847	179,643
Redundancy and other costs relating to capacity realignment paid	16	(22,412)	(11,744)
Interest paid		(64,953)	(71,455)
Interest received		1,385	3,249
Income tax paid		(13,494)	(18,181)
Net cash from operating activities		151,373	81,512
Cash flows from investing activities			
Acquisition of subsidiary	23	(2,795)	(3,626)
Cash in acquired subsidiary	23	379	—
Dividend from joint venture	5	700	—
Purchase of property, plant and equipment	4	(98,990)	(128,264)
Purchase of software and other intangibles	3	(1,484)	(504)
Proceeds from disposal of property, plant and equipment		301	3,480
Net cash used in investing activities		(101,889)	(128,914)
Cash flows from financing activities			
Proceeds from borrowings		356,168	105,313
Repayment of borrowings		(311,776)	(51,807)
Deferred finance costs paid		(11,009)	—
Repayment of borrowings related to lease obligations		(6,071)	—
Capital element of finance lease payments		(21,362)	(3,941)
Net cash used in financing activities		5,950	49,565
Net increase in cash and cash equivalents		55,434	2,163
Cash and cash equivalents at beginning of the year		61,949	62,634
Exchange gains/(losses) on cash and bank overdrafts		989	(2,848)
Cash and cash equivalents at the end of the year	9	118,372	61,949

The notes to the non-statutory consolidated financial statements are an integral part of these consolidated financial statements

NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Ardagh Glass Holdings Limited was incorporated and registered in the Republic of Ireland as a private company on 5 August 2005. The ultimate parent company is Ardagh Glass Group S.A.

The Company was formed as a holding company for the Group's glass container manufacturing and engineering businesses. It is the Parent Guarantor for €300,000,000 9.25% First Priority Senior Secured Notes due 2016, 7.125% €310,000,000 Senior Notes due 2017 and €180,000,000 8¾% Senior Notes due 2020, all issued by Ardagh Glass Finance plc. It was the Parent Guarantor for €175,000,000 8⅞% Senior Notes due 2013 issued by Ardagh Glass Finance B.V. which were redeemed on January 19, 2010 and replaced by the €180,000,000 Senior Secured Notes due 2020.

The Company's Registered Office is:

4 Richview Office Park
Clonskeagh
Dublin 14

These consolidated financial statements do not represent statutory accounts within the meaning of Section 19 of the Companies (Amendment Act), 1986. Statutory accounts for Ardagh Glass Holdings Limited for the year ended December 31, 2008, upon which the auditors have given an unqualified audit report, have been filed with the Registrar of Companies. Statutory accounts for Ardagh Glass Holdings Limited for the year ended December 31, 2009, will be filed in due course.

2. Summary of significant accounting policies

Basis of preparation

The non-statutory consolidated financial statements of Ardagh Glass Holdings Limited (the "Group") have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and International Financial Reporting Interpretations Committee ('IFRIC') interpretations as adopted by the EU. IFRS is comprised of standards and interpretations approved by the International Accounting Standards Board ('IASB') and International Accounting Standards and interpretations approved by the predecessor International Accounting Standards Committee that have been subsequently approved by the IASB and remain in effect.

IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB. References to IFRS hereafter should be construed as references to IFRS as adopted by the EU.

The financial statements, which are presented in euro rounded to the nearest thousand, have been prepared under the historical cost convention except for the following:

- derivative financial instruments are stated at fair value; and
- retirement benefit obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets are valued at fair value.

The preparation of non-statutory consolidated financial information in conformity with IFRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgement in the process of applying Group accounting policies. These estimates, assumptions and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. However, actual outcomes may differ from those estimates. The areas involving a higher degree of judgement or

2. Summary of significant accounting policies (Continued)

complexity, or areas where assumptions and estimates are significant to the non-statutory consolidated financial statements are discussed in the critical accounting estimates and judgements.

The Group finalised the completion accounts associated with the 2008 Busch & Spreen acquisition in 2009 which resulted in certain reclassifications to the statement of financial position (Note 23).

The Group split-out interest payable from trade and other payables within the statement of financial position to provide better transparency to financial statements readers, as interest payable is not included in the Group's definition of working capital. This resulted in no change to total assets, total liabilities or net income in the 2008 results.

In accordance with IAS 1 (revised) these reclassification have resulted in the Group presenting a statement of financial position for 2009, 2008 and 2007.

Accounting standards and interpretations effective in 2009 which are relevant to the Group

IAS 1 (Revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statements of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in a performance statement. The Group has elected to present two statements; the income statement; and the statement of comprehensive income.

IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. IFRS 8 sets out the requirements for disclosure of financial and descriptive information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates and its major customers. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption resulted in identifying the board of directors of Ardagh Glass Group plc ("the board") as the chief operating decision-maker, which resulted in changing the reporting segments from being based on geographical locations to businesses.

IAS 23 (Amendment), 'Borrowing costs' The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs has been removed. The Group applied IAS 23 (Amendment) prospectively from 1 January 2009. The adoption did not have a significant impact on the 2009 results.

Statements, amendments, and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

IFRS 1 (Revised), 'First-time Adoption of International Financial Reporting Standards', (effective for financial periods beginning on or after 1 July 2009). The revised standard is still subject to EU endorsement. The current IFRS 1 has been amended many times to accommodate first time adoption requirements of new and amended IFRSs, resulting in a more complex and less clear standard. This revised version retains the substance of the original standard but with a changed structure. The revised IFRS 1 is not applicable to the Group as it has already adopted IFRS, however it would be applicable

2. Summary of significant accounting policies (Continued)

to other entities in the Group should they transition to IFRS at a future date, subject to EU endorsement.

IFRS 1 (Amendment)—'Additional Exemptions for First-time Adopters', (effective for financial periods beginning on or after 1 January 2010). The amendment is subject to EU endorsement. The amendment introduces additional exemptions for entities that are transitioning to IFRS. IFRS 1 as amended is not applicable to the Group as it has already adopted IFRS, however it would be applicable to other entities in the Group should they transition to IFRS at a future date, subject to EU endorsement.

IFRS 1 (Amendment), 'Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters', effective for annual periods beginning on or after 1 January 2009, however this amendment is still subject to EU endorsement. Certain first-time adopters have been provided with the same transition provisions (and thereby the same relief) as included in the amendment to IFRS 1. IFRS 1 as amended is not applicable to the Group as it has already adopted IFRS, however it would be applicable to other entities in the Group should they transition to IFRS at a future date, subject to EU endorsement.

IFRS 2 (Amendment)—'Group Cash-settled share-based payment transactions', (effective for financial periods beginning on or after 1 January 2010). The amendment is still subject to EU endorsement. The amendment clarifies the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transactions. The amendment also incorporates the guidance contained in IFRIC 8 and IFRIC 11. As a result IFRIC 8 and IFRIC 11 have been withdrawn. The Group will apply IFRS 2 (Amendment) from 1 January 2010 but it is currently not expected to impact the group as there are no share based payment arrangements.

IFRS 3 (Revised), 'Business combinations' (effective for financial periods beginning on or after 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply the revised IFRS 3 prospectively to all business combinations from 1 January 2010.

IFRS 9, 'Financial instruments', (effective for financial periods beginning on or after 1 January 2013). The new standard is still subject to EU endorsement. The new standard addresses classification and measurement of financial assets. IFRS 9 replaces the multiple classification models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. Classification under IFRS 9 is driven by the entity's business model for managing financial assets and the contractual characteristics of the financial assets. IFRS 9 removes the requirement to separate embedded derivatives from financial asset hosts. IFRS 9 removes the cost exemption for unquoted equities. The Group will apply IFRS 9 from 1 January 2013, subject to EU endorsement.

IAS 24 (Amendment)—Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011). This amendment is subject to EU endorsement. The amendment simplifies the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The Group will adopt the amendment from 1 January 2011, subject to EU

2. Summary of significant accounting policies (Continued)

endorsement and is not expected to have an impact on the level of related party disclosures within the financial statements.

IAS 27 (Revised), 'Consolidated and separate financial statements' (effective for financial periods beginning on or after 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill on acquisitions from non-controlling interests or gains and losses on disposals to non-controlling interests. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply the revised IAS 27 prospectively from 1 January 2010. The revised standard will not have an impact on the Group financial statements, as there are no non-controlling interests as of 1 January 2010.

IAS 32 (Amendment)—Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010). The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights are classified as equity regardless of the currency in which the exercise price is denominated. The group will adopt the amendment from 1 February 2010 but it is currently not expected to impact the group as the group does not have any rights, options or warrants.

IAS 39 (Amendment)—Eligible Hedged Items, 'Financial Instruments: Recognition and Measurement' (effective for annual periods beginning on or after 1 July 2009). It provides guidance for two situations. On the designation of a one-sided risk in a hedged item, IAS 39 concludes that a purchase option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations. The Group will apply IAS 39 as amended from 1 January 2010; the adoption of the standards will not give rise to any changes in the financial statements of the Group.

IFRIC 14 (Amendment), 'Prepayments of a Minimum Funding Requirement', (effective for financial periods beginning on or after 1 January 2012). The amendment is still subject to EU endorsement. The amendment removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement. The Group will apply the amendment from 1 January 2012 and the Group have a policy of not recognising surpluses where not recoverable thus adoption not expected to have material impact.

IFRIC 17, 'Distributions of Non-cash Assets to Owners' (effective for annual periods beginning on or after 1 July 2009). This interpretation applies to transactions in which an entity distributes assets (other than cash) as dividends to its owners acting in their capacity as owners and how an entity should measure the dividend payable. The IFRIC also clarifies when an entity should recognise a dividend payable, i.e. when the dividend is appropriately authorised and no longer at the discretion of the entity. The Group will apply IFRIC 17 from 1 January 2010; the adoption of IFRIC 17 is not expected to have an impact on the financial statements, as the Group does not intend to make any non-cash distributions.

IFRIC 18, 'Transfers of Assets from Customers' (effective for transfers of assets from customers received on or after 1 July 2009). This interpretation applies to agreements in which an entity receives from a customer an item of property, plant and equipment (or an amount of cash which must be used

2. Summary of significant accounting policies (Continued)

to construct or acquire an item of property, plant and equipment) that the entity must use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services, or do both. The adoption of IFRIC 18 is not expected to have an impact on the financial statements of the Group.

IFRIC 19, 'Extinguishing Financial Liabilities with Equity Instruments', (effective for financial periods beginning on or after 1 July 2010). IFRIC 19 requires a gain or loss to be recognised in profit or loss when a liability is settled through the issuance of the entity's own equity instruments. The Interpretation is still subject to EU endorsement. The Group will apply IFRIC 19 from 1 January 2011; the adoption of IFRIC 19 is not expected to have an impact on the financial statements as the Group does not intend to settle liabilities through the issuance of the entity's own equity instruments.

Improvements to IFRS

The IASB has issued the 'Improvements to IFRSs 2009' standard which amends 10 standards, basis of conclusions and guidance, and 2 interpretations based on the exposure drafts issued in October 2007 and August 2008. The improvements include changes in presentation, recognition and measurement plus terminology and editorial changes.

BASIS OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power, directly or indirectly, to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

(ii) Transaction and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2. Summary of significant accounting policies (Continued)

(iii) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Investments in joint ventures are accounted for by the equity method of accounting and are initially recognised at cost.

The Group's investment in joint ventures includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its joint ventures post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

(iv) Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

FOREIGN CURRENCY

(i) Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The consolidated financial statements are presented in Euro, which is the Company's functional currency.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to euro at average exchange rates for the year. Foreign exchange differences arising on retranslation are recognised directly in a separate component in the consolidated statement of changes in equity ('foreign currency translation adjustment').

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and the effective currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2. Summary of significant accounting policies (Continued)

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose for the purpose of assessing impairment. Goodwill is tested annually for impairment. In respect of joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the joint venture.

The excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost, arising on an acquisition is recognised directly in the income statement.

INTANGIBLE ASSETS

Intangible assets acquired as part of a business combination are capitalised separately from goodwill if the intangible asset meets the definition of an asset and the fair value can be reliably measured on initial recognition.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets with finite useful lives are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The amortisation of intangible assets is calculated to write-off the book value of finite lived intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, finite lived intangible assets are amortised over periods ranging from three to five years, depending on the nature of the intangible asset as detailed below.

(i) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

(ii) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.

(iii) Other Intangible assets

An intangible asset is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured

2. Summary of significant accounting policies (Continued)

reliably. The asset is deemed to be identifiable when it is separable (i.e. capable of being divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability) or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Raw materials are valued on the basis of purchase cost on a first-in, first out basis. In the case of finished goods and work-in-progress, costs include, direct materials; direct labour and attributable overheads based on normal operating capacity, and excludes borrowing costs.

Net realisable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution. Full provision is made for all damaged, deteriorated, obsolete and unusable materials.

PROPERTY, PLANT AND EQUIPMENT

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for land which is shown as cost less impairment.

Where components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period using the effective interest method so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(iii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing the component of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be

2. Summary of significant accounting policies (Continued)

measured reliably. When a component is replaced the old component is de-recognised in the period. All other costs are recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	40 years
Plant and machinery	3–12 years
Molds	2 or 3 years
Office equipment and vehicles	3–10 years

The assets carrying value and useful life are reviewed and adjusted if appropriate. At the end of each reporting period, an asset's carrying amount is written down to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

(v) Disposals

Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount of the relevant asset at the date of disposal and are included in operating profit in the period in which they are disposed.

(vi) Borrowing Costs

The Group capitalises borrowing costs directly attributable to the acquisition, construction or production of, furnace rebuilds or manufacturing plants that require a substantial period of time to build. The borrowing costs are included as part of the costs of the asset. The capitalisation of borrowing costs is suspended upon periods when active development is interrupted and cease when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The capitalised borrowing costs are amortised in-line with the life of the asset.

MOLDS AND MOLD PARTS

Molds are included in property, plant and equipment and depreciated over 2 or 3 years. Mold parts are included in inventories and are valued at the lower of cost and net realisable value.

IMPAIRMENT

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or whenever indicators suggest that an impairment may have occurred. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2. Summary of significant accounting policies (Continued)

(i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

Reversals of impairments arise when indicators exist that suggest an impairment loss recognised in a prior period no longer exists. An impairment loss in respect of goodwill cannot be reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NON-DERIVATIVE FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, restricted cash, borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Group's contractual rights to the cash flows from the financial assets expire, are extinguished, or if the Group transfers the financial asset to another party and transfers all the risks and rewards of ownership of the asset, or does not retain control and transfers substantially all the risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at trade date i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contracts expire, are discharged or cancelled.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the effective interest method less any provision for impairment. A provision for impairment of trade receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

2. Summary of significant accounting policies (Continued)

(ii) Securitised assets

The Group has entered into a series of securitisation transactions involving certain of its trade receivables. The securitised assets continue to be recognised on the Group statement of financial position until all of the rights to the cash-flows from those assets have expired or have been fully transferred outside the Group, or until substantially all of the related risks, rewards and control of the related assets have been transferred to a third party.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Cash and cash equivalents are carried at amortised cost.

(iv) Short term bank deposits

Short term bank deposits of greater than three months maturity which do not meet the definition of cash and cash equivalents are classified as financial assets within current assets and stated at amortised cost.

(v) Restricted cash

Restricted cash comprises cash held by the Group but which is ring-fenced or used as security for specific financing arrangements, and to which the Group does not have unfettered access. Restricted cash is measured at amortised cost.

(vi) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Groups income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(vii) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as cashflow hedges as they are hedges of highly probable future cashflows attributable to a recognised liability.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking

2. Summary of significant accounting policies (Continued)

various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

(i) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item will affect profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within finance expense.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

At points in time the Group may elect to de-designate a portion of the hedging instrument in a hedging relationship. Once a hedging relationship is de-designated, the portion of the hedge which was de-designated cannot be re-designated over its remaining life.

(ii) Net investment hedge

Hedges of net investments in foreign operations are accounted for in a similar manner to cash flow hedges. Any gain or loss on the hedging instruments relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Group income statement within finance income or expense respectively. Gains and losses accumulated in equity are recycled to the Group income statement when the foreign operation is sold (proportionately if partially sold).

(iii) Trading Derivatives

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as trading derivatives at fair value through profit or loss, and changes in the fair value of these derivative instruments are recognised in the income statement.

EMPLOYEE BENEFITS

Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has defined benefit, defined contribution and other long term employee benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a

2. Summary of significant accounting policies (Continued)

defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Surpluses on defined benefit plans are recognised to the extent that they are fully recoverable.

The expected returns on plan assets and the increase during the year in the present value of plan liabilities arising from the passage of time are recognised as components of finance income and finance expense respectively. Differences between the expected and the actual return on plan assets, together with the effect of changes in the current or prior assumptions underlying the liabilities are recognised in the statement of comprehensive income.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as of the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Settlements and curtailments trigger immediate recognition of the consequent change in obligations and related assets in the income statement together with any previously unrecognised past service costs that relate to the obligations being settled or curtailed.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other long term employee benefits

The Group's obligation in respect of other long term employee benefits such as jubilee plans, represents the amount of future benefit that employees have earned in return for service in the current and prior periods. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the reporting date on high-quality corporate bonds of a currency and term consistent with the currency and estimated term of the post-employment obligations. Actuarial gains and losses are recognised in full in the Group's income statement in the period in which they arise.

2. Summary of significant accounting policies (Continued)

PROVISIONS

Provisions for redundancy and capacity realignment, employee related, environmental restoration, and legal claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

EMISSION RIGHTS AND OBLIGATIONS

Certain jurisdictions in which the Group operates regulate the emissions of carbon dioxide and other pollutants through the operation of a "cap and trade" type scheme, whereby a participating entity must deliver emission certificates to a third party (e.g. a regulator) to be able to emit pollutants legally. The government grants a certain number of emission certificates to an entity for use during a compliance period. Emission rights granted by governments and other similar bodies under cap and trade and other similar schemes are recognised at their nominal amount. Where additional allowances are purchased from third parties, the Group measures such credits at cost on initial recognition with no subsequent revaluation.

Liabilities arising in relation to emission obligations under such schemes are recognised only in circumstances where emission rights granted have been exceeded and the differential between actual and permitted emissions will have to be remedied through the purchase of the required additional rights at fair value. Liabilities arising from such shortfalls are measured at the current market value of the certificates necessary to meet the obligations and classified as provisions.

Where excess certificates are sold to third parties, the Group recognises the fair value of the consideration received as other income in profit or loss offset by the carrying value of the units derecognised. The Group has a policy of only selling certificates where the level of projected emissions over the relevant compliance period has been reliably estimated and the allowances available to offset such emissions is greater than those projected emissions.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

REVENUE RECOGNITION

(i) Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the reporting date. It is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale. Revenue

2. Summary of significant accounting policies (Continued)

is included net of cash discounts, value added tax and other discounts. Pallet deposits are not recognised in revenue.

(ii) Construction contracts

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, pre-payments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

(iii) Government grants

Capital grants are recorded in deferred income and released to the income statement on a straight-line basis over the estimated useful lives of the related property, plant and equipment.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(v) Royalty income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

OTHER INCOME AND EXPENSE

The Group has adopted an income statement format which seeks to highlight significant items within Group results for the year. The Group believe that this presentation provides additional analysis as it highlights one-off items. Such items include where significant, restructuring, redundancy and other costs relating to permanent capacity realignment, profit or loss on disposal or termination of operations, start-up costs incurred in relation to new furnace builds, major litigation costs and settlements, profit or loss on disposal of assets and impairment of assets. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Group income statement and related notes as other income and expense.

TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group is demonstrably committed without realistic possibility of withdrawal to a formal detailed plan to terminate employment before

2. Summary of significant accounting policies (Continued)

normal retirement date or providing termination benefits as a result of an offer made to encourage voluntary redundancy. If the effect is material, benefits payable are recognised at their present value by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

FINANCE EXPENSE

Finance expense comprise interest expense on borrowings (including amortisation of deferred debt issuance costs), finance lease expenses, certain foreign currency translation losses related to financing, finance expense on pension plan liabilities, losses on extinguishment of borrowings, and losses on derivative instruments that are not designated as hedging instruments and are recognised in profit or loss.

FINANCE INCOME

Finance income comprise interest income on funds invested, certain foreign currency translation gains related to financing, expected returns on pension plan assets and gains on derivative instruments that are not designated as hedging instruments and are recognised in profit or loss.

INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax basis of assets and liabilities. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the reversal of the temporary difference is controlled by the Group and it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of Ardagh Glass Group plc that makes strategic decisions.

2. Summary of significant accounting policies (Continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as outlined in Note 3.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises tax assets where there is a probable expectation that the assets will be recovered. The assessment of the recoverability of deferred tax assets involves significant judgement. The main deferred tax asset recognised by the Group relates to retirement benefit obligations. The Directors assess the recoverability of tax losses by reference to future profitability and Group tax planning. These calculations require the use of estimates as outlined in Note 21.

(c) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its sales of glass engineering services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed. If this proportion were to differ by 10% from management's estimate, the amount of revenue would be an estimated €1.7 million higher or €3.4 million lower.

(d) Measurement of defined benefit obligations

The Group follows guidance of IAS 19 to determine the present value of its obligations to current and past employees in respect of defined benefit pension obligations and other long term employee benefits, which are subject to similar fluctuations in value in the long term. The Group uses a network of professional actuaries co-ordinated under a worldwide process to value such liabilities designed to

2. Summary of significant accounting policies (Continued)

ensure consistency in the quality of the key assumptions underlying the valuations. The critical assumptions and estimates applied are discussed in detail in Note 14.

(e) Provisions

The amount recognised for a provision is the best estimate of the expenditure to be incurred. Provisions are re-measured at each reporting date based on the best estimate of the settlement amount. Changes to the best estimate of the settlement amount may result from changes in the amount or timing of the outflows or changes in discount rates (when applicable).

(f) Establishing lives for depreciation purposes of property, plant and equipment

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on the depreciation and amortisation charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined and there are a significant number of asset lives in use. Details of the useful lives is included in the accounting policy. The impact of any change would vary significantly depending on the individual changes in assets and the classes of assets impacted.

(g) Business combinations

Goodwill only arises in business combinations. The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite lived and finite lived intangible assets.

(h) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. Please refer to Note 12.

Critical judgements in applying the entity's accounting policies

Revenue recognition

The Group has recognised revenue amounting to €1,235.8 million for sales of goods during 2009. Customers have the right to rescind the sale if the goods are damaged. The Group believes that, based on past experience, the rate of customer returns is less than 1% of revenue and it is therefore

2. Summary of significant accounting policies (Continued)

appropriate to recognise all revenue net of returns. If the estimated returns differ by 1%, revenue will be reduced/increased by €0.1 million.

Retirement benefit obligations

The Group has made certain judgements relating to mortality. Please refer to Note 14.

3. Goodwill and Intangible assets

	Goodwill	Software	Other	Customer Related	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2008					
Cost	64,576	4,459	580	13,779	83,394
Accumulated amortisation and impairment	—	(1,741)	(546)	(2,297)	(4,584)
Net book amount	64,576	2,718	34	11,482	78,810
Year ended 31 December 2008					
Opening net book amount	64,576	2,718	34	11,482	78,810
Exchange differences	(13,795)	(63)	(5)	(1,079)	(14,942)
Acquisitions (Note 23)	—	13	2,757	—	2,770
Additions	—	504	—	—	504
Net transfers	—	1,943	(26)	—	1,917
Amortisation charge	—	(1,565)	—	(4,593)	(6,158)
Closing net book amount	50,781	3,550	2,760	5,810	62,901
At 31 December 2008					
Cost	50,781	10,956	2,807	12,700	77,244
Accumulated amortisation and impairment	—	(7,406)	(47)	(6,890)	(14,343)
Net book amount	50,781	3,550	2,760	5,810	62,901
Year ended 31 December 2009					
Opening net book amount	50,781	3,550	2,760	5,810	62,901
Exchange differences	2,752	(4)	—	(2,139)	609
Acquisitions (Note 23)	405	—	—	—	405
Additions	—	1,484	—	—	1,484
Net transfers	—	67	—	—	67
Disposals	—	—	(2)	—	(2)
Amortisation charge	—	(1,694)	(920)	(3,671)	(6,285)
Closing net book amount	53,938	3,403	1,838	—	59,179
At 31 December 2009					
Cost	53,938	12,571	2,805	10,561	79,875
Accumulated amortisation and impairment	—	(9,168)	(967)	(10,561)	(20,696)
Net book amount	53,938	3,403	1,838	—	59,179

The useful lives of intangible assets other than goodwill are finite and range from 3 to 5 years.

3. Goodwill and Intangible assets (Continued)

Amortisation expense of €3,908,000 (2008: €4,675,000) has been charged in cost of sales and €2,377,000 (2008: €1,483,000) in sales, general and administration expenses.

Customer related intangible assets result from certain contractual customer relationships valued at the acquisition date and are amortised over their estimated useful lives of 3 years. Software assets relate to computer software, other than software for items of machinery that cannot operate without that specific software and where such software is regarded as an integral part of the related hardware. Such software and operating systems of computers are treated as an integral component of the capitalised asset and classified as property, plant and equipment. Computer software assets have estimated useful lives of 3 to 5 years for amortisation purposes. Other intangibles relate to certain intellectual property acquired with Busch & Spreen GmbH which are amortised over 3 years (Note 23).

Goodwill

Goodwill acquired through a business combination has been allocated to groups of cash-generating units (CGUs) for the purpose of impairment testing based on the segment into which the business combination is assimilated. The groupings represent the lowest level at which the related goodwill is monitored for internal management purposes and are not larger than the segments determined in accordance with IFRS 8 'Operating Segments'. A total of 7 groups of cash generating units have been identified in the current and previous years. With the adoption of IFRS 8, the Group has two reportable operating segments in the current year however, the Group still tests for goodwill impairment at the lowest level of CGU's. A segment-level summary of the goodwill allocation is presented below:

	2009	2008
	€'000	€'000
Glass Container Manufacturing	53,533	50,781
Engineering	405	—
Total Goodwill	53,938	50,781

Impairment tests for goodwill

No impairment losses have been recognised by the Group in respect of goodwill.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. A growth rate of 0% has been assumed beyond the five-year period. The terminal value is estimated based on capitalising the year 6 cashflows in perpetuity. The discount rate used was 15% (2008: 15%). This rate is pre-tax and reflects specific risks relating to the relevant CGU. These assumptions have been used for the analysis of each CGU within each business segment. Management determined budgeted cash-flows based on past performance and its expectations for the market development.

Key assumptions include management's estimates of future profitability, replacement capital expenditure requirements, trade working capital investment needs and discount rates. The values applied to each of the key assumptions are derived from a combination of internal and external factors based on historical experience and take into account the stability of cash flows typically associated with these groups of CGUs.

3. Goodwill and Intangible assets (Continued)

Of the total goodwill allocated to each of the groups of CGUs, the United Kingdom accounts for 65% (2008: 64%) and Italy accounts for 16% (2008: 17%). All other units account individually for less than 7% (2008: 8%) of the total carrying amount and are not regarded as individually significant. The additional disclosures required under IAS 36 Impairment of Assets in relation to significant goodwill amounts arising in the groups of CGU's are as follows:

Impairment test for goodwill in the United Kingdom

	2009	2008
	€'000	€'000
Carrying amount of goodwill	35,199	32,524
Basis of recoverable amount	Value in use	Value in use
Discount rate applied	15%	15%
Excess of value-in-use	134,714	154,262

Impairment test for goodwill in Italy

	2009	2008
	€'000	€'000
Carrying amount of goodwill	8,816	8,816
Basis of recoverable amount	Value in use	Value in use
Discount rate applied	15%	15%
Excess of value-in-use	16,844	24,257

If the estimated pre-tax discount rate applied to the discounted cash flows for the United Kingdom CGU had been 1% higher than management's estimates (for example, 16% instead of 15%), the group would have an excess of value in-use of €116.1 million, if it had been 1% lower the group would have an excess of value in-use of €156.0 million.

If the estimated pre-tax discount rate applied to the discounted cash flows for the Italian CGU had been 1% higher than management's estimates (for example, 16% instead of 15%), the group would have an excess of value in-use of €14.1 million, if it had been 1% lower the group would have an excess of value in-use of €20.0 million.

Given the magnitude of the excess of value-in-use over the recoverable amount in the CGU groups detailed above and the absence of any reasonably possible changes in key assumptions employed, the additional disclosures in IAS 36 pertaining to sensitivity of the value-in use computations are not warranted.

4. Property, plant and equipment

	Land and buildings	Plant and machinery	Long-life molds	Office equipment and vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2008	366,339	809,999	55,100	37,858	1,269,296
Acquisitions (Note 23)	60	63	—	85	208
Additions	9,802	84,920	26,196	7,346	128,264
Disposals	(6,584)	(21,689)	(17,126)	(3,006)	(48,405)
Transfers	37,989	(37,918)	(1,354)	(2,360)	(3,643)
Exchange movement	(28,146)	(116,643)	(7,980)	(3,962)	(156,731)
At 31 December 2008	379,460	718,732	54,836	35,961	1,188,989
Depreciation					
At 1 January 2008	(40,503)	(377,080)	(27,274)	(6,482)	(451,339)
Charge for the year	(15,290)	(103,281)	(25,969)	(7,302)	(151,842)
Asset write downs	—	(270)	—	—	(270)
Disposals	2,253	21,576	17,069	2,857	43,755
Transfers	(7)	420	1,270	43	1,726
Exchange movement	8,765	81,836	3,864	2,315	96,780
At 31 December 2008	(44,782)	(376,799)	(31,040)	(8,569)	(461,190)
Net book value					
At 31 December 2008	334,678	341,933	23,796	27,392	727,799
Cost					
At 1 January 2009	379,460	718,732	54,836	35,961	1,188,989
Additions	20,080	66,355	14,868	4,354	105,657
Disposals	(767)	(40,447)	(30,586)	(3,944)	(75,744)
Transfers	68	(1,467)	478	856	(65)
Exchange movement	6,835	28,518	1,859	1,200	38,412
At 31 December 2009	405,676	771,691	41,455	38,427	1,257,249
Depreciation					
At 1 January 2009	(44,782)	(376,799)	(31,040)	(8,569)	(461,190)
Charge for the year	(23,314)	(88,187)	(19,853)	(7,044)	(138,398)
Asset write downs	(2,174)	(9,337)	(132)	—	(11,643)
Disposals	557	40,130	30,166	3,773	74,626
Transfers	—	265	—	(267)	(2)
Exchange movement	(2,190)	(19,636)	(809)	(682)	(23,317)
At 31 December 2009	(71,903)	(453,564)	(21,668)	(12,789)	(559,924)
Net book value					
At 31 December 2009	333,773	318,127	19,787	25,638	697,325

Depreciation expense of €148,352,000 (2008: €150,014,000) has been charged in cost of sales and €1,689,000 (2008: €2,098,000) in sales, general and administration expenses.

4. Property, plant and equipment (Continued)

Impairment

Impairment tests for items of property, plant and equipment are performed on an entity CGU level basis. The Group recognising impairment costs of €nil in the current year (2008: €nil). The recoverable amounts in property, plant and equipment are based on fair value less costs to sell. As a result of the capacity realignment programme, certain specific assets were written down to €nil resulting in a charge of €11.6 million (2008: €0.3 million) being recognised as other income and expense (Note 19).

Included in property, plant and equipment is an amount for land of €75,812,000 (2008: €68,700,000).

The depreciation charge for capitalised leased assets was €5,080,000 (2008: €6,663,000) and the related finance charges amounted to €783,000 (2008: €2,043,000). The net carrying amount by class of assets at each reporting date is as follows:

	2009	2008
	€'000	€'000
Land and buildings	11,080	10,575
Property, plant and equipment	10,551	13,450
Office equipment and vehicles	70	97
	21,701	24,122

Operating lease commitments

During the year the operating lease commitments relating to the following class of assets were recognised in the income statement:

	2009	2008
	€'000	€'000
Plant and machinery	1,826	1,226
Land and buildings	5,572	4,394
Motor vehicles	2,744	3,281
	10,142	8,901

At 31 December 2009 the Group had annual commitments under non-cancellable operating leases which expire:

	2009	2008
	€'000	€'000
Not later than one year	2,351	4,258
Later than one year and not later than five years	7,958	6,100
Later than five years	22,987	5,764
	33,296	16,122

4. Property, plant and equipment (Continued)

Capital commitments

The following capital commitments in relation to property, plant and equipment were authorised by management, but have not been provided for in the consolidated financial statements:

	2009	2008
	€'000	€'000
Contracted for	19,028	39,832
Not contracted for	20,650	26,053
	39,678	65,885

5. Investment in joint venture

	2009	2008
	€'000	€'000
At 1 January	2,642	1,859
Share of retained profit for the financial year	699	783
Dividends received	(700)	—
At 31 December	2,641	2,642

	2009	2008
	€'000	€'000
Share of gross assets	2,813	2,749
Share of gross liabilities	(854)	(789)
Goodwill	682	682
	2,641	2,642

6. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	2009	2008
	€'000	€'000
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	32,872	17,871
Deferred tax liability		
Deferred tax liability to be recovered after more than 12 months	(78,377)	(86,326)
	(45,505)	(68,455)

6. Deferred income tax (Continued)

The gross movement on the deferred income tax account is as follows:

	2009	2008
	€'000	€'000
At 1 January	(68,455)	(91,330)
Income statement credit	12,779	16,894
Tax credited to equity	10,139	5,925
Exchange movement	32	56
At 31 December	(45,505)	(68,455)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities

	Accelerated tax depreciation	Fair value gains	Other	Total
	€'000	€'000	€'000	€'000
At 1 January 2008	(28,125)	(72,861)	(2,857)	(103,843)
(Charged)/credited to the income statement	(2,908)	15,542	888	13,522
Credited to equity	907	—	—	907
Exchange movement	2,806	276	6	3,088
At 31 December 2008	(27,320)	(57,043)	(1,963)	(86,326)
(Charged)/credited to the income statement	(6,441)	15,473	(240)	8,792
Exchange movement	(735)	(71)	(37)	(843)
At 31 December 2009	(34,496)	(41,641)	(2,240)	(78,377)

Deferred tax assets

	Pension	Other	Total
	€'000	€'000	€'000
At 1 January 2008	8,052	4,461	12,513
(Charged)/credited to the income statement	(141)	3,513	3,372
Credited to equity	5,018	—	5,018
Exchange movement	(2,200)	(832)	(3,032)
At 31 December 2008	10,729	7,142	17,871
Credited to the income statement	94	3,893	3,987
Credited to equity	10,139	—	10,139
Exchange movement	826	49	875
At 31 December 2009	21,788	11,084	32,872

The Group recognised €15,001,000 (2008: €5,358,000) in deferred tax assets. The deferred income tax credited to equity during the year was €10,139,000 (2008: €5,925,000) related to the actuarial loss on the pension schemes.

6. Deferred income tax (Continued)

Deferred tax assets are only recognised on tax loss carry-forwards, to the extent that the realisation of the related tax benefit through future profits is probable.

The Group did not recognise deferred income tax assets of €2,887,000 (2008: €982,000) in respect of losses amounting to €23,093,000 (2008: €7,859,000) that can be carried forward against future taxable income.

7. Inventories

	2009	2008
	€'000	€'000
Raw materials and consumables	65,861	70,460
Short-life molds	31,156	28,311
Work in progress	1,925	2,070
Finished goods	142,257	171,199
	241,199	272,040

8. Trade and other receivables

	2009	2008
	€'000	€'000
Trade receivables	178,344	181,590
Less: provision for impairment of trade receivables	(3,584)	(2,492)
Trade receivables—net	174,760	179,098
Other receivables and prepayments	12,747	17,297
	187,507	196,395

The fair values of trade and other receivables approximate the amounts shown above.

As of 31 December 2009, trade receivables of €174,760,000 (2008: €179,098,000) were fully performing.

The Group has recognised a provision of €3,584,000 (2008: €2,492,000) for the impairment of its trade receivables during the year ended 31 December 2009. The creation and usage of provision for impaired receivables has been included in 'sales, general and administration expenses' in the income statement.

	2009	2008
	€'000	€'000
Up to 3 months	42	5
3-6 months	501	1,082
Over 6 months	3,041	1,405
	3,584	2,492

8. Trade and other receivables (Continued)

Movements on the provision for impairment of trade receivables are as follows:

	2009	2008
	€'000	€'000
At 1 January	2,492	1,715
Provision for receivables impairment	1,599	1,567
Receivables written off during the year as uncollectible	(189)	(638)
Unused amounts reversed	(325)	(93)
Exchange movement	7	(59)
At 31 December	3,584	2,492

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

Provisions against specific balances

Significant balances are assessed for evidence that the customer is in significant financial difficulty. Examples of facts to consider are high probability of bankruptcy, breaches of contract or major concession being sought by the customer. Instances of significant single customer related bad debts are very rare and there is no significant concentration of risk associated with particular customers.

Providing against the remaining population of customers

Historic data is monitored and applied as the primary source of evidence to assess the level of losses incurred, although impairments cannot yet be identified with individual receivables. Adverse changes in the payment status of customers in the Group, or national or local economic conditions that correlate with defaults on receivables in the Group, may also provide a basis for increase by the level of provision above historic losses. However, the fact that payments are made late by customers does not automatically provide evidence that a debt should be provided for.

As of 31 December 2009, trade receivables of €32,817,000 (2008: €30,355,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2009	2008
	€'000	€'000
Up to 3 months past due	29,293	23,622
3-6 months past due	1,633	4,428
Over 6 months past due	1,891	2,305
	32,817	30,355

9. Cash and cash equivalents

	2009	2008
	€'000	€'000
Cash at bank and in hand	73,511	53,098
Short term bank deposits	44,861	8,851
	118,372	61,949

The effective interest rate on short-term bank deposits was 2.77% (2008: 2.95%); these deposits have an average maturity of 30 days.

The Group has €2,433,000 of restricted cash at the year-end, the majority of which is relating to the capacity realignment programme in Germany.

10. Called up share capital

	2009	2008
	€'000	€'000
Authorised		
1,000,000 ordinary shares of €1 each	1,000	1,000
Issued		
2 ordinary shares of €1 each	—	—

11. Minority interests

	2009	2008
	€'000	€'000
At 1 January	2,489	2,603
Dividends paid to minority interest in Heye Fabryka Form Szkłarskich Sp. z o.o	—	(440)
Loss for the financial year	(99)	326
Purchase of minority interest	(2,390)	—
At 31 December	—	2,489

During the year the Group purchased the remaining 49% of the ordinary share capital in Heye Fabryka Form Szkłarskich Sp.z.o.o. for €2,795,000. Heye Fabryka Form Szkłarskich Sp. z o.o. is now a wholly owned subsidiary of the Group. Goodwill of €405,000 was recognised on this transaction.

12. Financial assets and liabilities

Financial Risk Factors

The financial risk management activities of the Group are subject to controls imposed by the board of directors of Ardagh Glass Group plc ("the board"). The overall objective of the board in the management of the various treasury related risks faced by the Group in the normal course of business, is to protect the underlying value of the business from changes in the value of underlying markets. Financial risks are managed, on an on-going basis, by the board on the advice of senior management. The Group does not permit the use of treasury instruments for speculative purposes, under any circumstances.

12. Financial assets and liabilities (Continued)

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), energy price risk, credit risk, liquidity risk and capital risk.

Interest Rate Risk Management

The board's policy, in the management of interest rate risk, is to strike the right balance between the Group's fixed and floating rate financial instruments. The balance struck by the board is dependent on prevailing interest rate markets at any point in time.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to variability in cash flows. During 2009 and 2008, the Group's borrowings at variable rate were denominated in Euro and the United Kingdom pound.

The Group manages its variability in cash flows by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, when the Group raises long-term borrowings at floating rates it swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

At 31 December 2009, the Group's borrowings were 97% (2008: 77%) fixed (after including the impact of interest rate swaps) with a weighted average interest rate of 7.72% (2008: 7.54%).

Holding all other variables constant, including levels of indebtedness, at 31 December 2009 a one percentage point increase in variable interest rates would have had a €0.3 million estimated impact on pre-tax interest expense (including the effect of interest rate swaps) (2008: €1.6 million).

Foreign Currency Risk Management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United Kingdom pound but also Swedish Krona, Danish Kroner and Polish Złoty. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Ardagh is subject to currency translation risk. Ardagh's policy is, where practical, to match net investments in foreign currencies with borrowings in the same currency. In order to provide a "natural" hedge, Ardagh currently has some of its borrowings that relate to the United Kingdom operations in pounds. Interest payments in pounds help to offset exposure

to fluctuations in pre-tax profits, as measured in euro, due to currency fluctuation, while pound-denominated debt is matched by pound-denominated assets. However, the debt and interest payments relating to the Swedish, Danish and Polish operations are all denominated in euro.

Fluctuations in the value of these currencies with respect to the euro may have a significant impact on Ardagh's financial condition and results of operations as reported in euro. The Group believes that a strengthening of the euro exchange rate by 1% against all other foreign currencies from the

12. Financial assets and liabilities (Continued)

31 December 2009 rate would decrease shareholders' equity by approximately €0.9 million (in 2008 this would have been a decrease of €0.4 million).

Energy Price Risk Management

The cost of producing our products is also sensitive to the price of energy. The Group's main energy exposure is to the cost of gas and electricity. These energy costs have experienced significant price increases and volatility in recent years with a corresponding effect on Group production costs. The main driver for the general increase in energy costs in recent years has been the increase in the price of crude oil varying from $34 up to $77 per barrel. In addition to the increased cost of oil, the price of electricity is also influenced by decreasing over-capacity in electricity production facilities and the increasing influence of CO2 costs on electricity price.

Group policy is to purchase its natural gas requirements on the spot market and if economic by entering into forward price fixing arrangements with its suppliers. In continental Europe fixed price or index tracking contracts tend to be the norm while economic hedging strategies are little used. Whereas in the United Kingdom fixed price and index tracking contracts are very rare. As a result of this and the volatility of gas and electricity prices in the United Kingdom, Ardagh has developed an active hedging strategy to fix a proportion of its energy costs through contractual arrangements directly with its suppliers. Ardagh typically economically hedges in tranches of 10% of volumes. Currently, Ardagh has hedged 68% of its energy for 2010 and 24% for 2011.

Ardagh does not use commodity futures contracts to limit the fluctuations in prices paid and the potential volatility in earnings and cash flows from future market price movements.

Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to the Group's customers, including outstanding receivables. Group policy is to place excess liquidity on deposit, only with recognised and reputable financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' (2008: A) are accepted. The credit ratings of banks and financial institutions is monitored to ensure compliance with Group policy.

Group policy is to extend credit to customers of good credit standing. Credit risk is managed, on an on-going basis by dedicated people within the company. The Group's policy for the management of credit risk in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. Provisions are made, where deemed necessary and the utilisation of credit limits is regularly monitored.

Management does not expect any significant counterparty to fail to meets its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset.

Ardagh's ten largest customers accounted for approximately 41% (2008: 40%) of its glass container manufacturing revenues for the year ended December 31, 2009. There is no recent history of default with these customers.

12. Financial assets and liabilities (Continued)

Liquidity Risk

The Group is exposed to liquidity risk which arises primarily from the maturing of short-term and long-term debt obligations and derivative transactions. The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due.

To achieve this objective, the Group:

- has committed borrowing facilities that it can access to meet liquidity needs;
- maintains cash balances and liquid investments with highly-rated counterparties;
- limits the maturity of cash balances;
- borrows the bulk of its debt needs under long term fixed rate debt securities; and
- has internal control processes and contingency plans for managing liquidity risk.

Cash flow forecasting is performed in the operating entities of the group and is aggregated by group treasury. Group treasury monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (represented below) at all times so that the group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits with appropriate maturities to provide sufficient head-room as determined by the above-mentioned forecasts. At the reporting date, the Group had placed €44.9 million (2008: €8.9 million) on deposit.

Capital Risk

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern and provide returns to the Group's stakeholders.

Management takes steps to manage its capital risks; capital is defined as any borrowings. One of the Group's key metrics is the ratio of consolidated net borrowings as a multiple of EBITDA. EBITDA is operating profit before depreciation, amortisation, other income and expense and non-cash items. The board sets minimum ratio levels. At 31 December 2009 the ratio for the Group was 3.6 times (2008: 3.3 times). The Group does not have any externally imposed capital requirements other then debt covenant requirements.

The Group has entered into a series of borrowing arrangements in order to facilitate its liquidity needs in this regard and the key terms of those arrangements are described within certain tables set forth below.

12. Financial assets and liabilities (Continued)

At the year end, the Group's rolling liquidity reserve (which comprises cash and undrawn committed facilities and which represents the amount of available liquidity in the Group's funding structure) was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn as at 31 December 2009		Undrawn Amount
		Local currency (millions)			Local currency (millions)	€ (millions)	€ (millions)
9.25% First Priority Senior Secured Notes due 2016	EUR	300.0	1 July 2016	Bullet	294.8	294.8	—
7.125% Senior Notes due 2017	EUR	310.0	15 June 2017	Bullet	310.0	310.0	—
8⅞% Senior Notes due 2013	EUR	175.0	1 July 2013	Bullet	175.0	175.0	—
Anglo Senior Secured Facility—Acquisition	EUR	113.1	30 June 2014	Amortising/ Bullet	113.1	113.1	—
Anglo Senior Secured Facility—Acquisition	GBP	63.8	30 June 2014	Amortising/ Bullet	63.8	70.9	—
Anglo Senior Secured Facility—Capex & Restructuring	EUR	50.0	30 June 2014	Bullet	22.5	22.5	27.5
Anglo Senior Secured Facility—Revolving Credit Facility	EUR	150.0	30 June 2014	Revolving	—	—	150.0
Ardagh Glass Limited GE Commercial Finance Facility	GBP	35.0	1 October 2011	Revolving	—	—	38.9
HVB Heye International Working Capital and Performance Guarantee Credit Lines	EUR	1.0	31 July 2010	Revolving	—	—	1.0
Finance lease arrangements	EUR/PLN			Amortising	—	0.7	—
Total borrowings/ Undrawn facilities						987.0	217.4
Deferred financing costs						(25.7)	—
Borrowings less deferred finance costs						961.3	217.4
Cash, cash equivalents and restricted cash (Note 9)						(120.8)	120.8
Net borrowings/Available liquidity						840.5	338.2

As of December 31, 2009 the Group had undrawn credit lines of up to €217.4 million at its disposal together with cash resources of €120.8 million giving rise to available liquidity of €338.2 million.

In June 2009 the Group issued €300.0 million 9.25% First Priority Senior Secured Notes. Using the proceeds of €294.3 million from the Notes (excluding the discount), the Group fully repaid the Ardagh Glass Limited Anglo Irish Senior Secured Facility of £44.1 million (€51.6 million); fully repaid the Ardagh Glass Limited finance and operating leases totalling £23.0 million (€26.9 million); partially repaid €71.5 million off the Anglo Senior Secured term loan facility; and fully repaid €123.3 million on the Anglo Senior Secured revolving credit facility which is available to be re-drawn at any stage.

The €300.0 million 9.25% First Priority Senior Secured Notes due 2016 are ranked pari pasu with the Anglo Senior Secured Facility and are secured over all the assets in the Group. The €310.0 million 7.125% Senior Notes due 2017 are guaranteed on a senior subordinated basis and the €175.0 million 8⅞% Senior Notes due 2013 were guaranteed on a senior subordinated basis. The GE commercial finance facility has been given assignment over the receivables in Ardagh Glass Limited, at the reporting date, December 31, 2009 the amount assigned to GE was £nil.

12. Financial assets and liabilities (Continued)

The maturity analysis of the Group's borrowings is as follows:

	2009	2008
	€'000	€'000
Within 1 year or on demand	15,534	97,482
Between 1 and 2 years	15,008	14,958
Between 2 and 5 years	226,382	222,158
Greater than 5 years	704,352	602,093
	961,276	936,691

The table below analyses the Group's financial liabilities (including interest payable) into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contracted undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2009	Borrowings	Derivative financial instrument	Trade and other payables
	€'000	€'000	€'000
Within 1 year or on demand	78,328	7,657	161,883
Between 1 and 2 years	78,474	7,657	—
Between 2 and 5 years	455,722	5,743	—
Greater than 5 years	701,761	—	—

At 31 December 2008	Borrowings	Derivative financial instrument	Trade and other payables
	€'000	€'000	€'000
Within 1 year or on demand	108,461	407	187,369
Between 1 and 2 years	88,033	407	—
Between 2 and 5 years	407,934	1,221	—
Greater than 5 years	777,516	—	—

The carrying amount and fair value of the Group's borrowings are as follows:

	Carrying Value			
At 31 December 2009	Amount drawn	Deferred financing costs	Total	Fair Value
	€'000	€'000	€'000	€'000
9.25% First Priority Senior Secured Notes due 2016	294,760	(10,006)	284,754	328,500
7.125% Senior Notes due 2017	310,000	(10,787)	299,213	285,200
8⅞% Senior Notes due 2013	175,000	(1,994)	173,006	181,125
Bank loans, overdrafts and revolving credit facilities	206,583	(2,757)	203,826	189,049
Invoice discounting facilities	—	(245)	(245)	(245)
Finance leases	722	—	722	722
	987,065	(25,789)	961,276	984,351

12. Financial assets and liabilities (Continued)

At 31 December 2008	Carrying Value			
	Amount drawn	Deferred financing costs	Total	Fair Value
	€'000	€'000	€'000	€'000
7.125% Senior Notes due 2017	310,000	(11,574)	298,426	217,851
8⅞% Senior Notes due 2013	175,000	(2,931)	172,069	149,700
Bank loans, overdrafts and revolving credit facilities	432,825	(6,563)	426,262	330,616
Invoice discounting facilities	20,293	—	20,293	20,293
Finance leases	19,886	(245)	19,641	19,641
	958,004	(21,313)	936,691	738,101

Fair values are calculated on borrowings as follows:

(i) Senior Notes—The fair value for debt securities in issue is calculated based on quoted market prices.

(ii) Bank loans, overdrafts and revolving credit facilities—The estimated value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

(iii) Invoice discounting facilities and finance leases—The carrying amount of invoice discounting facilities and finance leases is a reasonable approximation of fair value.

The following is a brief summary of our principal financing arrangements. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements.

9.25% First Priority Senior Secured Notes due 2016

In June 2009 Ardagh Glass Finance plc issued €300.0 million 9.25% First Priority Senior Secured Notes due 2016, at a price of 98.116%.

The Secured Notes are guaranteed on a senior secured basis by Ardagh Glass Holdings Limited and certain of its wholly-owned subsidiaries and are secured by security interests in respect of the property and assets of each guarantor. The Secured Notes are secured by first-priority liens on the same assets that secure the obligations under the Amended and Restated Anglo Irish Senior Secured Credit Facility. The Senior Notes rank equally in right of payment with all existing and future indebtedness of Ardagh Glass Finance plc that is not subordinated in right of payment to the Notes and will be senior in right of payment to all existing and future indebtedness that is subordinated in right of payment to the Secured Notes. In addition, the senior guarantee from Ardagh Glass Holdings Limited is effectively senior to all existing and future unsecured indebtedness.

7.125% Senior Notes due 2017

In June 2007, Ardagh Glass Finance plc issued €310.0 million 7.125% Senior Notes due 2017.

The Notes are the general unsecured obligations of Ardagh Glass Finance plc and rank senior in right of payment to any and all of its existing and future unsecured debt that is subordinated in right of payment to the Notes. The Notes also rank equally in right of payment with all of Ardagh Glass Finance plc's existing and future unsecured debt that is not subordinated in right of payment to the

12. Financial assets and liabilities (Continued)

Notes, and effectively subordinated to all existing and future secured debt of Ardagh Glass Finance plc to the extent of the assets securing such debt. Ardagh Glass Holdings Limited and certain of its direct and indirect wholly owned subsidiaries have guaranteed payment under the Notes on a senior and on a senior subordinated basis, respectively. In addition, the senior guarantee from Ardagh Glass Holdings Limited is effectively subordinated to all existing and future obligations of its direct and indirect wholly owned subsidiaries.

8⅞% Senior Notes due 2013

In July 2003, Ardagh Glass Finance B.V. issued €175.0 million 8⅞% senior Notes due 2013.

The Notes are the general unsecured obligations of Ardagh Glass Finance B.V. and rank senior in right of payment to any and all of its existing and future unsecured debt that is subordinated in right of payment to the Notes. The Notes also rank equally in right of payment with all of Ardagh Glass Finance B.V.'s existing and future unsecured debt that is not subordinated in right of payment to the Notes, and effectively subordinated to all existing and future secured debt of Ardagh Glass Finance B.V. to the extent of the assets securing such debt. Ardagh Glass Holdings Limited and certain of its direct and indirect wholly owned subsidiaries have guaranteed payment under the Notes on a senior and on a senior subordinated basis, respectively. In addition, the senior guarantee from Ardagh Glass Holdings Limited is effectively subordinated to all existing and future obligations of its direct and indirect wholly owned subsidiaries. In January 2010 these Notes were redeemed (Note 26).

Amended and Restated Anglo Irish Senior Secured Credit Facility

Ardagh Glass Holdings Limited entered into an Amended and Restated Facility Agreement dated June 12, 2009 with Anglo Irish Bank Corporation Plc. The original facility agreement dated March 9, 2007 provided for borrowings in an aggregate principal amount of up to €495.0 million. In the refinancing in June 2009 the Group part repaid the acquisition term loan facility and re-designated a portion of the loan from Euro to GBP. At the reporting date €135.6 million and £63.8 million remains outstanding. This facility comprises three elements all of which mature in June 2014:

- €113.1 million and £63.8 million senior secured term loan facility used to part finance the acquisition of the Rexam Glass business;
- €50.0 million senior secured term loan facility to be used for capital expenditure and restructuring;
- €150.0 million senior secured revolving credit facility.

This facility and 9.25% First Priority Senior Secured Notes due 2016, are guaranteed by certain of Ardagh Glass Holdings Limited's direct and indirect wholly owned subsidiaries and is secured by security interests in respect of the property and assets of each guarantor.

GE Commercial Finance Facility

Ardagh Glass Limited entered into a facility agreement dated 1 April 2009 with GE Commercial Finance pursuant to which GE Commercial Finance has made available an invoice discounting facility of up to a maximum aggregate principal amount of £35 million maturing on 1 October 2011. As security for this facility, Ardagh Glass Limited has granted GE an assignment over certain of its receivables. Interest charges are based on LIBOR plus a margin.

12. Financial assets and liabilities (Continued)

HVB (UniCredit Bank AG (formerly known as Bayerische Hypo- und Vereinsbank AG)) Working Capital and Performance Guarantee Credit Lines

Heye International supports its business activities with two open lines of credit from Bayerische Hypo und Vereinsbank pursuant to an agreement dated December, 2005. Heye International is entitled to draw up to €1.0 million on one of the lines of credit for the purposes of financing its short-term working capital requirements. The second credit line is available for up to €15.0 million to guarantee payments relating to Heye International's project business. The amount guaranteed at 31 December, 2009 was €7.4 million (2008: €7.5 million). These facilities are secured by a pledge of all Heye International's present and future property, plant and equipment and intangible assets, an assignment over all present and future claims resulting from delivery of goods and services to domestic and foreign customers and an assignment over all existing and future trade receivables.

The exposure of the Group's borrowings to interest rate changes and contractual re-pricing dates at the year-end are as follows:

	2009	2008
	€'000	€'000
Not later than 1 year	206,583	433,491
Later than one year and not later than five years	175,722	19,627
Later than five years	578,971	483,573
	961,276	936,691

The effective interest rates at the reporting date are as follows:

	2009		2008	
	€	£	€	£
9.25% First Priority Senior Notes due 2016	9.89%	—	—	—
7.125% Senior Notes due 2017	7.59%	—	7.59%	—
8⅞% Senior Notes due 2013	9.39%	—	9.39%	—
Invoice discounting	—	2.48%	—	3.50%
Bank borrowings	3.24%	3.04%	7.08%	8.80%

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2009	2008
	€'000	€'000
Euro	890,351	857,710
Pound Sterling	70,699	78,981
Złoty	226	—
	961,276	936,691

12. Financial assets and liabilities (Continued)

The Group has the following undrawn borrowing facilities:

	2009	2008
	€'000	€'000
Floating rate:		
—Expiring within one year	1,000	16,600
—Expiring beyond one year	216,400	84,100
	217,400	100,700

The facilities expiring within one year are annual facilities subject to review at various dates during 2009.

Derivative financial instruments:

	2009	2008
	€'000	€'000
Interest rate swaps:		
—cash flow hedges	9,621	10,886
—trading derivatives	4,439	—
	14,060	10,886

Interest rate swaps are valued at fair value, and are classified as Level 2 within the fair value hierarchy as per IFRS 7, the fair value levels are as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3—Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In June 2009 the Group refinanced its debt and as a result made a partial repayment on the Anglo facility. Due to this partial repayment, a portion of the cashflow hedging relationship was de-designated. As a result the Group released €5.3 million from the statement of comprehensive income to the income statement in relation to the de-designated hedge.

After the €5.3 million charge to the income statement to recognise the de-designation of the hedge there was a credit to the income statement of €0.9 million on the fair value of the trading hedge. At the year-end the total amount charged to the income statement was €4.4 million and the total amount charged to equity was €9.6 million.

The notional amounts of the three outstanding interest rate swap contracts at 31 December 2009 were €80,000,000 (2008: €80,000,000), €120,000,000 (2008: €120,000,000) and £12,000,000 (2008: £nil).

At 31 December 2009, the fixed interest rate is 4.515% and the main floating rate is EURIBOR and LIBOR. Gains and losses recognised in the statement of comprehensive income relating to interest rate swap contracts as of 31 December 2009 will be over time released to the income statement until the maturity date of the swaps which are May 2010 (£12,000,000) and September 2012 (€200,000,000).

12. Financial assets and liabilities (Continued)

Interest on the cashflow and trading derivatives are paid on the reporting date therefore, there is no timing difference between cashflows occurring and the charge to the income statement. The period in which the cashflows on the debt hedged if no swaps had been entered into, are expected to occur, are shown in the table below:

	2009	2008
	€'000	€'000
Within 1 year or on demand	3,822	8,590
Between 1 and 2 years	3,822	8,590
Between 2 and 5 years	9,555	25,770
Greater than 5 years	—	4,295

13. Deferred income—government grants

	2009	2008
	€'000	€'000
At 1 January	6,311	6,927
Additions	417	1,110
Amortisation for the year (Note 18)	(1,216)	(1,268)
Exchange movement	112	(458)
At 31 December	5,624	6,311
Classified as:		
Deferred income—current liability	1,473	1,134
Deferred income—non-current liability	4,151	5,177
	5,624	6,311

Government grants relate to manufacturing operations in Germany and the United Kingdom.

14. Retirement benefit obligations

The Group operates a number of pension plans throughout its business, devised in accordance with local conditions and practice. The larger plans are generally of the defined benefit type and are funded by payments to separately administered funds or insurance companies.

The principal plans are in the United Kingdom, Germany and the Netherlands. The most recent formal valuations of the significant funded defined benefit plans were carried out as follows: Rockware on 6 April 2009; Redfearn on 6 April 2008; and the Netherlands on 31 December 2008. The current agreed rates of contribution for future years are comparable to current levels.

The majority of the defined benefit schemes are funded but in certain countries—Germany, Poland, Denmark and Sweden in accordance with local practices, the schemes are unfunded and the scheme liability is recognised in the statement of financial position. In these countries, a full actuarial valuation of the unfunded liabilities is undertaken by independent actuaries on an annual basis. These schemes liabilities are also included in the figures presented below.

14. Retirement benefit obligations (Continued)

Year-end obligations for:

	2009	2008
	€'000	€'000
Pension benefits	98,041	58,638
	98,041	58,638

Income statement charge for:

	2009	2008
	€'000	€'000
Pension benefits	7,642	6,621
	7,642	6,621

Pension Benefits

The amounts recognised in the statement of financial position are determined as follows:

	2009	2008
	€'000	€'000
Present value of funded obligations	(270,998)	(199,864)
Fair value of plan assets	201,726	167,911
	(69,272)	(31,953)
Present value of unfunded obligations	(28,769)	(26,685)
Liability	(98,041)	(58,638)

The amounts recognised in the income statement are as follows:

	2009	2008
	€'000	€'000
Current service cost—included in staff costs (Note 18)	(6,221)	(7,943)
Finance income and expense—included in finance income and expense	(1,421)	1,322
	(7,642)	(6,621)

	2009	2008
	€'000	€'000
Actuarial loss recognised in the statement of comprehensive income in the year	(38,834)	(21,936)
The cumulative actuarial losses recognised in the statement of comprehensive income in the year	(51,935)	(13,101)

Of the current service cost €797,000 (2008: €2,083,000) and €5,424,000 (2008: €5,860,000) were included in 'sales, general and administrations expenses' and 'cost of sales' respectively.

The actual return on plan assets resulted in a gain of €30,557,000 in 2009 and a loss of €42,676,000 in 2008.

14. Retirement benefit obligations (Continued)

The movement in the defined benefit obligation over the year is as follows:

	2009	2008
	€'000	€'000
Beginning of the year	(226,549)	(284,660)
Settlement	—	11
Current service cost	(6,221)	(7,943)
Employee contributions	(1,694)	(4,074)
Interest cost (Note 20)	(13,992)	(14,366)
Actuarial (loss)/gain	(56,820)	36,429
Exchange differences	(9,640)	36,506
Benefits paid	15,149	11,548
End of the year	(299,767)	(226,549)

The movement in the fair value of plan assets over the year is as follows:

	2009	2008
	€'000	€'000
Beginning of the year	167,911	237,862
Expected return on plan assets (Note 20)	12,571	15,689
Actuarial gain/(loss)	17,986	(58,365)
Employer contributions	7,832	7,328
Employee contributions	1,694	4,074
Exchange differences	6,604	(28,630)
Benefits paid	(12,872)	(10,047)
End of the year	201,726	167,911

Plan assets are comprised as follows:

	2009	2009	2008	2008
	€'000	%	€'000	%0
Equities	98,487	48.82	76,985	45.85
Target return funds	25,328	12.56	17,536	10.44
Bonds	63,935	31.69	61,322	36.52
Cash/other	13,976	6.93	12,068	7.19
	201,726	100%	167,911	100%

The pension assets do not include any of the Groups ordinary shares or other Group assets.

14. Retirement benefit obligations (Continued)

The principal pension assumptions used were as follows:

	2009		
	Netherlands	United Kingdom	Germany
	%	%	%
Rate of increase in inflation	2.00	3.70	2.00
Rate of increase in salaries	2.50	4.20	2.50
Rate of increase in pensions	2.00	3.70	2.00
Discount rate	5.30	5.70	5.30
Expected return on plan assets	5.99	7.77	n/a

	2008		
	Netherlands	United Kingdom	Germany
	%	%	%
Rate of increase in inflation	2.00	2.85	2.00
Rate of increase in salaries	2.50	3.35	2.50
Rate of increase in pensions	2.00	2.85	2.00
Discount rate	5.65	6.40	5.65
Expected return on plan assets	6.41	7.96	n/a

Were the discount rate used to differ by 10 basis points from management's estimates, the carrying amount of pension obligations would be an estimated €0.03 million lower or €0.03 million higher.

The defined benefit obligations recognised in the statement of financial position at the year ended were as follows:

	2009	2008
	€'000	€'000
Netherlands	—	—
United Kingdom	69,273	31,954
Germany	26,263	23,690
Other	2,505	2,994
	98,041	58,638

As of 31 December	2009	2008	2007	2006	2005
	€'000	€'000	€'000	€'000	€'000
Present value of defined benefit obligations	(299,767)	(226,549)	(284,660)	(176,048)	(249,590)
Fair value of plan assets	201,726	167,911	237,862	148,123	189,528
Deficit	(98,041)	(58,638)	(46,798)	(27,925)	(60,062)
Experience adjustments arising on plan liabilities	2,653	5,956	(189)	—	—
Experience adjustments arising on plan assets	556	(14,554)	(1,498)	—	—

The Group has made assumptions relating to mortality, the age at which members retire or leave the Scheme, the proportion of members who are married, etc. The Scheme does not have sufficient members to determine most of these assumptions reliably based on its own experience; therefore the

14. Retirement benefit obligations (Continued)

Group has used statistics based on larger populations or from published national and regional tables and the advice of its actuaries in determining the most appropriate assumptions to use.

Mortality assumptions for the most important countries are based on the following post-retirement mortality tables: (i) Netherlands: GBM/V 2005-2050; (ii) United Kingdom: The base tables have been changed from PNA00 with 92-style projections to PXL92 used in prior years to the more up-to-date S1NA tables, with 92-style projections; and (iii) Germany: Richttafeln 2005 G von Dr. Klaus Heubeck.

While allowance has been made for continuing improvements in life expectancy allowance has also been made to reflect the location of the plants, the nature of the members' occupations and the experience of mortality in the regions where the employees/former employees are located compared to the average life expectancy for the jurisdiction in which the plants are located. At the end of 2009, based upon information provided by our actuarial advisers and in conjunction with the triennial evaluation by the Trustees, the Group increased the estimated life expectancy of the members of one of its schemes by 3 years, resulting in an increase in the liability at 31 December 2009 of €18.5m. The impact of further increasing the expected longevity for all pension members by one year would result in an increase in the Group's liability of €5,443,000 at 31 December 2009 together with an increase in the charge to the Group income statement of €516,000 for the year.

	2009			2008		
	Netherlands	United Kingdom	Germany	Netherlands	United Kingdom	Germany
Life expectancy, current pensioners:						
—Male	16.9	17.4	18.2	16.8	14.7	18.1
—Female	20.1	19.8	22.4	20.0	16.7	22.3
Life expectancy, future pensioners:						
—Male	18.7	18.4	21.0	18.6	15.3	20.9
—Female	20.9	20.7	25.0	20.8	17.4	24.8

The terms of one of the Pension Schemes in the United Kingdom were changed, by agreement with the Trustees and members, to a shared cost scheme with effect from 1 January 2006. The scheme is funded on a shared cost basis whereby the employees fund one third of the cost of providing the benefits and Ardagh Glass Limited funds two thirds of the cost. As a result of this change Ardagh Glass Limited has no obligation to fund the employee share of any pension deficit. Accordingly, the UK pension information presented within this note does not include the employees' portion of the scheme.

The Groups best estimate of contributions expected to be paid in 2010 is €7,717,000.

The Group has defined benefit and contribution plans, the contribution expense associated with the plans for 31 December 2009 was €974,000 (2008: €699,000).

Ardagh believes the following information is pertinent in understanding the impact of the pension arrangements on the Group's financial condition and cashflows.

Rockware scheme

When Rockware was acquired in April 1999 the Group took over responsibility to fund the past service cost of the then serving employees but not retirees. The vendor retained the responsibility to fund the post retirement benefits of former employees of Rockware. In consideration for taking over

14. Retirement benefit obligations (Continued)

the past service liability for serving employees the Rockware pension scheme got a financial settlement which equated to the liability it assumed. Because at that time the Scheme had no retirees and the remaining working life of the majority of employees was more than a decade, the funds were invested in equities with the objective of earning a high rate of return on the scheme assets and thereby under pin the benefit entitlements of employees. The demographics of the scheme have not substantially changed since inception, i.e. relatively few retirees and the remaining working life of the majority of the employees exceeds a decade. Hence the majority of the scheme assets continue to be invested in equities.

Heye scheme

When Heye was acquired in March 2003 the Group took over responsibility to fund eighteen months from the date of acquisition, past service cost of the then serving employees but not retirees.

Redfearn scheme

When Ardagh acquired Redfearn it only took responsibility for pension liabilities and the funding thereof relating to the future service of the then serving employees from the date of acquisition. Responsibility for the past service of the then serving employees and former employees of Redfearn and the funding thereof to that date was retained by the vendor. Therefore the Redfearn pension scheme has a limited impact on the Group Financial Statements.

Rexam plc's Glass Division scheme

When Ardagh acquired Rexam plc's Glass Division in June 2007 it took responsibility for all pension liabilities including the responsibility to fund the post retirement benefits of former employees and the past service cost of the then serving employees and retirees. At December 31, 2009 and 2008 the scheme in The Netherlands had a defined benefit surplus. As the Group does not recognise surpluses on defined benefit plans to the extent that they are fully recoverable this amount has not been recognised.

15. Trade and other payables

	2009	2008
	€'000	€'000
Trade payables	91,619	101,338
Other payables and accruals	45,347	65,771
Customer deposits	12,220	11,335
Payables to intermediate parent undertaking	1,319	—
Amounts owed to joint venture and associates	1,140	1,331
Other tax and social security payable	10,238	7,594
	161,883	187,369

The fair values of trade and other payables approximate the amounts shown above.

16. Provisions for other liabilities and charges

	2009	2008
	€'000	€'000
Current	24,321	14,151
Non-current	14,410	—
	38,731	14,151

	Redundancy and other capacity realignment provision	Other provision	Employee-related provision	Total provisions
	€'000	€'000	€'000	€'000
At 1 January 2008	2,597	1,330	9,801	13,728
Provided during the year	14,499	104	3,668	18,271
Released during the year	(913)	(110)	(1,221)	(2,244)
Paid during the year	(11,744)	(811)	(2,204)	(14,759)
Exchange movements	(41)	13	(817)	(845)
At 31 December 2008	4,398	526	9,227	14,151
At 1 January 2009	4,398	526	9,227	14,151
Provided during the year	47,139	640	3,041	50,820
Released during the year	(937)	(248)	(265)	(1,450)
Paid during the year	(22,412)	(210)	(2,494)	(25,116)
Exchange movements	191	98	37	326
At 31 December 2009	28,379	806	9,546	38,731

Redundancy and other capacity realignment provision

This provision relates to redundancy costs and other restructuring costs arising from capacity realignment in 2009, the majority of these costs are due to be paid out in 2010 (Note 19).

Other

Other provisions relate to customer quality claims and probable environmental penalties, these costs are due to be paid out in 2010.

Employee-related

The Group has recognised obligations to pay employee-related benefits amounting to €9,546,000 (2008: €9,227,000). All employee related provisions will crystallise as the service lives of the employees concerned comes to an end. A provision of €265,000 (2008: €1,221,000) relating to employee related provisions was released during the year.

17. Segmental analysis

Management has determined the operating segments based on the reports reviewed by the executive management committee that are used to make strategic decisions. The committee considers

17. Segmental analysis (Continued)

the business from a product perspective; glass container manufacturing and glass equipment engineering.

Glass manufacturing includes the entities involved in producing glass containers. Glass engineering includes the entities involved in glass engineering and manufacturing equipment.

Although the glass engineering segment does not meet the quantitative thresholds required by IFRS 8, management has concluded that this segment should be reported as it is closely monitored by the executive management committee. With the acquisition of Busch and Spreen in December 2008 this segment is continuing to grow and is expected to materially contribute to group revenue in the future. Finance income and expense are not allocated to segments, as these are reviewed by the executive committee on a group wide basis.

The executive management committee assesses the performance of the operating segments based on a measure of EBITDA (EBITDA is operating profit before depreciation, amortization, other income and expenses and non-cash items).

The segment results for the year ended 31 December 2009 are as follows:

	Glass Manufacturing	Glass Engineering	Total
	€'000	€'000	€'000
Segment revenue	1,178,548	78,555	1,257,103
Inter-segment revenue	—	(21,320)	(21,320)
Third party revenue	1,178,548	57,235	1,235,783
EBITDA	224,993	9,963	234,956
Depreciation			(138,398)
Amortisation—intangible assets			(6,285)
Amortisation—government grants			1,216
Other income and expense			(48,087)
Asset write downs			(11,643)
Finance expense			(101,633)
Finance income			18,946
Share of profit of joint venture	699		699
Loss before income tax			(50,229)
Income tax charge			(1,794)
Loss after income tax			(52,023)

17. Segmental analysis (Continued)

The segment results as identified using IFRS 8 for the year ended 31 December 2008 are as follows:

	Glass Manufacturing	Glass Engineering	Total
	€'000	€'000	€'000
Segment revenue	1,307,586	70,818	1,378,404
Inter-segment revenue	—	(21,200)	(21,200)
Third party revenue	1,307,586	49,618	1,357,204
EBITDA	251,254	10,804	262,058
Depreciation			(151,842)
Amortisation—intangible assets			(6,158)
Amortisation—government grants			1,268
Other income and expense			(24,894)
Asset write downs			(270)
Finance expense			(102,918)
Finance income			18,938
Share of profit of joint venture	783		783
Loss before income tax			(3,035)
Income tax credit			6,510
Profit after income tax			3,475

All inter-segment transactions are at arm's length.

Included in glass engineering is €5.8 million (2008: €9.2 million) of revenue recognised according to the percentage-of-completion method. €4.3 million (2008: €7.6 million) of cost has been recognised in relation to these long term contracts.

The segment assets at 31 December 2009 and capital expenditure for the year then ended are as follows:

	Glass Manufacturing	Glass Engineering	Total
	€'000	€'000	€'000
Segment assets	1,282,550	56,972	1,339,522
Investment in Joint Venture	2,641	—	2,641
Total assets	1,285,191	56,972	1,342,163
Capital expenditure	98,247	2,227	100,474

17. Segmental analysis (Continued)

The segment assets at 31 December 2008 and capital expenditure for the year then ended split into segments under IFRS 8 are as follows:

	Glass Manufacturing	Glass Engineering	Total
	€'000	€'000	€'000
Segment assets	1,291,224	49,007	1,340,231
Investment in Joint Venture	2,642	—	2,642
Total assets	1,293,866	49,007	1,342,873
Capital expenditure	126,278	2,490	128,768

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables, operating cash and deferred tax.

Capital expenditure comprises additions to intangible assets (Note 3), and property, plant and equipment (Note 4).

There is no single customer that accounts for greater than 10% of the Group's revenue.

Total revenue and non-current assets in regions which account for more than 10% of total revenue and non-current assets are as follows:

Revenue

	2009	2008
	€'000	€'000
Germany	466,838	522,366
United Kingdom	316,365	349,331
Benelux	140,790	139,203

Non-current assets excluding financial instruments, taxes and pensions

	2009	2008
	€'000	€'000
Germany	255,588	274,638
United Kingdom	186,578	182,864
Benelux	93,300	59,205
Ireland	3,511	2,646

The entity is domiciled in Ireland. During the year the Group had sales of €6,661,000 (2008: €10,627,000) to customers in Ireland.

18. Expenses by nature

	2009	2008
	€'000	€'000
Depreciation (Note 4)	138,398	151,842
Amortisation (Note 3)	6,285	6,158
Asset write downs (Note 19)	11,643	270
Amortisation of capital grants (Note 13)	(1,216)	(1,268)
Changes in inventories of finished goods and work in progress	13,238	(78,609)
Conversion, storage, and delivery	96,404	120,503
Wages and salaries	223,935	250,604
Social security costs	32,469	37,821
Defined benefit plan pension costs (Note 14)	6,221	7,943
Defined contribution plan pension costs	974	699
Auditors remuneration	990	1,124
Stock revaluation	(5,121)	(16,856)
Aborted acquisition and disposal costs (Note 19)	—	10,485
Redundancy costs relating to capacity realignment (Note 19)	44,303	11,904
Other restructuring costs relating to capacity realignment (Note 19)	1,899	1,682
New furnace start up costs (Note 19)	2,062	567
Legal costs (Note 19)	—	256
Doubtful debt received (Note 19)	(632)	—
Loss on assets relating to capacity realignment (Note 19)	455	—
Foreign exchange translations	683	156
Other	631,034	771,761
Total cost of sales and sales, general and administration expenses	1,204,024	1,277,042
Average number of employees	5,630	6,081
Production	752	832
Administration	6,382	6,913

19. Other income and expenses

	2009	2008
	€'000	€'000
Redundancy costs relating to capacity realignment	(44,303)	(11,904)
Asset write downs relating to capacity realignment	(11,643)	(270)
Other restructuring costs relating to capacity realignment	(1,899)	(1,682)
Aborted acquisition and disposal costs	—	(10,485)
New furnace start up costs	(2,062)	(567)
Legal costs	—	(256)
Doubtful debt received	632	—
Loss on assets relating to capacity realignment	(455)	—
De-designation of cashflow hedges to trading derivatives	(5,290)	—
Borrowing extinguishment costs	(3,066)	—
	(68,086)	(25,164)

19. Other income and expenses (Continued)

Other income and expenses for 2009 are detailed as follows:

Cost of Sales

- Non-cash expense of €11.6 million for assets written downs as a result of permanent capacity closures.

Sales, general and administration expenses

- €44.3 million relating to redundancy costs resulting from permanent capacity closures;
- €2.1 million for start-up costs relating to the new furnace in Moerdijk;
- €1.9 million to scrap raw materials, packaging materials, spare parts, molds and demolition costs as a result of permanent capacity realignment;
- Non-cash loss on disposal of assets of €0.5 million as a result of permanent capacity closures; and
- (€0.6) million cash received for a doubtful receivable which pre-dated the Group's Italian acquisition in 2002.

Finance expense

- €5.3 million relating to the de-designated cashflow hedge. This arises due to the value of EURIBOR interest rate hedges, exceeding the value of Euro denominated variable rate debt, following the partial repayment of the Amended and Restated Anglo Irish Senior Secured Facility; and
- €3.1 million for borrowing extinguishment costs representing the write off of unamorstised deferred finance costs relating to the partial repayment of the Amended and Restated Anglo Irish Senior Secured Facility.

Other income and expenses for 2008 are detailed as follows:

Cost of Sales

- Non-cash expense of €0.3 million for assets written downs as a result of permanent capacity closures.

Sales, general and administration expenses

- €11.9 million relating to redundancy costs resulting from permanent capacity closures;
- €10.5 million for aborted acquisition and disposal costs;
  - €9.8 million of costs were incurred on an aborted acquisition opportunity
  - €0.7 million incurred by Ardagh on an abandoned disposal of a subsidiary
- €0.5 million for furnace start up costs;
- €1.7 million to scrap raw materials, packaging materials, spare parts, molds and demolition costs as a result of permanent capacity closures; and
- €0.3 million were incurred in non trade related legal costs.

20. Finance income and expense

	2009	2008
	€'000	€'000
Finance expense:		
9.25% First Priority Senior Notes due 2016	15,455	—
8⅞% Senior Notes due 2013	16,963	16,963
7.125% Senior Notes due 2017	23,530	23,530
Bank loans, overdrafts and revolving credit facilities	21,201	33,199
Invoice discounting facilities	1,162	2,043
Finance leases	783	2,093
Interest expense	79,094	77,828
Finance expense on pension plan liabilities	13,992	14,366
Foreign currency translation losses	—	10,724
Other finance expense	191	—
One-time finance costs:		
De-designation of cashflow hedges to trading derivatives	5,290	—
Borrowing extinguishment costs	3,066	—
Total finance expense	101,633	102,918

	2009	2008
	€'000	€'000
Finance income:		
Interest Income	1,385	3,249
Movement on trading derivatives after de-designation of cashflow hedge	851	—
Foreign currency translation gains	4,139	—
Expected return on pension plan assets	12,571	15,689
Total finance income	18,946	18,938

21. Income tax

	2009	2008
	€'000	€'000
Current tax		
Current tax on profits for the year	12,966	13,648
Adjustments in respect of prior years	1,607	(3,264)
Total current tax	14,573	10,384
Deferred tax		
Deferred tax for the year	(13,801)	(17,038)
Adjustments in respect of prior years	1,022	144
Total deferred tax (note 6)	(12,779)	(16,894)
Income tax charge/(credit)	1,794	(6,510)

21. Income tax (Continued)

The 2008 tax reconciliation table below has been adjusted to reconcile to the standard rate of Irish corporation tax of 12.5%.

	2009	2008
	€'000	€'000
Loss before tax	(50,229)	(3,035)
Loss on ordinary activities multiplied by the standard rate of Irish corporation tax; 12.5% (2008:12.5%)	(6,279)	(379)
Non-deductible items	5,930	3,871
Utilisation of tax losses	(612)	(3,278)
Effect of movements in tax rates	—	(297)
Tax losses for which no deferred income tax asset was recognised	2,887	1,617
Adjustment in respect of prior years	2,629	(3,121)
Profits taxable at non-standard rate	(3,959)	(6,374)
Other	1,198	1,451
Total tax charge/(credit) for the financial year	1,794	(6,510)

Were the actual final outcome (on the judgement areas) to differ by 10% from management's estimates, the group would need to:

- increase the income tax liability by €0.2 million and the deferred tax liability by €nil, if unfavourable; or
- decrease the income tax liability by €0.2 million and the deferred tax liability by €nil, if favourable.

22. Cash generated from operations (before costs relating to capacity realignment)

	2009	2008
	€'000	€'000
Loss before tax	(50,229)	(3,035)
Adjustments:		
Depreciation (Note 4)	138,398	151,842
Amortisation (Note 3)	6,285	6,158
Amortisation of capital grants (Note 13)	(1,216)	(1,268)
Net finance expenses (Note 20)	82,687	83,980
Loss on disposal of property, plant and equipment	101	1,230
Share of profit of joint venture (Note 5)	(699)	(783)
Other income and expense (Note 19)		
—Redundancy costs relating to capacity realignment	44,303	11,904
—Other restructuring costs relating to capacity realignment	1,899	1,682
—Asset write downs relating to capacity realignment	11,643	270
Movement in other income and expense payables	(4,416)	4,425
Changes in working capital:		
Inventories	38,195	(64,376)
Trade and other receivables	7,313	(18,304)
Trade and other payables	(23,417)	5,918
Cash generated from operations (before costs relating to capacity realignment)	250,847	179,643

23. Business combinations

Acquisition of Busch & Spreen GmbH

The fair value adjustments in relation to the acquisition account of Busch & Spreen was completed in the third quarter of 2009. In December 2008 Heye International GmbH bought 100% of the share capital of Busch & Spreen GmbH. The Company, based in Nienburg, Germany, supplies cold end inspection equipment to the international glass container industry. The transaction has been accounted for in accordance with IFRS 3 Business Combinations.

In the financial statements for the year ended December 31, 2008 the total cost of the acquisition of €3,626,000 was provisionally recorded within other investments. During the year ended December 31,

23. Business combinations (Continued)

2009 the fair value adjustments on business combinations were processed which were not readily determinable as of December 31, 2008 and were as follows:

	Initial fair value assigned	Adjustments to provisional fair values	Fair values
	€'000	€'000	€'000
Other investment	3,626	(3,626)	—
Buildings	—	60	60
Property, plant and equipment	—	148	148
Intangible assets	—	2,770	2,770
Inventories	—	926	926
Trade and other receivables	—	677	677
Cash	—	379	379
Total assets acquired	3,626	1,334	4,960
Trade and other payables	—	(859)	(859)
Provisions for other liabilities and charges	—	(475)	(475)
Net assets	3,626	—	3,626
Consideration:			
Cash paid directly to Busch & Spreen			(3,429)
Direct cost related to acquisition			(197)
			(3,626)

Acquisition of the minority interest in Heye Fabryka Form Szkłarskich Sp. z o.o.

During the year the Group purchased the remaining 49% of the ordinary share capital in Heye Fabryka Form Szkłarskich Sp. z o.o. for €2,795,000 including €405,000 of goodwill (Note 11).

24. Related party transactions

The following transactions were carried out with related parties:

(a) Ardagh Glass Group S.A.

In December 2009, Ardagh Glass Group S.A., a Luxembourg company, became the ultimate holding company of the Ardagh Glass Group. Ardagh Glass Group S.A. acquired all of the shares of Ardagh Glass Group plc ("APG plc") in exchange for the issue of shares to the APG plc shareholders in the same proportions as they had held shares in APG plc. At the year end APG plc owed €1,319,000 to Ardagh Glass Holdings Limited. There are no outstanding amounts at the year end between Ardagh Glass Group S.A. and any of its subsidiaries.

(b) Yeoman Capital S.A.

As of 31 December 2009 Yeoman Capital S.A. owned 39.31% of the ordinary shares of Ardagh Glass Group S.A. Three of Ardagh Glass Holding Limited's directors, Messrs. Coulson, Dowling and Baertz, also serve as directors of companies within the Yeoman Group of companies. During 2009, the Group incurred costs of €718,017 relating to fees charged by the Yeoman Group of companies.

24. Related party transactions (Continued)

(c) Key management compensation

	2009	2008
	€'000	€'000
Salaries and other short term employee benefits	6,288	6,262
Post employment benefits	779	732
Termination benefits	394	—
	7,461	6,994

(d) Joint venture—Eura Glasrecycling GmbH

As of 31 December 2009, the Group owed €983,000 (2008: €926,000) to Eura Glasrecycling GmbH. During 2009 the Group received dividends of €700,000 (2008: €nil) from Eura Glasrecycling GmbH.

(e) Pension scheme

The pension schemes are related parties. For details of all transactions during the year please read Note 14 Retirement Benefit Obligations.

25 Contingent liabilities

Ardagh Glass Limited; former employee death benefits

Ardagh Glass Limited has an ongoing obligation to provide death benefits to former employees, who have been made redundant, as part of their severance packages. At December 31, 2009 the contingent liability was €6.2m. The benefits provided are payable if the employee dies during a specific period after being made redundant:

- If the employee was within ten years of normal retirement age at the age of redundancy, taken to be 65, up to the normal retirement age; or
- For one year.

26. Events after the reporting period

On January 13, 2010 Ardagh Glass Finance plc, a subsidiary of Ardagh Glass Holdings Limited, announced the offer of €180,000,000 Senior Notes due 2020 (the "Senior Notes"). The Senior Notes are guaranteed on a senior secured basis by Ardagh Glass Holdings Limited and on a senior subordinated basis by certain of its wholly-owned subsidiaries. The net proceeds from the issuance and sale of the Senior Notes were used, together with cash on hand, to redeem the outstanding €175,000,000 Senior Notes due 2013 (including principal amount, accrued interest to the date of redemption and the applicable redemption premium, the total cost of redemption was €6,471,000).

27. Subsidiary undertakings and joint venture

The principal subsidiary undertakings are detailed below, all of which are included in the Group financial statements.

Company	Country of incorporation	Activity	Portion of ordinary shares held %
			%
Subsidiary undertakings			
Ardagh Glass Holmegaard AS	Denmark	Glass container manufacturing	100
Ardagh Glass GmbH	Germany	Glass container manufacturing	100
Ardagh Glass Holdings GmbH	Germany	Investment holding	100
Heye International GmbH	Germany	Glass engineering and manufacturing equipment	100
Schaumburger Formenbau GmbH	Germany	Mold engineering and manufacturing equipment	100
Ardagh Corporate Services Limited	Ireland	Management services Company	100
Ardagh Glass Finance plc	Ireland	Finance Company	100
Ardagh Glass Sales Limited	Ireland	Sales Company	100
Ardagh Treasury Limited	Ireland	Treasury Company	100
Ardagh Glass S.r.l.	Italy	Glass container manufacturing	100
Ardagh Glass Dongen B.V	Netherlands	Glass container manufacturing	100
Ardagh Glass Finance BV	Netherlands	Finance Company	100
Ardagh Glass Moerdijk B.V.	Netherlands	Glass container manufacturing	100
Ardagh Glass Moss AS	Norway	Sales Company	100
Ardagh Glass Gostyń SA	Poland	Glass container manufacturing	100
Ardagh Glass Ujście SA	Poland	Glass container manufacturing	100
Ardagh Glass Wyszków SA	Poland	Glass container manufacturing	100
Fabryka Urządzeń Przemystowych Sp. z o.o.	Poland	Glass engineering and manufacturing equipment	100
Heye Fabryka Form Szkłarskich Sp. z o.o.	Poland	Mold engineering and manufacturing equipment	100
Przedsiebiorstwo Produkcjno-Uslugowe Techform Sp. z o.o.	Poland	Glass engineering and manufacturing equipment	97
Ardagh Glass Limmared AB	Sweden	Glass container manufacturing	100
Ardagh Glass Limited	United Kingdom	Glass container manufacturing	100
Joint venture			
Eura Glasrecycling GmbH & Co. KG	Germany	Glass recycling	50

NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS OF ARDAGH PACKAGING HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2008

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF ARDAGH GLASS HOLDINGS LIMITED

We have audited the non-statutory Group financial statements ("the financial statements") of Ardagh Glass Holdings Limited for the year ended 31 December 2008 which comprise the Consolidated Income Statement, the Consolidated Statement of Recognised Income and Expense, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set forth therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union are set forth in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's directors as a body and for no other person. We do not, in giving this opinion, accept or assume responsibility to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and generally accepted in Ireland. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as of 31 December 2008 and of the profit and cash flows of the Group for the year then ended.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin, Ireland

24 March 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements to the Bondholders in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union.

The directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that the financial statements comply with IFRS; and to
- Prepare the financial statement on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BASIS OF PREPARATION

The non-statutory consolidated financial statements of AGHL have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the EU. IFRS is comprised of standards and interpretations approved by the International Accounting Standards Board ("IASB") and International Accounting Standards and interpretations approved by the predecessor International Accounting Standards Committee that have been subsequently approved by the IASB and remain in effect.

IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB. References to IFRS hereafter should be construed as references to IFRS as adopted by the EU.

The Financial Statements, which are presented in euro rounded to the nearest thousand, have been prepared under the historical cost convention except for the following:

- derivative financial instruments are stated at fair value
- available-for-sale financial assets are stated at fair value
- pension obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets are valued at fair value
- share-based payment expense is measured at the fair value of the awards at the date of grant.

The preparation of financial information in conformity with IFRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgement in the process of applying Group accounting policies. These estimates, assumptions and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. However, actual outcomes may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are discussed in the critical accounting judgements and estimates note 1.

Standards, amendments and interpretations effective in 2008 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but they are not relevant to the Group's operations:

IFRIC 12, "Service concession arrangements"

IFRIC 13, "Customer loyalty programmes"

IAS 39 and IFRS 7 (Amendments)—"Reclassification of Financial Assets"

IFRIC 11, "**IFRS 2**—Group and treasury share transactions".

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them:

IFRIC 14, "**IAS 19**—The limit on a defined benefit asset, minimum funding requirements and their interaction", provides guidance on assessing the limit in IAS 19 on the amount of a defined benefit surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. As the Group currently only recognises surpluses on defined benefit plans to the extent that they are fully recoverable, the adoption of IFRIC 14 is not expected to have a material impact.

IFRIC 16, "Hedges of a net investment in a foreign operation" (effective from 1 October 2008). The interpretation is still subject to EU endorsement. IFRIC 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the group. The requirements of IAS 21, "The effects of changes in foreign exchange rates", do apply to the hedged item. The Group will apply IFRIC 16 from 1 January 2009, subject to EU endorsement, and the Group is in the process of evaluating the financial impact.

IAS 19—Employee Benefits (Amended)

The amendment is part of the IASB's annual improvements project published in May 2008.

- The amended standard clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.
- The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- The distinction between short-term and long-term employee benefits will be based on whether benefits are due to be settled within or after twelve months of employee service being rendered.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets, requires contingent liabilities to be disclosed, but not recognised. IAS 19 has been amended to be consistent.

The Group will apply IAS 19 as amended from 1 January 2009. The amended standard is not expected to have an effect on the Group Financial Statements.

IAS 20—Accounting for Government Grants and Disclosure of Government Assistance (Amended)

IAS 20 as amended is effective for annual accounting periods beginning on or after 1 January 2009. This amendment is part of the IASB's annual improvements project published in May 2008. It states that the benefit of a below market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39—Financial Instruments: Recognition and Measurement, and the proceeds received. The benefit is accounted for in accordance with IAS 20. The amendment is not expected to have a material effect on the Group Financial Statements.

IAS 23 (Amendment), "Borrowing costs" (effective from 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amended) from 1 January 2009 which will change the way the Group accounts for borrowing costs attributable to capitalised assets.

IAS 27—Consolidated and Separate Financial Statements (Amended)

The amendment removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate Financial Statements of the investor.

The Group will apply the amended standards from 1 January 2009 and they are not expected to have an impact on the Group Financial Statements.

IAS 27—Consolidated and Separate Financial Statements (Revised)

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 as revised prospectively to transactions with non-controlling interests from 1 January 2010.

IFRS 3—Business Combinations (Revised)

The revised IFRS 3 continues to apply the acquisition method in accounting for business combinations but with some significant changes. For example, all payments to purchase a business must be recorded at fair value at the acquisition date with contingent payments classified as debt and subsequently remeasured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs will be expensed. The Group will apply the revised IFRS 3 prospectively to all business combinations from 1 January 2010.

IFRS 8, "Operating segments" (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The group will apply IFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management, but while it appears unlikely that the number of reportable segments will change, the manner in which they are reported may do so.

IAS 1 (Revised), "Presentation of financial statements" (effective for financial periods beginning on or after 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as of the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Group will apply IAS 1 as amended from 1 January 2009. It is likely that both the income statement and statement of comprehensive income will be presented as separate performance statements.

Interpretations to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant for the Group's operations:

IFRS 1 (Revised), "First-time Adoption of International Financial Reporting Standards", (effective for financial periods beginning on or after 1 July 2009). The revised standard is still subject to EU endorsement. The current IFRS 1 has been amended many times to accommodate first time adoption requirements of new and amended IFRSs, resulting in a more complex and less clear standard. This revised version retains the substance of the original standard but with a changed structure. The revised IFRS 1 is not applicable to the Group as it has already adopted IFRS, however it would be applicable to other entities in the Group should they transition to IFRS at a future date, subject to EU endorsement.

IFRS 2 (Amendment), "Share-based payment" (effective for financial periods beginning on or after 1 January 2009). The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. The amendment also clarifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply IFRS 2 (Amendment) from 1 January 2009 but is currently not applicable to the Group as there are no share based payments.

Ardagh Glass Holdings Ltd was incorporated and registered in the Republic of Ireland as a private company on 5 August 2005. Its immediate parent is Ardagh Glass Group Holdings Ltd. The ultimate parent company is Ardagh Glass Group plc.

Principal activities

The Company was formed as a holding company for the Groups glass container manufacturing and technology businesses. It is the Parent Guarantor for €175,000,000 8⅞% Senior Notes due 2013 issued by Ardagh Glass Finance B.V. and also the 7.125% Senior Notes due 2017 issued by Ardagh Glass Finance plc.

The Company's Registered Office is:

4 Richview Office Park
Clonskeagh
Dublin 14

These consolidated financial statements have been approved for issue by the Board of Directors on 20 March 2009.

ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power, directly or indirectly, to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

(ii) Combinations between entities under common control

The pooling of interests method of accounting is used to account for transactions which result in acquisitions between entities which are under common control such as Group reorganisations. Under the pooling of interests method the assets and liabilities of the combining entities are aggregated at their book values and the results of those entities are combined as if the entities had always been together. Differences arising on pooling are treated in equity.

(iii) Transaction and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(iv) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Investments in joint ventures are accounted for by the equity method of accounting and are initially recognised at cost.

The Group's investment in joint ventures includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its joint ventures post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

(v) Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

FOREIGN CURRENCY

(i) Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to euro at average exchange rates for the year. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity ('cumulative translation adjustment').

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as cashflow hedges as they are hedges of highly probable forecast transactions.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within finance costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

INTANGIBLE ASSETS

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose for the purpose of assessing impairment. Goodwill is tested annually for impairment. In respect of joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the joint venture.

The excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost, arising on an acquisition is recognised directly in the income statement.

(ii) Intangible assets (other than goodwill)

An intangible asset is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable (i.e. capable of being divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability) or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Intangible assets acquired as part of a business combination are capitalised separately from goodwill if the intangible asset meets the definition of an asset and the fair value can be reliably measured on initial recognition.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets with finite useful lives are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The amortisation of intangible assets is calculated to write-off the book value of finite-lived intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, finite lived intangible assets are amortised over periods ranging from three to five years, depending on the nature of the intangible asset as detailed in the Goodwill & Intangible Assets note.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Raw materials are valued on the basis of purchase cost on a first-in, first out basis. In the case of finished goods and work-in-progress, cost includes direct materials, direct labour and attributable overheads based on normal operating capacity and excludes borrowing costs.

Net realisable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution. Full provision is made for all damaged, deteriorated, obsolete and unusable materials.

PROPERTY, PLANT AND EQUIPMENT

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for land which is shown as cost less impairment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period using the effective interest method so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(iii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	40 years
Plant and machinery	3–12 years
Long life molds	2 or 3 years
Office equipment and vehicles	3–10 years

The residual value, if not insignificant, is reassessed annually.

(v) Disposals

Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount of the relevant asset at the date of disposal and are included in operating profit in the period in which they are disposed.

MOLDS

Molds are classified into long-life molds, which are included in property, plant and equipment and depreciated over 2 or 3 years, and short-life molds, which are included in inventories and are valued at the lower of cost and net realisable value.

IMPAIRMENT

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Calculation of recoverable amount

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration (less than one year) are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

Reversals of impairments arise when indicators exist that suggest an impairment loss recognised in a prior period no longer exists. An impairment loss in respect of goodwill can not be reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

FINANCIAL INSTRUMENTS

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, restricted cash, borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire, are extinguished, or if the Group transfers the financial asset to another party and transfers all the risks and rewards of ownership of the asset, or does not retain control and transfers substantially all the risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at trade date i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contracts expire, are discharged or cancelled.

(ii) Trade and other receivables

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the effective interest method less any provision for impairment. A provision for impairment of trade receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the Income Statement.

(iii) Securitised assets

The Group has entered into a series of securitisation transactions involving certain of its trade receivables. The securitised assets continue to be recognised on the Group balance sheet until all of the rights to the cash-flows from those assets have expired or have been fully transferred outside the Group, or until substantially all of the related risks, rewards and control of the related assets have been transferred to a third party.

(iv) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are carried at amortised cost.

(v) Short term bank deposits

Short term bank deposits of greater than three months maturity which do not meet the definition of cash and cash equivalents are classified as financial assets within current assets and stated at amortised cost.

(vi) Restricted cash

Restricted cash comprises cash held by the Group but which is ring-fenced or used as security for specific financing arrangements, and to which the Group does not have unfettered access. Restricted cash is measured at amortised cost.

(vii) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Groups income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(viii) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

EMPLOYEE BENEFITS

Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has defined benefit, defined contribution and other long term employee benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Surpluses on defined benefit plans are recognised to the extent that they are fully recoverable.

The expected returns on plan assets and the increase during the period in the present value of plan liabilities arising from the passage of time are recognised as components of finance income and finance expense respectively. Differences between the expected and the actual return on plan assets, together with the effect of changes in the current or prior assumptions underlying the liabilities are recognised in the Statement of Recognised Income and Expense.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as of the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Settlements and curtailments trigger immediate recognition of the consequent change in obligations and related assets in the Income Statement together with any previously unrecognised past service costs that relate to the obligations being settled or curtailed.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other long term employee benefits

The Group's obligation in respect of other long term employee benefits such as jubilee and medals plans represents the amount of future benefit that employees have earned in return for service in the current and prior periods. The obligation is computed on the basis of the projected unit credit method and is discounted to present value using a discount rate equating to the market yield at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and estimated term of the post-employment obligations. Actuarial gains and losses are recognised in full in the period in which they arise.

TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group is demonstrably committed without realistic possibility of withdrawal to a formal detailed plan to terminate employment before normal retirement date or providing termination benefits as a result of an offer made to encourage voluntary redundancy. If the effect is material, benefits payable are recognised at their present value by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

SHARE BASED COMPENSATION

The Group had an equity settled share based compensation plan in place for certain employees. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when vested options are converted into ordinary shares. All options were vested in the prior year. The Group has no cash-settled share-based payment transaction as defined in IFRS2.

PROVISIONS

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

EMISSION RIGHTS AND OBLIGATIONS

Certain jurisdictions in which the Group operates regulate the emissions of carbon dioxide and other pollutants through the operation of a "cap and trade" type scheme, whereby a participating entity must deliver emission certificates to a third party (e.g. a regulator) to be able to emit pollutants legally. The government grants a certain number of emission certificates to an entity for use during a compliance period. Emission rights granted by governments and other similar bodies under cap and trade and other similar schemes are recognised at their nominal amount. Where additional allowances are purchased from third parties, the Group measures such credits at cost on initial recognition with no subsequent revaluation.

Liabilities arising in relation to emission obligations under such schemes are recognised only in circumstances where emission rights granted have been exceeded and the differential between actual and permitted emissions will have to be remedied through the purchase of the required additional rights at fair value. Liabilities arising from such shortfalls are measured at the current market value of the certificates necessary to meet the obligations and classified as provisions.

Where excess certificates are sold to third parties, the Group recognises the fair value of the consideration received as other income in profit or loss offset by the carrying value of the units derecognised. The Group has a policy of only selling certificates where the level of projected emissions over the relevant compliance period has been reliably estimated and the allowances available to offset such emissions is greater than those projected emissions.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

REVENUE RECOGNITION

(i) Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. It is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale. Revenue is included net of cash, value added tax and other discounts.

Pallet deposits are not recognised in revenue.

(ii) Construction contracts

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, pre-payments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

(iii) Government grants

Capital grants are recorded in deferred income and released to the income statement on a straight-line basis over the estimated useful lives of the related property, plant and equipment.

(iv) Finance income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(vi) Royalty income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

OTHER INCOME AND EXPENSE

The Group has adopted an income statement format which seeks to highlight significant items within Group results for the year. The Group believe that this presentation provides additional analysis as it highlights one-off items. Such items include, where significant, restructuring, profit or loss on disposal or termination of operations, major litigation costs and settlements, profit or loss on disposal of assets and impairment of assets. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Group Income Statement and related notes as Other Income and Expense.

FINANCE EXPENSE

Finance expense comprise interest expense on borrowings (including amortisation of deferred debt issuance costs), certain foreign currency translation losses related to financing, finance expense on pension plan liabilities, losses on extinguishment of borrowings, and losses on derivative instruments that are not designated as hedging instruments and are recognised in profit or loss.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

FINANCE INCOME

Finance income comprise interest income on funds invested, certain foreign currency translation gains related to financing, gains on derivative instruments that are not designated as hedging instruments and are recognised in profit or loss. Interest income is recognised on a time proportion basis.

INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax basis of assets and liabilities. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the reversal of the temporary difference is controlled by the Group and it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns different to those of other segments. Stemming from the Group's internal organisational and management structure and its system of internal financial reporting, segmentation by geography is regarded as being the predominant source and nature of the risks and returns facing the Group and is thus the primary segment. Business segmentation is the secondary segment.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	31 December 2008	31 December 2007
		€'000	€'000
Revenue	2	1,357,204	1,024,974
Cost of sales	3	(1,178,363)	(901,367)
Gross profit		178,841	123,607
Sales, general and administration expenses	3	(73,785)	(57,622)
Other income and expenses	5	(24,894)	(8,914)
Operating profit		80,162	57,071
Finance expense	6	(102,918)	(69,677)
Finance income	6	18,938	16,647
Share of profit of joint venture	10	783	340
(Loss)/profit before tax		(3,035)	4,381
Income tax credit	7	6,510	195
Profit for the year		3,475	4,576
Attributable to:			
Equity holders		3,149	4,209
Minority interest	22	326	367
		3,475	4,576

The notes to the Consolidated Financial Statements are an integral part of these Financial Statements

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	31 December 2008	31 December 2007
		€'000	€'000
Profit for the year		3,475	4,576
Foreign currency translation adjustments		(50,824)	(3,898)
Pension scheme actuarial (loss)/gain	*18*	(21,936)	3,877
Deferred taxation on actuarial loss/(gain)	*15*	5,925	(1,155)
Cash flow hedges loss	*14*	(10,152)	(1,021)
Total recognised income and expense for the year		(73,512)	2,379
Attributable to:			
Equity holders		(73,838)	2,012
Minority interest	*22*	326	367
		(73,512)	2,379

The notes to the Consolidated Financial Statements are an integral part of these Financial Statements.

CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2008

	Note	31 December 2008	31 December 2007
		€'000	€'000
ASSETS			
Non-current assets			
Goodwill	*8*	50,781	64,576
Other intangible assets	*8*	9,350	14,234
Property, plant and equipment	*9*	727,591	817,957
Investment in joint venture	*10*	2,642	1,859
Other investments		4,254	726
Deferred tax assets	*15*	17,871	12,513
		812,489	911,865
Current assets			
Inventories	*11*	272,040	231,598
Trade and other receivables	*12*	196,395	194,550
Derivative financial instrument	*14*	—	116
Cash and cash equivalents	*24*	61,949	62,634
		530,384	488,898
TOTAL ASSETS		1,342,873	1,400,763
LIABILITIES			
Non-current liabilities			
Borrowings	*14*	839,209	858,284
Deferred income—government grants	*16*	5,177	5,875
Retirement benefit obligations	*18*	58,638	46,798
Deferred tax liability	*15*	86,326	103,843
Derivative financial instruments	*14*	10,886	850
		1,000,236	1,015,650
Current liabilities			
Borrowings	*14*	97,482	49,781
Deferred income—government grants	*16*	1,134	1,052
Trade and other payables	*13*	196,127	204,745
Provisions for other liabilities and charges	*17*	14,151	13,728
Current income tax payable		2,534	10,646
		311,428	279,952
TOTAL LIABILITIES		1,311,664	1,295,602
NET ASSETS		31,209	105,161
EQUITY			
Reserves	*20*	28,720	102,558
Minority interest	*22*	2,489	2,603
TOTAL EQUITY		31,209	105,161

The notes to the Consolidated Financial Statements are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	31 December 2008	31 December 2007
		€'000	€'000
Cash flows generated from operating activities			
Cash generated from operations	*23*	167,899	170,474
Net interest paid		(68,206)	(49,629)
Income tax paid		(18,181)	(5,332)
Net cash generated from operating activities		81,512	115,513
Cash flows from investing activities			
Acquisition of subsidiary	*25*	(3,626)	(602,377)
Acquisition costs paid	*25*	—	(11,770)
Dividends from joint venture	*10*	—	100
Purchase of property, plant and equipment	*9*	(128,264)	(99,196)
Purchase of software	*8*	(504)	(225)
Proceeds from disposal of property, plant and equipment		3,480	2,350
Net cash used in investing activities		(128,914)	(711,118)
Cash flows from financing activities			
Proceeds from borrowings		105,313	718,137
Repayment of borrowings		(51,807)	(99,812)
Deferred finance costs paid		—	(23,081)
Capital element of finance lease payments		(3,941)	(5,311)
Net cash used in financing activities		49,565	589,933
Net increase/(decrease) in cash and cash equivalents		2,163	(5,672)
Cash and cash equivalents at beginning of the period	*24*	62,634	68,023
Exchange (losses)/gains on cash and bank overdrafts		(2,848)	283
Cash and cash equivalents at end of the year	*24*	61,949	62,634

The notes to the Consolidated Financial Statements are an integral part of these Financial Statements.

1. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

These calculations require the use of estimates as outlined in Note 8.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises tax assets where there is a reasonable expectation that the assets will be recovered. The assessment of the recoverability of deferred tax assets involves significant judgement. The main deferred tax asset recognised by the Group relates to unused tax losses. The Directors assess the recoverability of tax losses by reference to future profitability and Group tax planning.

(c) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its sales of glass technology services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

(d) Measurement of defined benefit obligations

The Group follows the guidance of IAS 19 to determine the present value of its obligations to current and past employees in respect of defined benefit pension obligations and other long term employee benefits, which are subject to similar fluctuations in value in the long term. The Group uses a network of professional actuaries co-ordinated under a worldwide process to value such liabilities designed to ensure consistency in the quality of the key assumptions underlying the valuations. The critical assumptions and estimates applied are discussed in detail in Note 18.

1. Critical accounting estimates and judgements (Continued)

(e) Provisions

The amount recognised for a provision is the best estimate of the expenditure to be incurred. Provisions are remeasured at each balance sheet date based on the best estimate of the settlement amount. Changes to the best estimate of the settlement amount may result from changes in the amount or timing of the outflows or changes in discount rates (when applicable).

(f) Establishing lives for depreciation purposes of property, plant and equipment

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined and there are a significant number of asset lives in use. Details of the useful lives is included in the accounting policy. The impact of any change would vary significantly depending on the individual changes in assets and the classes of assets impacted.

(g) Business combinations

Goodwill only arises in business combinations. The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite lived and finite lived intangible assets.

Critical judgements in applying the entity's accounting policies

Revenue recognition

The Group has recognised revenue amounting to €1,357.2 million for sales of goods during 2008. Customers have the right to rescind the sale if the goods are damaged. The Group believes that, based on past experience, the rate of customer returns is less than 1% of revenue and it is therefore appropriate to recognise all revenue net of returns.

Pensions

The Group has made certain judgements relating to mortality. Please refer to Note 18.

2. Segmental analysis

Primary reporting format—geographic segments

At 31 December 2008, the Group is organised into three main geographic segments:

(1) Eurozone

(2) United Kingdom; and

(3) Other

The segment results for the year ended 31 December 2008 are as follows:

	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	743,881	349,781	280,845	—	1,374,507
Inter-segment revenue	(11,079)	(450)	(5,774)	—	(17,303)
Revenue	732,802	349,331	275,071	—	1,357,204
Operating profit/(loss)	59,132	12,932	32,435	(24,337)	80,162
Finance expense (Note 6)					(102,918)
Finance income (Note 6)					18,938
Share of profit of joint venture (Note 10)	783				783
Loss before income tax					(3,035)
Income tax credit					6,510
Profit for the year					3,475

The segment results for the year ended 31 December 2007 are as follows:

	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	461,306	408,915	165,703	—	1,035,924
Inter-segment revenue	(7,599)	(2,102)	(1,249)	—	(10,950)
Revenue	453,707	406,813	164,454	—	1,024,974
Operating profit/(loss)	16,823	38,552	9,891	(8,195)	57,071
Finance expense (Note 6)					(69,677)
Finance income (Note 6)					16,647
Share of profit of joint venture (Note 10)	340				340
Profit before income tax					4,381
Income tax credit					195
Profit for the year					4,576

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Unallocated costs represents costs of the Groups legal, tax, company secretarial, treasury, controlling functions and other administrative costs.

2. Segmental analysis (Continued)

Included in Eurozone is €9.2 million (2007:€0) of revenue recognised according to the percentage-of-completion method. €7.6 million (2007:€0) of cost has been recognised in relation to these long term contracts.

Other segment items included in the income statement are as follows:

	Year ended 31 December 2008				
	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Depreciation	81,761	35,809	34,297	245	152,112
Amortisation—intangible assets	915	—	5,005	238	6,158
Amortisation—government grants	(868)	(400)	—	—	(1,268)

	Year ended 31 December 2007				
	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Depreciation	48,111	31,417	18,422	146	98,096
Amortisation—intangible assets	504	—	2,547	6	3,057
Amortisation—government grants	(318)	(459)	—	—	(777)

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables and operating cash.

Segment liabilities comprise operating liabilities. Unallocated liabilities comprise items such as taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment (Note 9) and intangible assets (Note 8).

The segment assets and liabilities at 31 December 2008 and capital expenditure for the year then ended are as follows:

	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Segment assets	731,693	289,545	279,466	39,527	1,340,231
Investment in Joint Venture	2,642	—	—	—	2,642
Total assets	734,335	289,545	279,466	39,527	1,342,873
Liabilities	(292,943)	(168,314)	(38,683)	(811,724)	(1,311,664)
Capital expenditure	61,910	52,203	13,865	790	128,768

2. Segmental analysis (Continued)

The segment assets and liabilities at 31 December 2007 and capital expenditure for the year then ended are as follows:

	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Segment assets	695,456	357,869	322,161	23,418	1,398,904
Investment in Joint Venture	1,859	—	—	—	1,859
Total assets	697,315	357,869	322,161	23,418	1,400,763
Liabilities	(297,739)	(196,880)	(50,583)	(750,400)	(1,295,602)
Capital expenditure	37,091	26,315	33,543	2,472	99,421

Secondary reporting format—business segments

The Group's three geographical segments operate in two main business segments, glass manufacturing and glass technology.

Glass manufacturing includes the glass producing entities and glass technology includes the glass technology and manufacturing equipment business.

Sales

	2008	2007
	€'000	€'000
Glass Manufacturing	1,307,586	963,228
Glass Technology	49,618	61,746
	1,357,204	1,024,974

Segment assets

	2008	2007
	€'000	€'000
Glass Manufacturing	1,251,697	1,341,319
Glass Technology	49,007	36,026
Unallocated	39,527	21,559
	1,340,231	1,398,904

Capital expenditure

	2008	2007
	€'000	€'000
Glass Manufacturing	125,924	95,548
Glass Technology	2,054	1,401
Unallocated	790	2,472
	128,768	99,421

3. Expenses by nature

	2008	2007
	€'000	€'000
Depreciation and amortisation	158,270	101,153
Amortisation of capital grants	(1,268)	(777)
Changes in inventories of finished goods and work in progress	(78,609)	(16,729)
Freight	66,140	56,740
Secondary processing	17,745	14,701
Wages and salaries	295,295	224,439
Auditors remuneration	1,124	1,216
Warehousing	36,449	39,694
Stock revaluation	(16,856)	15,184
Ware purchases—third parties	169	74
Aborted acquisition and disposal costs	10,485	—
Termination benefits	11,904	8,786
Restructuring	2,505	128
Other	748,795	514,380
Total expenses	1,252,148	958,989
Average number of employees		
Production	6,081	5,594
Administration	832	786
	6,913	6,380

4. Employee benefit expense

	2008	2007
	€'000	€'000
Wages and salaries	250,604	189,654
Social security costs	37,821	25,672
Pension costs	6,871	9,113
Termination benefits	11,904	8,786
	307,200	233,225

5. Other income and expenses

	2008	2007
	€'000	€'000
Aborted acquisition and disposal costs	(10,485)	—
Termination benefits	(11,904)	(8,786)
Restructuring	(2,505)	(128)
	(24,894)	(8,914)

5. Other income and expenses (Continued)

Other income and expense for 2008 are detailed as follows:

- The following costs were incurred in Germany:
  - €9.0 million redundancy costs associated with the closure of the Schleiden plant,
  - €1.9 million redundancy costs at the Wahlstedt plant associated with a headcount reduction/ efficiency improvement programme and
  - €0.7 million of start-up costs for the new furnace in Germersheim.
- €9.8 million of costs were incurred on an aborted acquisition opportunity.
- Redundancy costs of €1.7 million were incurred when the Worksop, UK plant and a furnace at Barnsley were closed.
- Ardagh incurred expenses of €0.7 million on an abandoned disposal of a subsidiary.
- €0.5 million was incurred in the Netherlands on recruiting and training new employees for a new furnace which is due to commence production in 2009.
- Redundancy costs of €0.3 million were incurred in Poland due to the closure of a furnace at the Ujście plant.
- €0.3 million were incurred in non trade related legal costs in the United Kingdom.

Other income and expenses for 2007 are detailed as follows:

- €8.8 million of redundancy costs were incurred throughout the Group due to a headcount reduction program as a result of the Rexam Glass Division integration process.
- The United Kingdom incurred €0.1 million in non trade related legal costs.

6. Finance expense and income

	2008	2007
	€'000	€'000
Finance expense		
—8⅞% Senior Notes due 2013	16,963	16,963
—7.125% Senior Notes due 2017	23,530	13,145
—Bank loans, overdrafts and revolving credit facilities	33,199	20,903
—Invoice discounting facilities	2,043	2,645
—Finance leases	2,093	2,658
—Interest cost on pension plan liabilities	14,366	11,987
—Foreign exchange losses	10,724	1,376
Finance expense	102,918	69,677

	2008	2007
	€'000	€'000
Finance income		
—Short term bank deposits	3,249	3,164
—Expected return on plan assets	15,689	13,483
Finance income	18,938	16,647

7. Income tax credit

	2008	2007
	€'000	€'000
Current tax	10,384	11,813
Deferred tax	(16,894)	(12,008)
	(6,510)	(195)

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

	2008	2007
	€'000	€'000
(Loss)/Profit before tax	(3,035)	4,381
(Loss)/Profit on ordinary activities multiplied by weighted effective current tax rate of the Group: 32.07% (2007: 30.2%)	(973)	1,323
Non-deductible items	3,871	1,409
Utilization of tax losses	(3,278)	(4,297)
Effect of movements in tax rates	(297)	(3,329)
Tax losses for which no deferred income tax asset was recognised	1,617	3,716
Adjustment in respect of prior years	(3,121)	1,033
Profits taxable at non-standard rate	(5,780)	(50)
Other	1,451	—
Total tax credit for the financial year	(6,510)	(195)

8. Goodwill and intangible assets

	Goodwill	Software	Other	Customer Related	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2007					
Cost	54,826	1,279	530	—	56,635
Accumulated amortisation and impairment	—	(1,013)	(514)	—	(1,527)
Net book amount	54,826	266	16	—	55,108
Year ended 31 December 2007					
Opening net book amount	54,826	266	16	—	55,108
Exchange differences	—	21	2	—	23
Additions	—	177	48	—	225
Arising on acquisitions	9,750	2,982	—	13,779	26,511
Amortisation charge	—	(728)	(32)	(2,297)	(3,057)
Closing net book amount	64,576	2,718	34	11,482	78,810
At 1 January 2008					
Cost	64,576	4,459	580	13,779	83,394
Accumulated amortisation and impairment	—	(1,741)	(546)	(2,297)	(4,584)
Net book amount	64,576	2,718	34	11,482	78,810
Year ended 31 December 2008					
Opening net book amount	64,576	2,718	34	11,482	78,810
Exchange differences	(13,795)	(63)	(5)	(1,079)	(14,942)
Additions	—	504	—	—	504
Net transfers	—	1,943	(26)	—	1,917
Amortisation charge	—	(1,565)	—	(4,593)	(6,158)
Closing net book amount	50,781	3,537	3	5,810	60,131
At 31 December 2008					
Cost	50,781	10,943	50	12,700	74,474
Accumulated amortisation and impairment	—	(7,406)	(47)	(6,890)	(14,343)
Net book amount	50,781	3,537	3	5,810	60,131

The useful lives of intangible assets other than goodwill are finite and range from 3 to 5 years. Amortisation expense of €6,158,000 (2007: €3,057,000) has been charged in cost of sales.

Customer related intangible assets result from certain Rexam contractual customer relationships valued at the acquisition date and are amortised over their estimated useful lives of 3 years. Software assets relate to computer software, other than software for items of machinery that cannot operate without that specific software and where such software is regarded as an integral part of the related hardware. Such software and operating systems of computers are treated as an integral component of the capitalised asset and classified as property, plant and equipment. Computer software assets have estimated useful lives of 3 to 5 years for amortisation purposes.

No impairment losses have been recognised by the Group in respect of goodwill in the periods presented.

8. Goodwill and intangible assets (Continued)

Goodwill acquired through a business combination has been allocated to groups of cash-generating units (CGUs) for the purpose of impairment testing based on the segment into which the business combination is assimilated. The groupings represent the lowest level at which the related goodwill is monitored for internal management purposes and are not larger than the primary and secondary segments determined in accordance with IAS 14 *Segment Reporting.* A total of 7 groups, of cash generating units have been identified in the current and previous year. A segment-level summary of the goodwill allocation is presented below:

	2008	2007
	€'000	€'000
Eurozone—Glass Manufacturing	14,860	14,860
United Kingdom—Glass Manufacturing	32,524	46,010
Other—Glass Manufacturing	3,397	3,706
	50,781	64,576

Impairment tests for goodwill

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. No growth rate has been assumed beyond the five-year period. The terminal value is estimated based on capitalising the year 6 cashflows in perpetuity. The discount rate used was 15%. This rate is pre-tax and reflects specific risks relating to the relevant segment. These assumptions have been used for the analysis of each CGU within each business segment. Management determined budgeted cash-flows based on past performance and its expectations for the market development.

Key assumptions include management's estimates of future profitability, replacement capital expenditure requirements, trade working capital investment needs, tax considerations and discount rates. The values applied to each of the key assumptions are derived from a combination of internal and external factors based on historical experience and take into account the stability of cash flows typically associated with these groups of CGUs.

Of the total goodwill allocated to each of the groups of CGUs, 1 unit accounts for between 64% of the total carrying amount of €50.8 million and is shown below. All other units account individually for less than 15% of the total carrying amount and are not regarded as individually significant. The additional disclosures required under IAS 36 Impairment of Assets in relation to significant goodwill amounts arising in the 1 group of CGUs are as follows:

	UK
Carrying amount of goodwill	32,524
Basis of recoverable amount	Value in use
Discount rate applied	15%
Excess of value-in-use	154,262

Given the magnitude of the excess of value-in-use over the recoverable amount in the UK CGU group detailed above and the absence of any reasonably possible changes in key assumptions employed, the additional disclosures in IAS 36 pertaining to sensitivity of the value-in use computations are not warranted.

9. Property, plant and equipment

	Land and buildings	Plant and machinery	Long-life molds	Office equipment and vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2007	124,534	492,769	31,424	9,709	658,436
Acquisitions	241,747	306,186	10,046	25,588	583,567
Additions	6,780	60,045	24,602	7,769	99,196
Disposals	(270)	(17,553)	(8,736)	(4,892)	(31,451)
Transfers	947	(1,171)	—	224	—
Exchange movement	(7,399)	(30,277)	(2,236)	(540)	(40,452)
At 31 December 2007	366,339	809,999	55,100	37,858	1,269,296
Depreciation					
At 1 January 2007	(32,642)	(348,283)	(19,140)	(5,972)	(406,037)
Charge for the year	(9,792)	(65,614)	(17,651)	(5,039)	(98,096)
Disposals	266	15,156	8,526	4,237	28,185
Transfers	—	128	—	(128)	—
Exchange movement	1,665	21,533	991	420	24,609
At 31 December 2007	(40,503)	(377,080)	(27,274)	(6,482)	(451,339)
Net book value					
At 31 December 2007	325,836	432,919	27,826	31,376	817,957
Cost					
At 1 January 2008	366,339	809,999	55,100	37,858	1,269,296
Additions	9,802	84,920	26,196	7,346	128,264
Disposals	(6,584)	(21,689)	(17,126)	(3,006)	(48,405)
Transfers	37,989	(37,918)	(1,354)	(2,360)	(3,643)
Exchange movement	(28,146)	(116,643)	(7,980)	(3,962)	(156,731)
At 31 December 2008	379,400	718,669	54,836	35,876	1,188,781
Depreciation					
At 1 January 2008	(40,503)	(377,080)	(27,274)	(6,482)	(451,339)
Charge for the year	(15,290)	(103,551)	(25,969)	(7,302)	(152,112)
Disposals	2,253	21,576	17,069	2,857	43,755
Transfers	(7)	420	1,270	43	1,726
Exchange movement	8,765	81,836	3,864	2,315	96,780
At 31 December 2008	(44,782)	(376,799)	(31,040)	(8,569)	(461,190)
Net book value					
At 31 December 2008	334,618	341,870	23,796	27,307	727,591

Depreciation expense of €150,014,000 (2007: €96,164,000) has been charged in cost of sales and €2,098,000 (2007: €1,932,000) in sales, general and administration expenses.

9. Property, plant and equipment (Continued)

Impairment

Impairment tests for items of property, plant and equipment are performed on an entity level basis and resulted in the Group recognising impairment costs of € nil in the current and previous year. The recoverable amounts in property, plant and equipment are based on value-in-use calculations. The same cash flow projections and discount rates for items of property, plant and equipment were used for the goodwill impairment calculations (Note 8). Impairment charges are recognised within other income and expense in the Group income statement.

Included in property, plant and equipment is an amount for land of €68,700,000 (2007: €69,025,000).

The depreciation charge for capitalised leased assets was €6,663,000 (2007: €10,154,000) and the related finance charges amounted to €2,043,000 (2007: €2,161,000). The net carrying amount by class of assets at each Balance Sheet date is as follows:

	2008	2007
	€'000	€'000
Land and buildings	10,575	14,404
Property, plant and equipment	13,450	25,726
Office equipment and vehicles	97	194
	24,122	40,324

Operating lease commitments

During the year the operating lease commitments relating to the following class of assets were charged to the income statement:

	2008	2007
	€'000	€'000
Plant and machinery	1,226	2,581
Land and buildings	4,394	4,902
Motor vehicles	3,281	—
	8,901	7,483

At 31 December 2008 the Group had annual commitments under non-cancellable operating leases which expire:

	2008	2007
	€'000	€'000
Within 1 year	4,258	3,501
Within 2–5 years inclusive	6,100	7,051
After 5 years	5,764	6,673
	16,122	17,225

9. Property, plant and equipment (Continued)

Capital commitments

The following capital commitments in relation to property, plant and equipment were authorised by the directors, but have not been provided for in the consolidated financial information:

	2008	2007
	€'000	€'000
Contracted for	39,832	18,988
Not contracted for	26,053	35,103
	65,885	54,091

10. Investment in joint venture

	2008	2007
	€'000	€'000
At 1 January	1,859	1,619
Share of retained profit for the financial year	783	340
Dividends received	—	(100)
At 31 December	2,642	1,859

	2008	2007
	€'000	€'000
Share of gross assets	2,749	1,869
Share of gross liabilities	(789)	(692)
Goodwill	682	682
	2,642	1,859

11. Inventories

	2008	2007
	€'000	€'000
Raw materials and consumables	70,460	65,272
Short-life molds	28,311	29,330
Work in progress	2,070	2,709
Finished goods	171,199	134,287
	272,040	231,598

12. Trade and other receivables

	2008	2007
	€'000	€'000
Trade receivables	181,590	186,159
Less: provision for impairment of trade receivables	(2,492)	(2,463)
Trade receivables—net	179,098	183,696
Other receivables and prepayments	17,297	10,854
	196,395	194,550

The fair values of trade and other receivables approximate the amounts shown above.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2008, trade receivables of €30,355,000 (2007: 28,262,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2008	2007
	€'000	€'000
Up to 3 months	23,622	24,973
3–6 months	4,428	1,417
Over 6 months	2,305	1,872
	30,355	28,262

The Group has recognised a provision of €2,492,000 (2007: €2,463,000) for the impairment of its trade receivables during the year ended 31 December 2008. The creation and usage of provision for impaired receivables have been included in 'sales, general and administration expenses' in the income statement.

	2008	2007
	€'000	€'000
Up to 3 months	5	21
3–6 months	1,082	167
Over 6 months	1,405	2,275
	2,492	2,463

13. Trade and other payables

	2008	2007
	€'000	€'000
Trade payables	110,096	129,242
Other payables and accruals	65,771	62,837
Customer deposits	11,335	4,608
Amounts owed to joint ventures	1,331	368
VAT payable	—	784
Other tax and social security payable	7,594	6,906
	196,127	204,745

The fair values of trade and other payables approximate the amounts shown above.

14. Financial assets and liabilities

Financial Risk Factors

The financial risk management activities of the Group are subject to controls imposed by the board of directors. The overall objective of the board, in the management of the various treasury related risks faced by the Group in the normal course of business, is to protect the underlying value of the business from changes in the value of underlying markets. Financial risks are managed, on an on-going basis, by the directors on the advice of senior management. The Group does not permit the use of treasury instruments for speculative purposes, under any circumstances.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), energy risk, credit risk and liquidity risk.

Interest Rate Risk Management

The directors' policy, in the management of interest rate risk, is to strike the right balance between the Group's fixed and floating rate balance sheet financial instruments. The balance struck by the directors is dependent on prevailing interest rate markets at any point in time.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2008 and 2007, the Group's borrowings at variable rate were denominated in Euro and the UK pound.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

At 31 December 2008, the Group's borrowings were 77% (2007: 86%) fixed (after including the impact of interest rate swaps) with a weighted average interest rate of 7.54% (2007: 7.46%).

Foreign Currency Risk Management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK pound but also Swedish Krona, Danish Kroner and Polish Złoty. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

In addition to currency translation risk, Ardagh is subject to currency transaction risk. Ardagh's policy is, where practical, to match net investments in foreign currencies with borrowings in the same currency. In order to provide a "natural" hedge, Ardagh currently has some of its borrowings that relate to the U.K. operations in pounds. Interest payments in pounds help to offset exposure to fluctuations in pre-tax profits, as measured in Euro, due to currency fluctuation, while pound-denominated debt is matched by pound-denominated assets. However, the debt and interest payments

14. Financial assets and liabilities (Continued)

relating to the Swedish, Danish and Polish operations will all be denominated in Euro. Fluctuations in the value of these currencies with respect to the Euro may have a significant impact on Ardagh's financial condition and results of operations as reported in Euro.

The Group believes that a strengthening of the euro exchange rate by 1% against all other foreign currencies from the 31 December 2008 rate would increase shareholders' equity by approximately €0.4 million, (in 2007 this would have been a reduction of €0.6 million).

Energy Price Risk Management

The cost of producing our products is also sensitive to the price of energy. The Group's main energy exposure is to the cost of gas and electricity. These energy costs have experienced significant price increases and volatility in recent years with a corresponding effect on Group production costs. The main drivers for the general increase in energy costs in recent years have been the increase in the price of crude oil varying from $40 up to $145 per barrel. In addition to the increased cost of oil, the price of electricity is also influenced by decreasing over-capacity in electricity production facilities and the increasing influence of CO2 costs on electricity price.

Group policy is to purchase its natural gas requirements on the spot market and if economic by entering into forward price fixing arrangements with its suppliers. In continental Europe fixed price or index tracking contracts tend to be the norm while hedging strategies are little used. In the United Kingdom fixed price and index tracking contracts are very rare. As a result of this and the volatility of gas and electricity prices in the United Kingdom, Ardagh has developed an active hedging strategy to fix a proportion of its energy costs through contractual arrangements directly with its suppliers. Ardagh typically hedges in tranches of 10% of volumes. Currently, Ardagh has hedged 65% of its energy for 2009 and 24% for 2010.

Ardagh does not use commodity futures contracts to limit the fluctuations in prices paid and the potential volatility in earnings and cash flows from future market price movements.

Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to the Group's customers, including outstanding receivables. Group policy is to place excess liquidity on deposit, only with recognised and reputable financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted Group policy is to extend credit to customers of good credit standing. Credit risk is managed, on an on-going basis by dedicated credit controllers. Provision is made, where deemed necessary by the directors for bad and doubtful accounts.

Ardagh's ten largest customers accounted for approximately 40% of its glass container revenues for the year ended 31 December 2008. Ardagh believes its relationships with these customers are good, but it cannot assure investors that it will be able to maintain these relationships. Ardagh typically sells most of its glass containers directly to customers under one to three-year arrangements.

Liquidity Risk

The Group is exposed to liquidity risk which arises primarily from the maturing of short-term and long-term debt obligations and derivative transactions. The Group's policy is to ensure that sufficient

14. Financial assets and liabilities (Continued)

resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due.

To achieve this objective, the Group:

- maintains cash balances and liquid investments with highly-rated counterparties;
- limits the maturity of cash balances; and
- borrows the bulk of its debt needs under committed bank lines or other term financing.

Capital Risk

One of the Group's key metrics is the ratio of consolidated net borrowings as a multiple of EBITDA (earnings before interest, taxation, depreciation and amortisation). At 31 December 2008 the ratio for the Group was 3.3 times.

The Group has entered into a series of borrowing arrangements in order to facilitate its liquidity needs in this regard and the key terms of those arrangements are described within certain tables set forth below. At each year end, the Group's rolling liquidity reserve (which comprises cash and undrawn

14. Financial assets and liabilities (Continued)

committed facilities and which represents the amount of available cash headroom in the Group's funding structure) was as follows:

Facility	Currency	Maximum amount drawable	Final maturity date	Facility type	Amount drawn as at 31 December 2008		Undrawn Amount
		Local currency (millions)			Local currency (millions)	€ (millions)	€ (millions)
7.125% Senior Notes due 2017	EUR	310.0	15 June 2017	Bullet	310.0	310.0	—
8⅞% Senior Notes due 2013	EUR	175.0	1 July 2013	Bullet	175.0	175.0	—
Anglo Senior Secured Facility—Acquisition	EUR	294.7	21 June 2014	Amortising/ Bullet	277.6	277.6	—
Anglo Senior Secured Facility—Capex & Restructuring	EUR	50.0	21 June 2014	Bullet	22.5	22.5	27.5
Anglo Senior Secured Facility—Revolving Credit Facility	EUR	150.0	21 June 2014	Revolving	93.4	93.4	56.6
Ardagh Glass Ltd Anglo Irish Senior Secured Credit Facility	GBP	65.0	21 June 2014	Amortising	38.2	39.3	—
Ardagh Glass Ltd Barclays Invoice Discounting Agreement(1)	GBP	35.0	31 March 2009(1)	Revolving	19.8	20.3	15.6
HVB Heye International Working Capital and Performance Guarantee Credit Lines	EUR	1.0	31 July 2009	Revolving	—	—	1.0
Ardagh Glass Ltd Finance Lease Real Estate	GBP	11.5	24 May 2020	Amortising	9.7	10.0	—
Ardagh Glass Ltd Finance Lease Plant and Equipment	GBP	17.0	24 May 2012	Amortising	9.5	9.7	—
Finance lease arrangements	EUR/PLN			Amortising		0.2	—
Deferred financing costs						(21.3)	—
Total borrowings/Undrawn facilities						936.7	100.7
Cash at bank and in hand						(61.9)	61.9
Net borrowings/Available liquidity						874.8	162.6

(1) Ardagh has entered into a new facility with GE Commercial Finance Limited to replace the Barclays facility on similar terms. The GE Commercial Finance facility will commence on 1 April 2009 and mature on 1 October 2011.

As of 31 December 2008 the Group had undrawn credit lines of up to €100.7 million at its disposal together with cash resources of €61.9 million giving rise to available liquidity of €162.6 million.

The maturity analysis of the Group's borrowings is as follows:

	2008	2007
	€'000	€'000
Within 1 year or on demand	97,482	49,781
Between 1 and 2 years	14,958	17,606
Between 2 and 5 years	222,158	229,438
Greater than 5 years	602,093	611,240
	936,691	908,065

The table below analyses the Group's financial liabilities into relevant maturity Groupings based on remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in

14. Financial assets and liabilities (Continued)

the table are the contracted undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2008	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€'000	€'000	€'000	€'000
Borrowings	108,461	88,033	407,934	777,516
Derivative financial instruments	407	407	1,221	—
Trade and other payables	196,127	—	—	—

At 31 December 2007	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€'000	€'000	€'000	€'000
Borrowings	95,455	91,850	420,112	837,287
Derivative financial instruments	215	400	1,200	302
Trade and other payables	204,745	—	—	—

The carrying amount and fair value of the Group's borrowings are as follows:

	Carrying Value		Fair Value	
	2008	2007	2008	2007
8⅞% Senior Notes due 2013	172,069	170,488	149,700	167,504
7.125% Senior Notes due 2017	298,426	297,143	217,851	252,572
Bank loans, overdrafts and revolving credit facilities	426,262	407,310	330,616	352,863
Invoice discounting	20,293	3,172	20,293	3,172
Finance leases	19,641	29,952	19,641	29,952
	936,691	908,065	738,101	806,063

The following is a brief summary of our principal financing arrangements. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements.

7.125% Senior Notes due 2017

In June 2007, Ardagh Glass Finance plc issued €310 million 7.125% senior notes due 2017.

The notes are the general unsecured obligations of Ardagh Glass Finance plc and rank senior in right of payment to any and all of its existing and future unsecured debt that is subordinated in right of payment to the notes. The notes also rank equally in right of payment with all of Ardagh Glass Finance plc's existing and future unsecured debt that is not subordinated in right of payment to the notes, and effectively subordinated to all existing and future secured debt of Ardagh Glass Finance plc to the extent of the assets securing such debt. Ardagh Glass Holdings Ltd and certain of its direct and indirect wholly owned subsidiaries have guaranteed payment under the notes on a senior and on a senior subordinated basis, respectively. In addition, the senior guarantee from Ardagh Glass Holdings Ltd is effectively subordinated to all existing and future obligations of its direct and indirect wholly owned subsidiaries.

14. Financial assets and liabilities (Continued)

8⅞% Senior Notes due 2013

In July 2003, Ardagh Glass Finance B.V. issued €175 million 8⅞% senior notes due 2013.

The notes are the general unsecured obligations of Ardagh Glass Finance B.V. and rank senior in right of payment to any and all of its existing and future unsecured debt that is subordinated in right of payment to the notes. The notes also rank equally in right of payment with all of Ardagh Glass Finance B.V.'s existing and future unsecured debt that is not subordinated in right of payment to the notes, and effectively subordinated to all existing and future secured debt of Ardagh Glass Finance B.V. to the extent of the assets securing such debt. Ardagh Glass Holdings Ltd and certain of its direct and indirect wholly owned subsidiaries have guaranteed payment under the notes on a senior and on a senior subordinated basis, respectively. In addition, the senior guarantee from Ardagh Glass Holdings Ltd is effectively subordinated to all existing and future obligations of its direct and indirect wholly owned subsidiaries.

New Anglo Irish Senior Secured Credit Facility

Ardagh Glass Holdings Limited entered into a facility agreement dated March 9, 2007 with Anglo Irish Bank Corporation plc, providing for borrowings in an aggregate principal amount of up to €495 million, of which €394 million of which remains outstanding as of 31 December 2008. This facility comprises three elements all of which mature in June 2014:

- €295 million senior secured term loan facility used to part finance the Rexam Glass business;
- €50 million senior secured term loan facility to be used for capital expenditure and restructuring; and
- €150 million senior secured revolving credit facility.

The facility is guaranteed by certain of Ardagh Glass Holdings Limited's direct and indirect wholly owned subsidiaries and is secured by security interests in respect of the property and assets of each guarantor, subject to certain Agreed Security Principles. It also contains financial covenants usual to this type of agreement, including covenants to maintain certain minimum levels of EBITDA to; senior debt, total debt, total senior debt interest payable, total cash interest payable, minimum tangible net worth and a maximum capital expenditure.

Anglo Irish Senior Secured Credit Facility

Ardagh Glass (UK) Ltd and Ardagh Treasury Ltd entered into a facility agreement dated June 26, 2003, with Anglo Irish Bank Corporation plc, providing for senior secured borrowings in an aggregate principal amount of up to £65 million all of which was drawn in July 2003 and £38 million of which remains outstanding as of 31 December 2008. Effective as of June 2007 the terms of this facility were amended to extend its maturity to June 2014 and replace all financial covenants with an undertaking to procure full compliance with the financial covenants of the New Anglo Irish Senior Secured Credit Facility. The facility is secured by a guarantee and debenture creating fixed and floating charges over the property and other assets of each member of the Ardagh Glass (UK) Ltd sub-Group and Ardagh Treasury Ltd. Interest charges are based on LIBOR plus a margin.

14. Financial assets and liabilities (Continued)

Barclays Bank Invoice Discounting Facility Agreement

Ardagh UK entered into a facility agreement dated 20 November 2003 with Barclays Bank pursuant to which Barclays Bank has made available an invoice discounting facility of up to a maximum aggregate principal amount of £35 million for a minimum period of 36 months and renewable annually. As security for this facility, Ardagh UK has granted Barclays Bank an assignment over certain of its receivables. Interest charges are based on LIBOR plus a margin.

HVB (UniCredit Bank AG (formerly known as Bayerische Hypo- und Vereinsbank AG)) Working Capital and Performance Guarantee Credit Lines

Heye International supports its business activities with two open lines of credit from Bayerische Hypo und Vereinsbank pursuant to an agreement dated December, 2005. Heye International is entitled to draw up to €1 million on one of the lines of credit for the purposes of financing its short-term working capital requirements. The second credit line is available for up to €15 million of guarantee payments relating to Heye International's project business. These facilities are secured by a pledge of all Heye International's present and future property, plant and equipment and intangible assets, an assignment over all present and future claims resulting from delivery of goods and services to domestic and foreign customers and an assignment over all existing and future trade receivables.

Ardagh Glass Ltd Finance Lease Real Estate

Ardagh Glass Ltd entered into a sale and lease back arrangement with Enville Ltd, an affiliate of Anglo Irish Bank Corporation plc, on 24 May 2005 whereby it sold all its land and buildings to Enville for £18 million and leased them back over a fifteen year period in exchange for fixed rental payments which are subject to rent review every five years. Associated with these arrangements Ardagh Glass (UK) Ltd has given certain guarantees and indemnities to Anglo Irish Bank Corporation plc and on the occurrence of specified events Ardagh Glass (UK) Ltd could be required to acquire Anglo Irish Bank Corporation plc's interest in Enville. In compliance with IFRS the portion of the lease relating to the land value, £6.5 million is accounted for as an operating lease while the balance of the lease is accounted for as a finance lease.

Ardagh Glass Ltd Finance Lease Plant and Equipment

Ardagh Glass Ltd entered into a finance lease arrangement with Anglo Irish Asset Finance plc on 24 May 2005 whereby it sold a substantial portion of its moveable plant and equipment to Anglo Irish Asset Finance plc and leased it back over a period of seven years. Associated with these arrangements Ardagh Glass (UK) Ltd has given certain guarantees and indemnities to Anglo Irish Asset Finance plc and on the occurrence of specified events Ardagh Glass (UK) Ltd could be required to acquire Anglo Irish Asset Finance plc interest in the leased assets. In compliance with IFRS the entire lease is accounted for as a finance lease.

14. Financial assets and liabilities (Continued)

The exposure of the Group's borrowings to interest rate changes and contractual repricing dates at the balance sheet date are as follows:

	2008	2007
	€'000	€'000
Within 1 year	433,491	385,968
1–5 years	19,627	33,880
Greater than 5 years	483,573	488,217
	936,691	908,065

The effective interest rates at the balance sheet date are as follows:

	2008		2007	
	€	£	€	£
7.125% Senior Notes due 2017	7.59%	—	7.73%	—
8⅞% Senior Notes due 2013	9.39%	—	9.39%	—
Invoice discounting	—	3.50%	—	6.50%
Bank borrowings	7.08%	8.80%	6.88%	6.80%

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2008	2007
	€'000	€'000
Euro	857,710	811,850
Pound Sterling	78,981	96,215
	936,691	908,065

The Group has the following undrawn borrowing facilities:

	2008	2007
	€'000	€'000
Floating rate:		
—Expiring within one year	16,600	47,800
—Expiring beyond one year	84,100	140,100
	100,700	187,900

The facilities expiring within one year are annual facilities subject to review at various dates during 2009.

14. Financial assets and liabilities (Continued)

Derivative financial instruments:

	2008		2007	
	Assets	Liabilities	Assets	Liabilities
	€'000	€'000	€'000	€'000
Current				
Interest rate swaps—cash flow hedges	—	—	116	—
Non-current				
Interest rate swaps—cash flow hedges	—	(10,886)	—	(850)

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2008 were €200,000,000 (2007: €241,000,000).

At 31 December 2008, the fixed interest rate is 4.515% and the main floating rate is EURIBOR.

15. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	2008	2007
	€'000	€'000
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	17,871	12,513
Deferred tax liability		
Deferred tax liability to be recovered after more than 12 months	(86,326)	(103,843)
	(68,455)	(91,330)

The gross movement on the deferred income tax account is as follows:

	2008	2007
	€'000	€'000
At 1 January	(91,330)	(8,437)
Acquired	—	(94,334)
Income statement credit	16,894	12,008
Tax charged/(credited) to equity	5,925	(1,155)
Exchange movement	56	588
At 31 December	(68,455)	(91,330)

15. Deferred income tax (Continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities

	Accelerated tax depreciation	Fair value gains	Other	Total
	€'000	€'000	€'000	€'000
At 1 January 2007	(16,372)	(1,244)	(53)	(17,669)
Arising on acquisitions	(21,743)	(78,941)	(834)	(101,518)
Charged/(credited) to the income statement	8,959	7,217	(1,970)	14,206
Exchange movement	1,031	107	—	1,138
At 31 December 2007	(28,125)	(72,861)	(2,857)	(103,843)
Charged/(credited) to the income statement	(2,908)	15,542	888	13,522
Charged to equity	907	—	—	907
Exchange movement	2,806	276	6	3,088
At 31 December 2008	(27,320)	(57,043)	(1,963)	(86,326)

Deferred tax assets

	Pension	Other	Total
	€'000	€'000	€'000
At 1 January 2007	8,055	1,177	9,232
Arising on acquisitions	4,286	2,898	7,184
(Charged)/credited to the income statement	(2,531)	333	(2,198)
Credited to equity	(1,155)	—	(1,155)
Exchange movement	(603)	53	(550)
At 31 December 2007	8,052	4,461	12,513
(Charged)/credited to the income statement	(141)	3,513	3,372
Charged to equity	5,018	—	5,018
Exchange movement	(2,200)	(832)	(3,032)
At 31 December 2008	10,729	7,142	17,871

The deferred income tax credited to equity during the year was €5,925,000 (2007: €1,211,000) related to the actuarial loss on the pension schemes.

The Group did not recognise deferred income tax assets of €982,000 (2007: €3,716,000) in respect of losses amounting to €7,859,000 (2007: €13,431,000) that can be carried forward against future taxable income.

16. Deferred income—government grants

	2008	2007
	€'000	€'000
At 1 January	6,927	3,405
Acquired	—	4,524
Additions	1,110	—
Amortisation for the year	(1,268)	(777)
Exchange movement	(458)	(225)
At 31 December	6,311	6,927
Classified as:		
Deferred income—current liability	1,134	1,052
Deferred income—non-current liability	5,177	5,875
	6,311	6,927

17. Provisions for other liabilities and charges

	Restructuring	Other	Employee-related	Total
	€'000	€'000	€'000	€'000
At 1 January 2008	2,597	1,330	9,801	13,728
Provided during the year	6,547	104	3,668	10,319
Released during the year	(913)	(110)	(1,221)	(2,244)
Utilised during the year	(3,792)	(811)	(2,204)	(6,807)
Exchange movements	(41)	13	(817)	(845)
At 31 December 2008	4,398	526	9,227	14,151

	Restructuring	Other	Employee-related	Total
	€'000	€'000	€'000	€'000
At 1 January 2007	—	87	4,917	5,004
Acquired	877	461	4,776	6,114
Provided during the year	2,070	815	2,643	5,528
Released during the year	(28)	(71)	(193)	(292)
Utilised during the year	(322)	(3)	(2,265)	(2,590)
Exchange movements	—	41	(77)	(36)
At 31 December 2007	2,597	1,330	9,801	13,728

The Group has recognised obligations to pay employee-related benefits amounting to €9,227,000 (2007: €9,801,000). All employee related provisions will crystallise as the service lives of the employees concerned comes to an end. A provision of €1,221,000 (2007: €193,000) relating to employee related provisions was released during the year.

Other provisions relate to customer quality claims and possible environmental penalties.

18. Retirement benefit obligations

The Group operates a number of pension plans throughout its business, devised in accordance with local conditions and practice. The larger plans are generally of the defined benefit type and are funded by payments to separately administered funds or insurance companies.

The principal plans are in the United Kingdom, Germany and the Netherlands. The most recent formal valuations of the significant funded defined benefit plans were carried out as follows: United Kingdom on 6 April 2006; the Netherlands on 31 December 2006. The current agreed rates of contribution for future years are comparable to current levels.

The majority of the defined benefit schemes are funded but in certain countries—Germany, Poland, Denmark and Sweden in accordance with local practices, the schemes are unfunded and the scheme liability is recognised in the balance sheet. In these countries, a full actuarial valuation of the unfunded liabilities is undertaken by independent actuaries on an annual basis. These schemes liabilities are also included in the figures presented below.

	2008	2007
	€'000	€'000
Balance sheet obligations for:		
Pension benefits	58,638	46,798
	58,638	46,798

	2008	2007
	€'000	€'000
Income statement charge for:		
Pension benefits	6,621	9,113
	6,621	9,113

Pension Benefits

The amounts recognised in the balance sheet are determined as follows:

	2008	2007
	€'000	€'000
Present value of funded obligations	(199,864)	(256,830)
Fair value of plan assets	167,911	237,862
	(31,953)	(18,968)
Present value of unfunded obligations	(26,685)	(27,830)
Liability in the balance sheet	(58,638)	(46,798)

The amounts recognised in the income statement are as follows:

	2008	2007
	€'000	€'000
Current service cost	(7,943)	(10,609)
Finance income and expense	1,322	1,496
Total, included in staff costs (Note 4)	(6,621)	(9,113)

18. Retirement benefit obligations (Continued)

Of the current service cost €2,083,000 (2007: €959,000) and €5,860,000 (2007: €9,650,000) were included in 'sales, general and administrations expenses' and 'cost of sales' respectively.

The actual return on plan assets resulted in a loss of €42,676,000 in 2008 and a gain of €12,518,000 in 2007.

The movement in the defined benefit obligation over the year is as follows:

	2008	2007
	€'000	€'000
Beginning of the year	(284,660)	(176,048)
Settlement	11	—
Arising on acquisition	—	(118,516)
Current service cost	(7,943)	(10,609)
Employee contributions	(4,074)	(1,866)
Interest cost	(14,366)	(11,987)
Actuarial gains	36,429	4,842
Exchange differences	36,506	15,038
Contributions/benefits paid	11,548	14,486
End of the year	(226,549)	(284,660)

The movement in the fair value of plan assets over the year is as follows:

	2008	2007
	€'000	€'000
Beginning of the year	237,862	148,123
Arising on acquisition	—	93,449
Expected return on plan assets	15,689	13,483
Actuarial (loss)/gain	(58,365)	(965)
Employer contributions	7,328	9,088
Employee contributions	4,074	1,866
Exchange differences	(28,630)	(12,926)
Contributions/benefits paid	(10,047)	(14,256)
End of the year	167,911	237,862

Plan assets are comprised as follows:

	2008	2007
	€'000	€'000
Equities	76,985	106,388
Target return funds	17,536	48,373
Bonds	61,322	57,786
Cash/other	12,068	25,315
	167,911	237,862

18. Retirement benefit obligations (Continued)

	2008	2007
	€'000	€'000
Actuarial gains recognised in the SORIE	(21,936)	3,877
The cumulative actuarial gains recognised in the SORIE	(13,101)	8,835

The principal pension assumptions used were as follows:

	2008				
	Netherlands	Ireland	UK	Germany	Poland
	%	%	%	%	%
Rate of increase in salaries	2.50	—	3.35	2.50	3.00
Rate of increase in pensions	2.00	—	2.85	2.00	3.00
Discount rate	5.65	—	6.40	5.65	5.50
Expected return on plan assets	6.41	—	7.96	n/a	n/a

	2007				
	Netherlands	Ireland	UK	Germany	Poland
	%	%	%	%	%
Rate of increase in salaries	2.50	4.00	3.70	2.50	2.50
Rate of increase in pensions	2.00	0.00	3.20	1.50	2.50
Discount rate	5.40	4.25	5.70	5.50	6.00
Expected return on plan assets	6.25	4.50	7.75	n/a	2.50

As of 31 December	2008	2007	2006	2005
	€'000	€'000	€'000	€'000
Present value of defined benefit obligations	(226,549)	(284,660)	(176,048)	(249,590)
Fair value of plan assets	167,911	237,862	148,123	189,528
Deficit	(58,638)	(46,798)	(27,925)	(60,062)

The terms of one of the Pension Schemes in the UK were changed, by agreement with the Trustees and members, to a shared cost scheme with effect from 1 January 2006. The scheme is funded on a shared cost basis whereby the employees fund one third of the cost of providing the benefits and Rockware funds two thirds of the cost. As a result of this change Rockware has no obligation to fund the employee share of any pension deficit.

The Group has made assumptions relating to mortality, the age at which members retire or leave the Scheme, the proportion of members who are married, etc. The Scheme does not have sufficient members to determine most of these assumptions reliably based on its own experience; therefore the Group has used statistics based on larger populations or from published national and regional tables and the advice of its actuaries in determining the most appropriate assumptions to use. While allowance has been made for continuing improvements in life expectancy allowance has also been made to reflect the location of the plants, the nature of the members' occupations and the experience of mortality in the regions where the employees/former employees are located compared to the average life expectancy for the jurisdiction in which the plants are located.

The Groups best estimate of contributions expected to be paid in 2009 is €6,336,000.

Ardagh believes the following information is pertinent in understanding the impact of the pension arrangements on the Group's financial condition and cashflows.

18. Retirement benefit obligations (Continued)

The impact of increasing the expected longevity for pension members by one year would result in an increase in the Group Balance Sheet liability of €4.1 million at 31 December 2008 together with an increase in the charge to the Group Income Statement of €0.2 million for the year.

Rockware

When Rockware was acquired in April 1999 the Group took over responsibility to fund the past service cost of the then serving employees but not retirees. The vendor retained the responsibility to fund the post retirement benefits of former employees of Rockware. In consideration for taking over the past service liability for serving employees the Rockware pension scheme got a financial settlement which equated to the liability it assumed. Because at that time the Scheme had no retirees and the remaining working life of the majority of employees was more than a decade, the funds were invested in equities with the objective of earning a high rate of return on the scheme assets and thereby under pin the benefit entitlements of employees. The demographics of the scheme have not substantially changed since inception, i.e. relatively few retirees and the remaining working life of the majority of the employees exceeds a decade. Hence the majority of the scheme assets continue to be invested in equities.

Heye

When Heye was acquired in March 2003 the Group took over responsibility to fund eighteen months from the date of acquisition, past service cost of the then serving employees but not retirees.

Redfearn

When Ardagh acquired Redfearn it only took responsibility for pension liabilities and the funding thereof relating to the future service of the then serving employees from the date of acquisition. Responsibility for the past service of the then serving employees and former employees of Redfearn and the funding thereof to that date was retained by the vendor. Therefore the Redfearn pension scheme has a limited impact on the Group Financial Statements.

Rexam plc's Glass Division

When Ardagh acquired Rexam plc's Glass Division in June 2007 it took responsibility for all pension liabilities including the responsibility to fund the post retirement benefits of former employees and the past service cost of the then serving employees and retirees.

19. Called up share capital

	2008	2007
	€'000	€'000
Ardagh Glass Holdings Ltd		
Authorised		
1,000,000 ordinary shares of €1 each	1,000	1,000
Issued		
2 ordinary shares of €1 each	—	—

20. Analysis of changes in equity

	Reserves					
	Capital contribution	Retained profit	Foreign currency	Cash flow hedges	Minority interest	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2007	100,650	(3,600)	3,209	287	2,404	102,950
Foreign currency translation adjustments	—	—	(3,898)	—	—	(3,898)
Pension scheme actuarial gain	—	3,877	—	—	—	3,877
Deferred taxation on actuarial gain	—	(1,155)	—	—	—	(1,155)
Cash flow hedges	—	—	—	(1,021)	—	(1,021)
Net expense recognised directly in equity	—	2,722	(3,898)	(1,021)	—	(2,197)
Profit for the year	—	4,209	—	—	367	4,576
Total recognised income for 2007	—	6,931	(3,898)	(1,021)	367	2,379
Dividend paid	—	—	—	—	(168)	(168)
Balance as of 31 December 2007	100,650	3,331	(689)	(734)	2,603	105,161
Balance at 1 January 2008	100,650	3,331	(689)	(734)	2,603	105,161
Foreign currency translation adjustments	—	—	(50,824)	—	—	(50,824)
Pension scheme actuarial loss	—	(21,936)	—	—	—	(21,936)
Deferred taxation on actuarial loss	—	5,925	—	—	—	5,925
Cash flow hedges	—	—	—	(10,152)	—	(10,152)
Net expense recognised directly in equity	—	(16,011)	(50,824)	(10,152)	—	(76,987)
Profit for the year	—	3,149	—	—	326	3,475
Total recognised (expense)/income for 2008	—	(12,862)	(50,824)	(10,152)	326	(73,512)
Dividend paid	—	—	—	—	(440)	(440)
Balance as of 31 December 2008	100,650	(9,531)	(51,513)	(10,886)	2,489	31,209

The cumulative amount of translation adjustments in equity is €34.4 million as of 31 December 2008 (2007: €0.7 million).

21. Share based payments

On 1 October 2006 1,000,000 share options were granted under a new share option scheme.

Expected vesting dates	Option exercisable	Vesting periods (months)	Risk free rate of return	Volatility	Fair Value
					€'000
01 October 2007	333,333	12	4.00%	25%	0.12
01 October 2008	333,333	24	4.00%	25%	0.18
01 October 2009	333,334	36	4.00%	25%	0.22

The option was exercisable in whole or in part at any time and from time to time up to and including 30 September 2011.

The exercise price of the options awarded under the 2006 plan was fixed at €1.00.

21. Share based payments (Continued)

The fair value of options granted was measured by a Black-Scholes pricing model. The grant date fair value was determined by reference to recent transactions in the ordinary share capital of the company.

The expected volatility rates applied were based upon the weighted average historical volatility of comparable companies over an equivalent period to the period from valuation dates to expected exit dates. The risk-free interest rates used were based upon Euro-denominated government bonds with similar lives. No dividend yield was included in the model as Ardagh had no history or expectation of regular dividend payments at the valuation dates.

The table below shows the key numbers in relation to the share option schemes for both 2008 and 2007:

	2008	2007
	€'000	€'000
Income statement charge	—	150
Charge to equity	—	150

On 15 June 2007, the scheme was modified such that all options vested immediately on date of modification. The options were exercised immediately and new shares in Ardagh Glass Group plc were issued and fully paid up. The modified scheme contains certain clauses that may require the holder of the issued shares to sell the shares back to the company should their employment terminate before certain requisite periods of service have elapsed. The outstanding share-based payment expense related to the 2006 grant was recognised immediately at the modification date. As there was no incremental fair value attaching to the modified share options no additional share-based payment expense has been recognised.

22. Minority interests

	2008	2007
	€'000	€'000
At 1 January	2,603	2,404
Dividends paid to minority interest in FFS	(440)	(168)
Profit for the financial year	326	367
At 31 December	2,489	2,603

23. Cash generated from operations

	2008 €'000	2007 €'000
(Loss)/Profit before tax	(3,035)	4,381
Adjustments:		
Depreciation and amortisation	158,270	101,153
Amortisation of capital grants	(1,268)	(777)
Net finance costs	83,980	53,030
Loss/(Profit) on disposal of property, plant and equipment	1,230	(150)
Share of profit of joint venture	(783)	(340)
	238,394	157,297
Changes in working capital:		
Inventories	(64,376)	24,914
Trade and other receivables	(18,304)	20,866
Trade and other payables	12,185	(32,603)
	(70,495)	13,177
Cash generated from operations	167,899	170,474

24. Cash and cash equivalents

	2008 €'000	2007 €'000
Cash at bank and in hand	53,098	61,354
Short term bank deposits	8,851	1,280
	61,949	62,634

The effective interest rate on short-term bank deposits was 2.95% (2007: 4.78%); these deposits have an average maturity of 30 days.

25. Business combination

Acquisition of Rexam plc's Glass Division in 2007

On 21 June 2007 Ardagh completed the acquisition of Rexam plc's glass division. The acquired business operates a number of glass manufacturing plants in Germany, Poland, Holland, Denmark and Sweden. The acquired business contributed revenues of €367.1 million and net profit of €28.1 million to the Group for the period from 21 June 2007 to 31 December 2007. If the acquisition had occurred on 1 January 2007 Group revenue would have been €1,340.6 million and operating profit would have been €94.6 million. These amounts have been calculated using the Group accounting policies as if they had applied from 1 January 2007 together with the consequential tax effects.

The transaction has been accounted for in accordance with IFRS 3 Business Combinations.

25. Business combination (Continued)

A summary of the net assets acquired and related goodwill is set forth below:

	Book value	Fair value adjustments	Fair value
	€'000	€'000	€'000
Property, plant and equipment	380,971	202,596	583,567
Intangible assets	2,982	13,779	16,761
Inventories	126,912	13,766	140,678
Trade and other receivables	191,090	(3,084)	188,006
Cash	16,648	—	16,648
Total assets acquired	718,603	227,057	945,660
Trade and other payables	(390,215)	—	(390,215)
Deferred income	(4,524)	—	(4,524)
Provisions for liabilities and charges	(79,292)	(56,644)	(135,936)
Net assets	244,572	170,413	414,985
Consideration—cash			(412,965)
Acquisition expenses			(11,770)
Goodwill			(9,750)
Purchase consideration settled in cash			412,965
Acquisition expenses			11,770
Loans repaid to Rexam plc			206,060
Cash acquired with subsidiaries			(16,648)
Cash outflow on acquisition			614,147

The fair value adjustments consist of:

- An adjustment of €202,596,000 to recognise the fair value of land and buildings
- An adjustment of €13,779,000 to recognise an intangible asset
- An adjustment of €13,766,000 to recognise the fair value of inventory
- An adjustment of €4,455,000 to recognise the fair value of pensions
- An adjustment of €1,136,000 to recognise a deferred tax asset
- An adjustment of €64,425,000 to recognise a deferred tax liability
- An adjustment of €3,326,000 to recognise the fair value of provisions

Goodwill

The goodwill is attributable to the significant synergies expected to arise after the Group's acquisition of the Rexam business.

Acquisition of Busch & Spreen GmbH in 2008

In December 2008 Heye International GmbH bought 100% of the share capital of Busch & Spreen GmbH. Due to the timing of the acquisition the Group has not completed the application of

25. Business combination (Continued)

business combinations accounting under IFRS 3. Thus, the consideration of €3,626,000 is held on the balance sheet as an investment at the year end. The company, based in Nienburg, Germany, supplies cold end inspection equipment to the international glass container industry. Heye International will integrate the acquired product portfolio with its existing range of hot and cold end equipment.

26. Related party transactions

The following transactions were carried out with related parties:

(a) Yeoman Capital SA

As of 31 December 2007 Yeoman Capital SA owned 39.31% of the ordinary shares of Ardagh Glass Group plc. Three of Ardagh Glass Holding Ltd's directors, Messrs. Coulson, Dowling and Baertz, also serve as directors of companies within the Yeoman Group of companies. During 2008, the Group incurred costs of €1,300,000 relating to fees charged by the Yeoman group of companies.

(b) Key management compensation

	2008	2007
	€'000	€'000
Salaries and other short term employee benefits	5,320	3,805
Post employment benefits	732	296
	6,052	4,101

(c) Joint venture—Eura Glasrecycling GmbH

As of 31 December 2008, the Group owed €926,000 (2007: €180,000) to Eura Glasrecycling GmbH. During 2008 the Group received dividends of €nil (2007: €100,000) from Eura Glasrecycling GmbH.

(d) Ardagh Glass Group plc

Ardagh Glass Group plc is the ultimate parent of the Group. There are no outstanding amounts at the year end between Ardagh Glass Group plc and any of its subsidiaries.

(e) Pension scheme

The pension schemes are related parties. For details of all transactions during the year please read Note 18 Retirement Benefit Obligations.

27. Events after the balance sheet date

Subsequent to the balance sheet date, the Group has restructured its operating footprint to reflect efficiency gains that have been delivered from the acquisition of the glass packaging division of Rexam plc in 2007. In addition some short term temporary line closures have been implemented to maintain targeted stock levels.

28. Subsidiary undertakings and joint venture

The principal subsidiary undertakings are detailed below, all of which are included in the Group financial statements.

Company	Country of incorporation	Activity	Portion of ordinary shares held %
Subsidiary undertakings			
Ardagh Glass Denmark AS	Denmark	Investment holding	100
Ardagh Glass Holmegaard AS	Denmark	Glass container manufacture	100
Ardagh Glass GmbH	Germany	Glass container manufacture	100
Ardagh Glass Holdings GmbH	Germany	Investment holding	100
Heye Beteiligungs GmbH & Co KG	Germany	Investment holding	100
Heye International GmbH	Germany	Glass technology and manufacturing equipment	100
Schaumburger Formenbau GmbH	Germany	Glass technology and manufacturing equipment	100
Schaumburger Formenbau Grundstűcksverwaltungs GmbH	Germany	Property holding	100
Ardagh International Holdings Limited	Guernsey	Investment holding	100
Ardagh Corporate Services Limited	Ireland	Management services	100
Ardagh Glass Dublin Ltd	Ireland	Finance company	100
Ardagh Glass Dublin Finance Ltd	Ireland	Finance company	100
Ardagh Glass Finance plc	Ireland	Finance company	100
Ardagh Glass Sales Limited	Ireland	Sales company	100
Ardagh Treasury Limited	Ireland	Treasury	100
Ardagh Glass S.r.l.	Italy	Glass container manufacture	100
Ardagh Glass Dongen B.V	Netherlands	Glass container manufacture	100
Ardagh Glass Finance BV	Netherlands	Finance company	100
Ardagh Glass Moerdijk B.V.	Netherlands	Glass container manufacture	100
Ardagh Glass Netherlands B.V.	Netherlands	Investment holding	100
Ardagh Glass Netherlands Finance B.V.	Netherlands	Finance company	100
Ardagh Holdings BV	Netherlands	Investment holding	100
Ardagh Glass Moss AS	Norway	Sales company	100
Ardagh Glass Gostyń SA	Poland	Glass container manufacture	100
Ardagh Glass Poland Sp Zoo	Poland	Investment holding	100
Ardagh Glass Ujście SA	Poland	Glass manufacture	100
Ardagh Glass Wyszków SA	Poland	Glass container manufacture	100
Fabryka Urządzeń Przemystowych Sp. z o.o.	Poland	Glass technology and manufacturing equipment	100
Heye Fabryka Form Szkłarskich Sp. z o.o.	Poland	Glass technology and manufacturing equipment	51
Przedsiebiorstwo Produkcjno-Uslugowe Techform Sp. z o.o.	Poland	Glass technology and manufacturing equipment	97
Ardagh Glass Limmared AB	Sweden	Glass container manufacture	100
Ardagh Glass Sweden AB	Sweden	Investment holding	100
Ardagh Glass Sweden Finance AB	Sweden	Finance company	100
Ardagh Glass (UK) Limited	United Kingdom	Investment holding	100
Ardagh Glass Limited	United Kingdom	Glass container manufacture	100
Ardagh Holdings (UK) Limited	United Kingdom	Investment holding	100
Redfearn Glass Limited	United Kingdom	Glass container manufacture	100
Joint venture			
Eura Glasrecycling GmbH & Co. KG	Germany	Glass recycling	50

UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF IMPRESS COÖPERATIEVE U.A. FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

IMPRESS COÖPERATIEVE U.A.
CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010
(€ in millions)

	Notes	Nine months ended 30 September 2010	Nine months ended 30 September 2009
		(unaudited)	(unaudited)
CONSOLIDATED STATEMENT OF INCOME			
Revenue		1,371.8	1,348.4
Other income		3.3	2.9
Total revenue		**1,375.1**	**1,351.3**
Cost of sales		(1,083.7)	(1,103.8)
Gross profit		**291.4**	**247.5**
Selling and administrative expenses			
—Excluding exceptional items		(57.0)	(53.5)
—Contingent transaction charges		(17.1)	(16.4)
—Expenses relating to abandoned initial public offering		(8.7)	—
Selling and administrative expenses		**(82.8)**	**(69.9)**
Research expenses		**(3.7)**	**(4.8)**
Restructuring expenses	**6**	**(8.7)**	**(11.3)**
Impairment charges		**(1.8)**	**0.2**
Other operating income/(expense)		**—**	**(1.7)**
Operating profit before depreciation and amortisation		**194.4**	**160.0**
Depreciation and amortisation		(52.1)	(49.7)
Operating profit		**142.3**	**110.3**
Net finance cost		(65.7)	(69.5)
Profit before tax		**76.6**	**40.8**
Tax expense		(24.3)	(12.9)
Profit for the period		**52.3**	**27.9**
Attributable to:			
Equity shareholders of Impress Coöperatieve U.A.		51.5	27.4
Minority interests		0.8	0.5
		52.3	**27.9**
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Profit for the period		**52.3**	**27.9**
Exchange differences arising on translation of foreign operations		8.6	10.3
Cash flow hedges		3.3	9.2
Tax relating to components of other comprehensive income		(0.6)	(4.3)
Other comprehensive profit		11.3	15.2
Total comprehensive income for the period		**63.6**	**43.1**
Attributable to:			
Equity shareholders of Impress Coöperatieve U.A.		62.2	42.2
Minority interests		1.4	0.9
		63.6	**43.1**

The accompanying notes are an integral part of these condensed financial statements.

IMPRESS COÖPERATIEVE U.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(€ in millions)

	Notes	30 September 2010 (unaudited)	31 December 2009
ASSETS			
Non-current assets			
Property, plant & equipment		602.3	577.7
Intangible assets		222.6	215.8
Other financial assets		3.6	3.8
Other non-current assets		7.9	9.8
Deferred tax asset		54.7	49.0
		891.1	856.1
Current assets			
Inventories	5	260.6	228.8
Trade and other receivables		255.8	210.0
Prepaid expenses and other current assets		57.9	43.8
Financial derivatives		10.7	8.1
Cash and cash equivalents		89.8	188.4
		674.8	679.1
TOTAL ASSETS		**1,565.9**	**1,535.2**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Equity attributable to members	8		
Members' interests	8	114.1	215.4
Other reserves	8	(516.8)	(527.5)
General account		116.5	42.2
	8	(286.2)	(269.9)
Minority		9.7	7.4
Total equity		**(276.5)**	**(262.5)**
Non-current liabilities			
Long term debt	7	1,068.5	1,060.5
Pension liabilities		122.3	121.2
Restructuring provision	6	1.9	2.6
Long term provisions		27.4	28.0
Deferred tax liability		37.6	35.6
		1,257.7	1,247.9
Current liabilities			
Trade payables		296.7	287.1
Other current liabilities		200.8	189.0
Current income tax liability		23.5	12.8
Restructuring provision	6	14.2	22.8
Financial derivatives		13.8	14.6
Short term debt	7	35.7	23.5
		584.7	549.8
TOTAL LIABILITIES		**1,842.4**	**1,797.7**
TOTAL EQUITY AND LIABILITIES		**1,565.9**	**1,535.2**

The accompanying notes are an integral part of these condensed financial statements.

IMPRESS COÖPERATIEVE U.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	A Participation Interests	B Participation Interests	C Participation Interests	General account	Other reserves[1]	Total	Minority interests	Total Equity
				(in € millions)				
Balance at 31 December 2008	**(0.1)**	**111.0**	**116.6**	**13.6**	**(551.5)**	**(310.4)**	**6.8**	**(303.6)**
2009								
Profit for the Period	—	—	—	16.4	—	16.4	0.7	17.1
Other comprehensive income	—	—	—	—	24.0	24.0	(0.1)	23.9
Total comprehensive income	—	—	—	16.4	24.0	40.4	0.6	41.0
Allocation of the 2008 result[2]	—	(34.4)	—	34.4	—	—	—	—
Issuance of A Participation Interests	0.1	—	—	—	—	0.1	—	0.1
Accretion of C Participation interests	—	—	22.2	(22.2)	—	—	—	—
Balance at 31 December 2009	**—**	**76.6**	**138.8**	**42.2**	**(527.5)**	**(269.9)**	**7.4**	**(262.5)**
2010								
Profit for the Period	—	—	—	51.5	—	51.5	0.8	52.3
Other comprehensive income	—	—	—	—	10.7	10.7	0.6	11.3
Total comprehensive income	—	—	—	51.5	10.7	62.2	1.4	63.6
Contributions from minority shareholders	—	—	—	—	—	—	1.0	1.0
Dividend paid to minority shareholders	—	—	—	—	—	—	(0.1)	(0.1)
Allocation of the 2009 result[2]	—	(43.2)	—	43.2	—	—	—	—
C Participation redemption	—	—	(78.5)	—	—	(78.5)	—	(78.5)
Accretion of C Participation interests	—	—	20.4	(20.4)	—	—	—	—
Balance at 30 September 2010	**—**	**33.4**	**80.7**	**116.5**	**(516.8)**	**(286.2)**	**9.7**	**(276.5)**
Balance at 31 December 2008	**(0.1)**	**111.0**	**116.6**	**13.6**	**(551.5)**	**(310.4)**	**6.8**	**(303.6)**
Profit for the Period	—	—	—	27.4	—	27.4	0.5	27.9
Other comprehensive income	—	—	—	—	14.8	14.8	0.4	15.2
Total comprehensive income	—	—	—	27.4	14.8	42.2	0.9	43.1
Allocation of the 2008 result[2]	—	(34.4)	—	34.4	—	—	—	—
Accretion of C Participation interests	—	—	17.3	(17.3)	—	—	—	—
Balance at 30 September 2009	**(0.1)**	**76.6**	**133.9**	**58.1**	**(536.7)**	**(268.2)**	**7.7**	**(260.5)**

(1) Components of other reserves are presented net of any tax effects

(2) Allocation of stand-alone result of Impress Coöperatieve.U.A.

IMPRESS COÖPERATIEVE U.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010
(€ in millions)

	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Cash flows from operating activities		
Profit for the period	**52.3**	**27.9**
Adjustments to reconcile profit to net cash provided by operations:		
Depreciation and amortisation	52.1	49.7
Amortisation of deferred finance costs	4.4	4.4
Decrease in deferred taxes	(3.6)	5.9
Gain on sale of property, plant & equipment	(0.2)	—
Impairment charges	1.8	(0.2)
Other non-cash movements, including exchange effects	1.1	(6.9)
Changes in operating assets and liabilities, net of effects from acquisitions:		
Increase in trade and other receivables	(42.4)	(75.9)
(Increase)/decrease in inventories	(24.4)	29.6
Increase/(decrease) in trade payables	4.1	(32.1)
Increase in other current liabilities	1.2	16.4
Decrease in restructuring provision	(9.7)	(6.2)
Increase in interest and income taxes payable	3.3	3.3
Net change in other assets and liabilities	4.4	18.5
Net cash flows provided by operations	**44.4**	**34.4**
Cash flows from investing activities		
Purchase of property, plant and equipment	(58.3)	(45.1)
Expenditure on intangible fixed assets	(8.9)	(7.4)
Proceeds from sale of property, plant and equipment	1.1	0.5
Acquisition of businesses, net of cash and cash equivalents acquired	—	(5.6)
Net cash used in investing activities	**(66.1)**	**(57.6)**
Cash flows from financing activities		
Net movement in long term debt	(8.3)	25.9
Net movement in short term debt	12.6	5.9
Principal payments under finance lease obligations	(1.3)	(0.9)
C Participation redemption	(78.5)	—
Net contributions by minority shareholders	0.8	—
Costs relating to initial public offering	(6.9)	—
Net cash (used in)/provided by financing activities	**(81.6)**	**30.9**
Effect of exchange rate changes on cash and cash equivalents	4.7	—
Net change in cash and cash equivalents	**(98.6)**	**7.7**
Cash and cash equivalents at beginning of period	188.4	97.6
Cash and cash equivalents at end of period	**89.8**	**105.3**
Cash paid for interest	43.1	52.2
Cash paid for income tax	28.7	13.2
Cash paid for restructuring	18.2	17.5

IMPRESS COÖPERATIEVE U.A.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Corporate information

The accompanying condensed, consolidated financial statements of Impress Coöperatieve U.A. (“Impress” or “the Coop”) and its subsidiaries (together “the Group”) for the nine months ended 30 September 2010 are unaudited.

Impress manufactures and sells metal packaging solutions. Impress Coöperatieve U.A. was incorporated on 4 September 2006 in the Netherlands as a Cooperative (Coöperatie) with limited liability (uitgesloten aansprakelijkheid or U.A.) under Dutch law. It is domiciled in the Netherlands and its registered office is Zutphenseweg 51, NL-7418AH, Deventer.

On 22 September 2006, Impress Coop acquired Impress Holdings B.V., formerly Impress Metal Packaging Holdings B.V., which was incorporated on 4 May 1997 as the holding company for the metal packaging businesses it acquired from Pechiney SA and Schmalbach-Lubeca AG on 28 May 1997. Impress Holdings manufactures and sells metal packaging solutions.

The ultimate controlling shareholders are investment funds managed by Doughty Hanson & Co.

2. Basis of preparation

The accompanying condensed consolidated financial statements of the Group and its subsidiaries as at 30 September 2010 have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges, and would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. The consolidated financial statements are reported in euro millions, rounded to the nearest hundred thousand (€0.1 million), except where otherwise indicated.

In the opinion of the Coop, these condensed, consolidated financial statements, which have been prepared in accordance with IAS 34 *Interim Financial Reporting*, contain all adjustments necessary to present fairly the financial position of Impress as at 30 September 2010, and the results of operations and the statement of cash flows for the periods from 1 January to 30 September 2010.

These financial statements do not, however, include all information and footnotes necessary for a fair presentation of financial position, results of operations and cash flows in conformity with IFRS. They should therefore be read in conjunction with the consolidated 2009 financial statements included in the Coop’s Annual Report for that year (the “2009 Financial Statements”).

2.1. Changes in accounting policy and disclosures

During 2009, the Coop changed the presentation of its defined benefit pension obligations within the income statement: Pension interest, expected return on plan assets and amortisation of actuarial gains and losses are all now reported as defined benefit obligation finance expenses under net finance costs. The comparative figures for 2009 have been restated in order to be comparable with the 2010 figures.

2. Basis of preparation (Continued)

The accounting policies adopted are consistent with those of the previous financial year with the exception of transactions covered by the following new and amended IFRS and IFRIC interpretations as of 1 January 2010:

- IFRS 3R — Business Combinations
- IAS 27R — Consolidated and Separate Financial Statements
- IAS 39 — Financial Instruments: Recognition and Measurement—Eligible Hedged items
- IFRIC 17 — Distributions of non-cash assets to owners
- IFRIC 18 — Transfers of Assets from Customers

IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 28 *Investment in Associates* and IAS 31 *Interests in Joint Ventures*.

The changes arising from IFRS 3R and IAS 27R will affect all future acquisitions or losses of control and transactions with minority interests.

2.2. IFRS and IFRIC Interpretations not yet effective

On 12 November 2009, the IASB issued IFRS 9 *Financial Instruments* as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied with effect from 1 January 2013. The Group expects that there will be no material impact on the consolidated financial statements from this interpretation.

3. Segmental information

The Coop's business segments reflect Impress' internal operational organisation and management focus. They have their own management teams and their results are regularly reviewed by the Coop's Chief Executive.

3. Segmental information (Continued)

Segmental information for the nine months ended 30 September 2010 and 2009 for the Coop's business segments is as follows:

Nine months ended 30 September 2010	Processed Food	International	Specialities	Corporate Costs—unallocated	Total
			(€ millions)		
Revenues from external customers	708.3	282.5	384.3	—	1,375.1
Internal revenues	63.1	—	17.3	(80.4)	—
Corporate costs (including R&D)	—	—	—	(16.5)	(16.5)
Contingent transaction charges	—	—	—	(17.1)	(17.1)
Depreciation and amortisation	(24.7)	(11.4)	(10.5)	(5.5)	(52.1)
Restructuring expenses	(2.9)	0.4	(5.6)	(0.6)	(8.7)
Impairment charges	(1.8)	(0.4)	0.4	—	(1.8)
Operating profit/(loss)	96.8	41.1	52.8	(48.4)	142.3
Adjusted Operating Profit (see note 4)	101.5	41.1	58.0	(22.0)	178.6
Adjusted EBITDA (see note 4)	126.2	52.5	68.5	(16.5)	230.7
Net operating assets	399.5	177.5	275.0	(30.1)	825.9
Capital expenditure net of proceeds	31.8	16.5	8.3	9.5	66.1

Nine months ended 30 September 2009	Processed Food	International	Specialities	Corporate Costs—unallocated	Total
			(€ millions)		
Revenues from external customers	712.8	255.7	382.8	—	1,351.3
Internal revenues	58.3	—	16.9	(75.2)	—
Corporate costs (including R&D)	—	—	—	(15.9)	(15.9)
Contingent transaction charges	—	—	—	(16.4)	(16.4)
Depreciation and amortisation	(25.0)	(9.1)	(11.6)	(4.0)	(49.7)
Restructuring expenses	(1.7)	(0.1)	(9.0)	(0.5)	(11.3)
Impairment charges	0.2	—	—	—	0.2
Operating profit/(loss)	80.6	23.1	43.4	(36.8)	110.3
Adjusted Operating Profit (see note 4)	82.1	23.2	52.4	(19.9)	137.8
Adjusted EBITDA (see note 4)	107.1	32.3	64.0	(15.9)	187.5
Net operating assets	399.2	156.3	259.6	20.5	835.6
Capital expenditure net of proceeds	26.0	7.6	11.1	7.3	52.0

During 2009, Impress split its Processed Food segment into two segments: the continuing Processed Food segment now combines our Food Europe and Seafood business units and a new International segment combines the North America and Australasia business units. The Specialities segment is unchanged. The segmental information for 2009 has been restated in order to be comparable with information presented in 2010.

There is no difference between the total operating profit/(loss) per reportable segment and the consolidated operating profit/(loss) per the financial statements.

4. Adjusted Operating Profit and Adjusted EBITDA

Adjusted Operating Profit represents operating income before restructuring expenses, impairment of fixed assets, contingent transaction charges and write-off of expenses related to the abandoned initial public offering (IPO). Adjusted Operating Profit, when viewed with the Coop's IFRS financial statements, provides additional information with respect to factors and trends affecting the Coop's results of operations.

Adjusted EBITDA represents Adjusted Operating Profit plus depreciation and amortisation. Adjusted EBITDA, when viewed with the Coop's IFRS financial statements, provides additional information with respect to factors and trends affecting the Coop's results of operations.

The presentation of these supplemental measures of financial performance is not meant to be considered in isolation or as a substitute for measures of financial performance reported in accordance with IFRS.

Adjusted Operating Profit and Adjusted EBITDA are calculated as follows:

	Nine months ended	
	30 September 2010	30 September 2009
	(in € millions)	
Operating profit	142.3	110.3
Add back restructuring and impairment charges	10.5	11.1
Add back contingent transaction charge	17.1	16.4
Add back write-off of abandoned IPO expenses	8.7	—
Adjusted Operating Profit	**178.6**	**137.8**
Add back depreciation and amortisation	52.1	49.7
Adjusted EBITDA	**230.7**	**187.5**

5. Inventories

Inventories at 30 September 2010 comprised the following:

	30 September 2010	31 December 2009	30 September 2009
		(in € millions)	
Finished goods	108.6	93.2	97.2
Work in progress	68.6	55.5	62.2
Raw materials	70.1	68.4	55.6
Packaging materials	13.3	11.7	14.4
	260.6	**228.8**	**229.4**

6. Restructuring

During the first nine months of 2010, the Coop recognised restructuring charges of €8.7 million (2009: €11.3 million).

As well as reducing the handicap of specific high cost environments, the restructuring of the business, supported by appropriate capital expenditures, is intended to (i) focus capital intensive and technically advanced processes on a reduced number of sites, (ii) optimise logistics and handling systems and (iii) reposition our operations around more profitable customers and products.

The movements on the restructuring provisions since 1 January 2009 were as follows:

	Employee costs	Lease termination and other closure costs	Total
		(in € millions)	
Balance at 1 January 2009	**22.6**	**0.4**	**23.0**
Cash utilisation in the year ended 31 December 2009	(25.5)	(0.6)	(26.1)
Charged to income	27.5	0.7	28.2
Transferred from liabilities	(0.3)	—	(0.3)
Discount rate adjustments	0.2	—	0.2
Currency translation effect	0.1	0.3	0.4
Balance at 31 December 2009	**24.6**	**0.8**	**25.4**
Cash utilisation in the 9 months ended 30 September 2010	(17.0)	(1.2)	(18.2)
Charged to income	8.1	0.6	8.7
Utilisation (non-cash)	—	(0.2)	(0.2)
Transfer	(0.4)	0.4	—
Foreign currency translation	0.3	0.1	0.4
Balance at 30 September 2010	**15.6**	**0.5**	**16.1**
Current liability	14.0	0.2	14.2
Non-current liability	1.6	0.3	1.9
Balance at 30 September 2010	**15.6**	**0.5**	**16.1**

7. Debt

Long term debt comprised:

	30 September 2010	31 December 2009
	(in € millions)	
Secured notes	743.1	736.5
Subordinated notes	250.0	250.0
Australasian Senior Bank Facility	67.3	67.3
Finance lease obligations	6.3	6.9
US Finance Facility	18.2	18.3
Other long term debt	1.1	2.0
	1,086.0	**1,081.0**
Deferred finance fees	(12.8)	(15.4)
Total long term borrowings	**1,073.2**	**1,065.6**
Current portion of long term debt	(4.7)	(5.1)
Long term debt	**1,068.5**	**1,060.5**

Short term debt comprised:

	30 September 2010	31 December 2009
	(in € millions)	
Current portion of long term debt	4.7	5.1
Bank and other short term debt	0.1	4.8
Receivables factoring (with recourse)	15.9	13.6
Drawings under the revolving credit facility	15.0	—
Short term debt	**35.7**	**23.5**

2006 refinancing

On 22 September 2006, Impress Holdings B.V. issued €615.0 million of Senior Secured Floating Rate Notes due 2013, $175.0 million (€137.7 million at the then prevailing exchange rate) of Senior Secured Floating Rate Notes due 2013 (together the "**Secured Notes**") and €250.0 million of 9.25 per cent Senior Subordinated Notes due 2014 (the "**Subordinated Notes**").

Senior Secured Floating Rate Notes

The Secured Notes are issued by Impress Holdings B.V. and guaranteed by certain of its subsidiaries on a senior basis and are secured by a security interest in substantially all of the guarantors' assets. The euro denominated Secured Notes bear interest at a rate of three-month EURIBOR plus 312.5 basis points per year. The US dollar denominated Secured Notes bear interest at a rate of three-month LIBOR plus 312.5 basis points per year. The interest on the Secured Notes is payable quarterly on 15 January, 15 April, 15 July and 15 October. The fair value of the Secured Notes approximated €741.6 million at 30 September 2010 (31 December 2009: €710.7 million).

7. Debt (Continued)

The Secured Notes are scheduled to be repaid in one instalment on 15 September 2013. However, should the Group experience a change of control as defined in the indenture and depending on the Impress Holdings' credit ratings at that time, then Impress Holdings may be required to make an offer to purchase all outstanding Secured Notes at a redemption price of 101 per cent of the principal amount plus accrued interest to the date of repurchase. In addition, since 15 September 2009 the Group is permitted to repurchase them at par value.

Senior Subordinated Notes

The Subordinated Notes are issued by the Impress Holdings B.V. and guaranteed by certain of its subsidiaries and bear interest at a rate of 9.25 per cent per year, payable semi-annually on 15 April and 15 October. The fair value of the Subordinated Notes approximated €261.9 million at 30 September 2010 (31 December 2009: €263.8 million).

The Senior Subordinated Notes are scheduled to be repaid in one instalment on 15 September 2014. However, should the Group experience a change of control as defined in the Notes' indenture and depending on the Impress Holdings' credit ratings at that time, then the Group may be required to make an offer to purchase all outstanding Subordinated Notes at a redemption price of 101 per cent of the principal amount plus accrued interest to the date of repurchase. In addition, the Group is permitted to repurchase them at the following specified redemption rates, from 15 September 2009:

12 month period commencing 15 September	Redemption price
	(per cent)
2009	109.250
2010	104.625
2011	102.313
2012 and thereafter	100.000

Australasian Senior Bank Facility

The acquisition of Amcor Limited's Food and Aerosol business in Australia and New Zealand on 31 October 2007 was primarily funded from a new A$155 million multicurrency senior bank debt facility (initially A$170 million, or €108 million converted at exchange rates on the date of drawdown), provided by Bank of Scotland International (the "**Australasian Senior Bank Facility**").

The facility has a maturity of six years and must be repaid on 21 December 2013, or upon certain other events. The loans bear interest at an interbank rate plus a margin of 225 - 275 basis points on the bullet and amortising tranches and 150 basis points on the capital expenditure, trade working capital and letter of credit tranches.

US Finance Facility

During the third quarter of 2009, the Coop concluded agreements with GE Government Finance, Inc. for the provision of US$27 million, repayable in instalments by 2021, to finance its new plant in Conklin, New York. Pending disbursement to fund construction work and equipment purchases, the Coop recorded US$3.3 million (€2.4 million) as restricted cash at 30 September 2010.

7. Debt (Continued)

Receivables factoring (Italy)

The Group has available to it two with-recourse invoice-factoring facilities totalling €30.0 million in Italy and Spain. At 30 September 2010, borrowings of €15.9 million (31 December 2009: €13.6 million) were outstanding under these facilities, which charge a margin of between 30 and 90 basis points over Euribor.

Revolving Credit Facilities

The Group has available to it €90.7 million of revolving credit facilities (€80.0 million under the Group Revolving Credit Facility provided by Bank of Scotland and €10.7 million under the Australasian Senior Bank Facility). At 30 September 2010, borrowings of €15.0 million were outstanding under these facilities (31 December 2009: €nil). Net of €3.3 million of guarantees in place under these facilities at 30 September 2010 (31 December 2009: €nil), the Group had available €72.4 million (31 December 2009: €89.4 million) of undrawn committed borrowing facilities, in respect of which all conditions precedent had been met.

Interest rate hedging arrangements

The Coop entered into interest rate hedging derivative instruments at the end of 2006 to reduce the exposure on the Secured Notes. The hedging arrangements started with effect from 15 January 2007 and have a maturity of five years.

Type	Currency	Inception/ Maturity	Nature	30 September 2010
				(in € millions of notional amounts)
Cap & floor—4.0%, 3.56%	EUR	January 2007 / January 2012	Bullet	120.0
Cap & floor—5.25%, 4.5%	USD	January 2007 / January 2012	Bullet	44.0
Variable to fixed (7.945%)	NZD	January 2008 / December 2013	Bullet	25.8
Variable to fixed (7.19%)	AUD	January 2008 / December 2013	Bullet	27.1

8. Shareholders' equity

Impress Coöperatieve ("Impress Coop") was incorporated on 4 September 2006. On 22 September 2006, it acquired Impress Holdings, the former holding company of the Impress group. As there was no ultimate change of control, Impress Coop accounted for this acquisition as a "pooling of interests". As such, the assets and liabilities of Impress Holdings are consolidated at their historical net book values and the resultant excess of purchase price over the net book value of assets and liabilities acquired was written off against equity.

Membership and Participation Interests

Impress Coop has five classes of members, Members A-1, Members A-2, Members A-3 (collectively, Members A), Members B and Members C and three classes of Participation Interests, A Participation Interests (held by Members A), B Participation Interests (held by Members B) and C

8. Shareholders' equity (Continued)

Participation Interests (held by Members C). All authorised A and B participation interests have been issued.

No member or former member, and no holder or former holder of any Participation Interests, shall be liable for any deficits of Impress Coop.

At 31 December 2009, Impress Coop had issued 315,471,711 Participation Interests with a nominal value of €1.00. During the year ended 31 December 2008, the Company repurchased 82,528 A Participation Interests which were reserved for future issue and then issued in 2009. No Participation Interests were reserved at 31 December 2009 (2008: 82,528, 2007: nil).

Contingency

In July 2010, the competition authorities in the Netherlands initiated an investigation with respect to potential violations of competition law. The company believes that the investigation is without merit and intends to defend its position vigorously and, to date, no allegation of improper conduct has been made by the competition authorities.

Subsequent events

On the 7 December 2010, following regulatory approval, the Company was acquired by the Ardagh Glass Group.

AUDITED FINANCIAL STATEMENTS OF IMPRESS COÖPERATIEVE U.A. FOR THE YEAR ENDED 31 DECEMBER 2009

DIRECTORS' REPORT

The directors' report is available on request at the Company's office.

CONSOLIDATED INCOME STATEMENT

	Notes	Year ending 2009	Year ending 2008	Year ending 2007
		€m	**€m**	**€m**
Revenue		**1,752.3**	1,724.0	1,628.0
Other income		**3.9**	7.7	7.4
Total revenue		**1,756.2**	1,731.7	1,635.4
Cost of sales	*5*	**(1,430.6)**	(1,422.2)	(1,346.0)
Gross profit		**325.6**	309.5	289.4
Selling and administrative expenses		**(93.0)**	(75.8)	(81.2)
Research expenses		**(5.9)**	(5.1)	(4.9)
Restructuring expenses	*6*	**(28.2)**	(27.5)	(16.3)
Impairment charges	*9-10*	**(11.3)**	(7.3)	(12.3)
Other operating (expense)/income		**(1.6)**	2.2	(0.2)
Operating profit before depreciation and amortisation		**185.6**	196.0	174.5
Depreciation and amortisation	*5*	**(66.9)**	(67.2)	(68.0)
Operating profit		**118.7**	128.8	106.5
Interest expense		**(71.3)**	(93.5)	(83.2)
Interest income		**1.1**	1.3	0.4
Other finance cost		**(25.8)**	(11.6)	(19.6)
Net finance cost	*7*	**(96.0)**	(103.8)	(102.4)
Profit before tax		**22.7**	25.0	4.1
Income tax expense	*8*	**(5.6)**	(8.4)	(10.7)
Profit for the year		**17.1**	16.6	(6.6)
Attributable to:				
Members of Impress Coöperatieve U.A.		**16.4**	16.2	(7.1)
Minority interests		**0.7**	0.4	0.5
		17.1	16.6	(6.6)
Adjusted Operating Profit(1)		**180.1**	166.0	149.9
EBITDA(2)		**185.6**	196.0	174.5
Adjusted EBITDA(3)		**247.0**	233.2	217.9

(1) Adjusted Operating Profit represents operating profit before restructuring expenses and impairment charges. Adjusted Operating Profit, when viewed together with the financial statements, provides additional information with respect to factors and trends affecting the Company's results of operations. The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for measures of financial performance reported in accordance with IFRS.

(2) EBITDA represents operating profit before depreciation and amortisation. Impress believes that EBITDA is a relevant measurement for assessing performance since it attempts to eliminate variances caused by the effects of differences in taxation, the amount and types of capital employed and depreciation and amortisation policies. The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for measures of financial performance reported in accordance with IFRS.

(3) Adjusted EBITDA represents Adjusted Operating Profit plus depreciation and amortisation. Impress believes that Adjusted EBITDA is a relevant measurement for assessing performance since it attempts to eliminate additional variances beyond those addressed by EBITDA, such as costs associated with the restructuring of the business. The presentation of this supplemental information is not meant to be considered in isolation or as a substitute for measures of financial performance reported in accordance with IFRS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 2009	Year ended 2008	Year ended 2007
Profit for the period	**17.1**	16.6	(6.6)
Exchange differences arising on translation of foreign operations	**7.3**	(4.7)	3.7
Cash flow hedges	**27.4**	(29.4)	(2.8)
Tax relating to components of other comprehensive income	**(10.8)**	10.3	0.6
Other comprehensive income	**23.9**	(23.8)	1.5
Total comprehensive income for the period	**41.0**	(7.2)	(5.1)
Attributable to:			
Members of Impress Coöperatieve U.A.	**40.4**	(7.7)	(5.5)
Minority interests	**0.6**	0.5	0.4
	41.0	(7.2)	(5.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2009	2008
		€m	€m
Assets			
Non-current assets			
Property, plant and equipment	*9*	**577.7**	561.0
Intangible assets	*10*	**215.8**	206.0
Other financial assets	*11*	**3.8**	3.7
Other non-current assets	*11*	**9.8**	6.1
Deferred tax asset	*8*	**49.0**	52.6
		856.1	829.4
Current assets			
Inventories	*12*	**228.8**	250.4
Trade and other receivables	*13*	**210.0**	220.3
Prepaid expenses and other current assets	*14*	**43.8**	38.6
Financial instruments	*23*	**8.1**	5.8
Cash and cash equivalents	*15*	**188.4**	97.6
		679.1	612.7
Total assets		**1,535.2**	1,442.1
Equity and liabilities			
Equity attributable to members			
Members' interests		**215.4**	227.5
Other reserves	*16*	**(527.5)**	(551.5)
General account		**42.2**	13.6
		(269.9)	(310.4)
Minority interests		**7.4**	6.8
Total equity		**(262.5)**	(303.6)
Non-current liabilities			
Long-term debt	*17*	**1,060.5**	1,024.0
Pension liabilities	*18*	**121.2**	120.5
Restructuring provision	*6*	**2.6**	2.2
Long term provisions	*19*	**28.0**	27.2
Deferred tax liability	*8*	**35.6**	40.7
		1,247.9	1,214.6
Current liabilities			
Trade payables	*20*	**287.1**	298.6
Other current liabilities	*20*	**189.0**	144.9
Current income tax liability		**12.8**	13.1
Restructuring provision	*6*	**22.8**	20.8
Financial instruments	*23*	**14.6**	37.6
Short term debt	*17*	**23.5**	16.1
		549.8	531.1
Total liabilities		**1,797.7**	1,745.7
Total equity and liabilities		**1,535.2**	1,442.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	A Participation Interests	B Participation Interests	C Participation Interests	General account	(1) Other reserves	Total	Minority interests	Total Equity
	€m	€m	€m	€m	€m	€m	€m	€m
Balance at 1 January 2007	**12.2**	**169.5**	**81.6**	**(31.5)**	**(528.3)**	**(296.5)**	**5.0**	**(291.5)**
Total comprehensive income and expense for the year	—	—	—	(7.1)	1.6	(5.5)	0.4	(5.1)
Allocation of the 2006 result(2)	(12.5)	(15.8)	—	28.3	—	—	—	—
Issuance of A Participation interests	0.3	—	—	—	—	0.3	—	0.3
Accretion of C Participation interests	—	—	15.0	(15.0)	—	—	—	—
Amortisation of issuance fees	—	—	2.4	(2.4)	—	—	—	—
Balance at 31 December 2007	**—**	**153.7**	**99.0**	**(27.7)**	**(526.7)**	**(301.7)**	**5.4**	**(296.3)**
Total comprehensive income	—	—	—	16.2	(24.8)	(8.6)	1.4	(7.2)
Allocation of the 2007 result(2)	—	(42.7)	—	42.7	—	—	—	—
Repurchase of A Participation Interests	(0.1)	—	—	—	—	(0.1)	—	(0.1)
Accretion of C Participation Interests	—	—	17.6	(17.6)	—	—	—	—
Balance at 31 December 2008	**0.1**	**111.0**	**116.6**	**13.6**	**(551.5)**	**(310.4)**	**6.8**	**(303.6)**
Total comprehensive income	—	—	—	16.4	24.0	40.4	0.6	41.0
Allocation of the 2008 result(2)	—	(34.4)	—	34.4	—	—	—	—
Issuance of A Participation interests	0.1	—	—	—	—	0.1	—	0.1
Accretion of C Participation interests	—	—	22.2	(22.2)	—	—	—	—
Balance at 31 December 2009	**—**	**76.6**	**138.8**	**42.2**	**(527.5)**	**(269.9)**	**7.4**	**(262.5)**

(1) Components of other reserves are presented net of any tax effects. See note 16.2—***Other reserves***

(2) Allocation of stand-alone result of Impress Cooperative U.A.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2009	2008	2007
		€m	€m	€m
Cash flows from operating activities				
Profit/(loss) for the period		**17.1**	16.6	(6.6)
Adjustments to reconcile profit to net cash provided by operations:				
Depreciation and amortisation		**66.9**	67.2	68.0
Amortisation of deferred finance costs		**13.3**	5.5	5.5
Movement in deferred taxes		**(8.7)**	(5.5)	(1.1)
Impairment charges		**11.3**	7.3	12.3
Gain on sale of property, plant and equipment		**(0.5)**	(2.7)	—
Other non cash movements, including exchange effects		**10.6**	28.4	8.2
Changes in operating assets and liabilities, net of effects from acquisitions:				
Decrease in trade and other receivables		**18.3**	3.4	11.5
Decrease/(increase) in inventories		**33.0**	(3.0)	(11.9)
(Decrease)/increase in trade payables		**(25.1)**	4.2	7.1
Net movement in other current assets/liabilities		**31.5**	(1.0)	14.8
Increase/(decrease) in restructuring provision		**2.1**	9.1	(0.5)
(Decrease)/increase in interest and income taxes payable		**(4.7)**	0.1	(7.3)
Net change in other assets and liabilities		**(6.5)**	7.5	(3.6)
Net cash flows provided by operations		**158.6**	137.1	96.4
Cash flows from investing activities				
Purchase of property, plant and equipment		**(71.1)**	(82.9)	(94.2)
Expenditure on intangible fixed assets		**(11.1)**	(7.8)	(9.3)
Proceeds from sale of property, plant and equipment		**2.1**	4.1	1.6
Investments		**—**	(0.1)	(3.5)
Acquisition of businesses, net of cash and cash equivalents acquired		**(6.3)**	(3.5)	(94.8)
Net cash used in investing activities		**(86.4)**	(90.2)	(200.2)
Cash flows from financing activities				
Proceeds from long term debt		**20.6**	—	73.4
Repayment of long term debt		**(1.5)**	(3.2)	—
Net movement in short term debt		**(0.3)**	8.1	7.3
Principal payments under finance lease obligations		**(1.5)**	(0.9)	(2.9)
Issue/(repurchase) of A Participation Interests		**0.1**	(0.1)	0.3
Costs related to initial public offering		**—**	(4.1)	(7.8)
Net cash (used in)/provided by financing activities		**17.4**	(0.2)	70.3
Effect of exchange rate changes on cash and cash equivalents		**1.2**	(2.3)	(1.3)
Net change in cash and cash equivalents		**90.8**	44.4	(34.8)
Cash and cash equivalents at beginning of period		**97.6**	53.2	88.0
Cash and cash equivalents at end of period	*15*	**188.4**	97.6	53.2
Cash paid for interest		**73.6**	90.0	84.4
Cash paid for income tax		**14.5**	14.4	11.8
Cash paid for restructuring		**26.2**	17.4	17.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Impress Coöperatieve U.A. was incorporated on 4 September 2006 in the Netherlands as a Cooperative (Coöperatie) with limited liability (uitgesloten aansprakelijkheid or U.A.) under Dutch law. It is domiciled in the Netherlands and its registered office is Zutphenseweg 51, NL7418AH, Deventer.

On 22 September 2006, Impress Coop acquired Impress Holdings B.V., formerly Impress Metal Packaging Holdings B.V., which was incorporated on 4 May 1997 as the holding company for the metal packaging businesses it acquired from Pechiney SA and SchmalbachLubeca AG on 28 May 1997. Impress Holdings manufactures and sells metal packaging solutions.

The ultimate controlling shareholders are investment funds managed by Doughty Hanson & Co.

2 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis of consolidation

The consolidated financial statements include the financial statements of Impress and subsidiaries in which it owns, directly or indirectly, a controlling interest, from the date of acquisition. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and continue to be consolidated until the date at which such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All material intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions are eliminated in consolidation.

Minority interests are presented separately within equity in the consolidated balance sheet. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby the difference between the consideration paid and the book value of the share of the net assets acquired is recognised as goodwill.

2.1 Significant accounting estimates and assumptions

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. In the process of applying the Group's accounting policies, management has exercised judgment in making the following key assumptions concerning the future and other key sources of estimation and uncertainty at the balance sheet dates. There is a significant risk that changes to these assumptions may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment testing

The Group tests property, plant and equipment, intangible fixed assets and goodwill for impairment (i) on an annual basis and (ii) when an indication of impairment exists. When considering impairment, the Group's policy is to compare the carrying value of the item being considered to either a discounted cash flow calculation or by reference to known market values, if available. The Group's estimate of future cash flows is based on assumptions about a number of factors, including future operating performance, realisation of sales forecasts, economic conditions, and technological changes,

2.1 Significant accounting estimates and assumptions (Continued)

and may differ from actual future cash flows. Also, the evaluation of fair value using a discounted cash flow means that assumptions about the timing of cash flows, relative to the date of the evaluation, impact upon the result of that evaluation. Where reliance is placed on observed prices, the actual price realised may differ from those observed in the market place for similar equipment.

Restructuring

The Group recognises liabilities for employee severance and other costs in connection with a restructuring programme once it meets certain recognition criteria. The requirements are that the Group has made a commitment to a plan, that this plan has been announced and its benefits communicated, and that the timescale for completion means that significant changes are unlikely. The liabilities recognised represent management's best estimate of a programme's cost, but involve the use of assumptions and estimates with regard to the timing and scale of costs to be incurred. The actual expenditure required may differ as a programme is implemented.

Deferred tax

The Group records deferred tax assets when it is probable that future taxable profits will be available against which losses can be utilised, based on tax law enacted or substantively enacted. The estimate of the probable amount to be realised requires the use of assumptions concerning the Group's future income. Actual results may differ from those estimates and tax law may change. Should the Group change its estimate of the amount of its deferred tax assets that it would be able to realise, an adjustment to the deferred tax asset would result in an increase or decrease in net income in the period such a change in estimate was made.

Pensions

Accounting for pensions and post-retirement benefit plans requires the use of estimates and assumptions regarding numerous factors, including discount rate, rate of return on plan assets, compensation increases, health care cost increases, mortality and employee turnover. Actual results may differ from the Group's actuarial assumptions, which may have an impact on the amount of reported expense or liability for pensions or post retirement benefits.

Development costs

Development costs are capitalised in accordance with the accounting policy as described in note 2.2—***Summary of significant accounting policies***. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of assets, discount rates to be applied and the expected period of benefits.

2.2 Summary of significant accounting policies

The consolidated financial statements of the Group have been prepared under the historical cost convention, except for available for sale investments and derivative financial instruments which have been measured at fair value.

The carrying values of recognised assets and liabilities that are hedged with fair value hedges, and would otherwise be carried at cost, are adjusted to record changes in the fair value attributable to the

2.2 Summary of significant accounting policies (Continued)

risks that are being hedged. The consolidated financial statements are reported in euro millions, rounded to the nearest hundred thousand (€0.1 million) except where otherwise indicated.

a. Foreign currency translation

The consolidated financial statements are presented in euros, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss except: (i) differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, which are taken to equity until the disposal of the net investment, at which time they are recognised in profit and loss; and (ii) differences on certain derivative financial instruments discussed in note q—***Derivative financial instruments*** below. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates as of the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising at acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

As of the reporting date, the assets and liabilities of each subsidiary are translated into the presentation currency of the Group (the Euro) at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity in respect of that particular foreign operation is then released and recognised in the income statement.

b. Revenue recognition

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenues can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

Provisions for returns and allowances for customer rebates are provided for in the same period as the related revenues are recorded. Shipping and handling costs are included as a component of cost of products sold and amounts separately recovered through billings to customers included in revenue.

c. Cash and cash equivalents

Cash and cash equivalents include cash in hand, highly liquid instruments with an original maturity upon acquisition of three months or less and bank overdrafts where the rights of and intention to offset exist.

2.2 Summary of significant accounting policies (Continued)

d. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (or FIFO) method. The cost of finished goods and work in progress comprises both raw materials as well as direct and related overhead production costs based on normal operating capacity. It excludes borrowing costs. Costs are accounted for within the following categories of inventory: Finished goods, work in progress, raw materials and packaging materials. Net realisable value is the estimated selling price in the ordinary course of business, less any estimated costs of completion as well as costs incurred in making the sale. Costs of inventories include the transfer from equity of gains and losses on qualifying cash flow hedges in respect of raw materials purchases.

e. Property, plant and equipment

Property, plant and equipment are stated at cost of purchase or construction, less accumulated depreciation and accumulated impairment in value. Subsequent costs, including higher value spare parts, are included in the assets' carrying amounts or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When each major overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria above are met. All other repairs and maintenance items are charged to the income statement in the period in which they occur.

Depreciation is calculated on a straight-line basis over the assets' estimated useful lives, mainly as follows:

- buildings: 25 to 50 years.
- plant and machinery: 8 to 25 years.
- other: 3 to 10 years.

The assets' residual values and useful lives are reviewed and adjusted at each balance sheet date as appropriate.

Assets held under finance leases are amortised over the estimated useful life of the asset or the lease life, whichever is shorter. Costs assigned to property, plant and equipment of acquired businesses are based on fair value at the date of acquisition. Where material, borrowing costs that are directly attributable to financing construction of fixed assets prior to their use are capitalised within property, plant and equipment. Gains or losses arising from the disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are recognised in the income statement.

f. Intangible assets

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition accounting method. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

2.2 Summary of significant accounting policies (Continued)

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquired, identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date or shortly thereafter, and depending upon the integration of the acquired operations, allocated to the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the reporting format determined in accordance with IFRS 8 Operating Segments.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses relating to goodwill cannot be reversed in future periods. The annual impairment test is performed as of 30 November.

Patents, Trademarks and Licences

Patents, Trademarks and Licences are stated at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over the assets' estimated useful lives up to a maximum of 10 years.

Computer software and other

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Such costs are amortised over their estimated useful lives (3-5 years).

Costs associated with the development or maintenance of computer software programmes are expensed as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group are recognised as intangible assets.

Customer contracts are capitalised on the basis of costs incurred. These costs are amortised over their estimated useful lives, being the terms of the underlying contracts (3-10 years).

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised when the Group can demonstrate (i) the technical feasibility of completing the intangible asset such that it will be available for use internally; (ii) how the asset will generate future economic benefits; (iii) the availability of resources to complete the development and (iv) the ability to measure reliably the expenditure during such development. The Group has applied a standard cost methodology to measure development expenditure on a project by project basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

2.2 Summary of significant accounting policies (Continued)

Development costs have a finite life and are amortised over the estimated future useful life of the project. Amortisation periods have been estimated at between 3 and 10 years. These estimates are reviewed on an annual basis to establish whether they need to be revised.

g. Investments, loans and receivables

Investments comprise equity interests in entities in which the Group has no significant influence and are accounted for as available-for-sale securities. These investments are measured against fair value with changes in fair value being recognised in the fair value reserve component of equity. Upon disposal, the cumulative fair value adjustments of the related investment are released from equity and recognised in the income statement. If a reliable fair value cannot be established, investments are recognised at cost. The proceeds from these investments and the gain or loss upon their disposal are recognised in the income statement.

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortised cost, using the effective interest method, less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition, fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans are derecognised or impaired.

h. De-recognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a "guarantee" over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss accordingly.

i. Impairment of financial assets

The Group assesses, at each reporting date, whether a financial asset or group of financial assets is impaired.

2.2 Summary of significant accounting policies (Continued)

j. Impairment of non-financial assets

An assessment is made, at each reporting date, as to whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, an estimate of the asset's recoverable amount is made, calculated as the higher of an asset's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

At each reporting date, an assessment is made for all non-financial assets, except for goodwill, as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated and the impairment loss reversed in accordance with the relevant accounting standard.

k. Deferred finance costs

Costs related to the issuance of new debt are deferred and amortised within "net finance cost" over the terms of the related debt agreements, by using the effective interest rate method.

l. Pensions and other employee benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting year exceeds 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are then recognised over the expected average remaining working lives of the employees participating in the plans.

In the year the company changed the presentation of the pension interest, expected return on plan assets and amortisation of actuarial gains and losses, which are now reported as defined benefit obligation finance expense under net finance costs. The comparative figures for 2008 and 2007 have been restated in order to be comparable with the 2009 figures.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits vest immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The defined benefit liability is the net of (i) the present value of the defined benefit obligation, (ii) actuarial gains and losses not recognised and (iii) past service cost not yet recognised, less the fair value of plan assets out of which the obligations are to be settled directly.

Other employment benefits, such as long service awards and early retirement provisions, are reported separately as a component of long term provisions.

2.2 Summary of significant accounting policies (Continued)

m. Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences between the tax bases of assets and liabilities and their associated carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forwards of unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is calculated using tax rates and are in accordance with tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax relating to items recognised directly in equity is recognised in equity and not the income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.2 Summary of significant accounting policies (Continued)

n. Provisions

Provisions for environmental expenditure, restructuring costs, long service awards, early retirement, legal claims are recognised when (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reasonably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense within Net finance cost.

o. Treasury shares

The gross cost of shares reacquired is charged against retained earnings. In the event of resale, proceeds up to the original cost of treasury shares, are credited back to retained earnings and any excess proceeds are treated as additional paid-in capital from the sale of treasury shares.

p. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

q. Derivative financial instruments

The Group uses derivative financial instruments to manage the currency and interest rate risk profiles of the Group's assets, liabilities and cash flows, and its price risk on forecast aluminum purchases. The Group does not hold or issue derivative financial instruments for trading purposes.

The impact on income from recognising the fair value of these instruments depends on their intended use, their hedge designation and their effectiveness in offsetting changes in the fair value of the underlying exposures, which they are designed to hedge.

The designation of derivative financial instruments as hedge instruments occurs and is documented at the inception of the contract. The effectiveness of derivative financial instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. Those instruments designated as hedges have a high correlation with the specific assets, liabilities and cash flows being hedged both at inception and throughout the hedge period.

Any changes in fair value of instruments excluded from the assessment of hedge effectiveness, as well as the ineffective portion of designated hedges, are recognised in the income statement immediately. If a derivative financial instrument ceases to be highly effective as a hedge, the Group discontinues hedge accounting for the instrument prospectively. Similarly, if a hedged, forecast transaction is no longer expected to occur, hedge designation is discontinued and changes in the fair value of the derivative financial instrument are recorded through income prospectively.

2.2 Summary of significant accounting policies (Continued)

For derivative financial instruments designated and qualifying as hedging instruments, and based on the risk being hedged, changes in the fair values of the derivative financial instruments are either reported in income or reported as a separate component within shareholders' equity. Fair value changes for derivative financial instruments hedging assets, liabilities or firm commitments, referred to as fair value hedges, are recognised in income as an offset to changes in the fair value of the hedged items. Fair value adjustments for derivative financial instruments hedging highly probable forecasted transactions, referred to as cash flow hedges, are recognised as a component of other reserves in shareholders' equity and are released into income when the related hedged item impacts income.

The fair value adjustment recorded in "other reserves" when the hedge designation is discontinued is released to income when the forecast transaction impacts income unless it is probable that the hedged forecast transaction will not occur by the end of the specified time period. In such circumstances the net derivative gain or loss is released the income statement immediately.

The Group uses forward foreign exchange contracts or foreign exchange swaps to manage foreign currency risk for the purposes of cash flow hedging. It uses interest rate hedging instruments (swaps, caps and collars) as cash flow hedges to reduce the Group's exposure to adverse fluctuations in interest rates. Interest rate differentials under these arrangements are recognised in the income statement in the period in which the differential arises. It also uses aluminum futures as cash flow hedges, to manage the risk of price volatility for a portion of its forecast aluminum purchases.

Hedges of a net investment in a foreign operation, including the hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity while gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to the income statement.

r. Fair value of financial instruments

The carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value owing to the short term nature of these assets and liabilities. The Group's long and short term bank borrowings bear floating rates of interest and therefore adjust regularly to reflect current market interest rates. The carrying amount of this debt therefore approximates fair value.

For other financial instruments, fair value is determined by broker quotes or quoted market prices for the same or similar instruments. These instruments are discussed further in note 24—***Financial instruments***.

s. Share-based payments

Certain managers will receive payments under the Contingent Bonus Scheme linked to the value of Impress Coop's B Participation Interests upon flotation—see note 5—Expenses. These payments will be made in cash and are therefore considered cash-settled share-based payments.

The cost of cash-settled transactions is measured initially at fair value at the grant date and this fair value is then expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense.

2.2 Summary of significant accounting policies (Continued)

t. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

2.3 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows. The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2009.

- **IAS 1 Revised Presentation of Financial Statements**
- **IAS 39 Financial Instruments: Recognition and Measurement—Eligible Hedged items**
- **IFRIC 16 Hedges of a Net Investment in a Foreign Operation**
- **IFRS 7 Financial Instruments Disclosures (amendment)**
- **IFRS 8 Operating Segments**

When the adaptation of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

IAS 1 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has decided to present two statements.

IFRS 8 Operating Segments

In November 2006, the IASB issued IFRS 8 'Operating segments', mandatory as from 1 January 2009. IFRS 8 requires disclosure based on information presented by the board. In 2009 we brought our segmental disclosure in line with our internal report to the Chief Operational Decision Maker.

2.3 Changes in accounting policy and disclosures (Continued)

A further effect was the secondary segment information is now replaced by group-wide analysis of revenues and noncurrent assets by major geographic area.

2.4 Future changes in accounting policies

IFRS and IFRIC Interpretations not yet effective

IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements

The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 28 *Investment in Associates* and IAS 31 *Interests in Joint Ventures*. The changes by IFRS 3R and IAS 27R will affect future acquisitions or loss of control and transactions with minority interests.

IAS 39 Financial Instruments: Recognition and Measurement—Eligible Hedged items

These amendments to IAS 39 were issued in August 2008 and become effective for financial years beginning on or after 1 July 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRIC 17, 'Distributions of non-cash assets to owners'

IFRIC 17 was issued in November 2008 and becomes effective for financial years beginning on or after 1 July 2009. The interpretation is to be applied prospectively and provides guidance on accounting for transactions in which an entity distributes non-cash assets to owners or when the owner is given a choice of taking cash in lieu of non-cash assets. The Group has concluded that there will be no impact on the consolidated financial statements from this interpretation.

IFRIC 18 Transfers of Assets from Customers

IFRIC 18 was issued in January 2008 and becomes effective for asset transfers after 1 July 2009. The interpretation clarifies the treatment of IFRS, particularly IAS 18 Revenue for agreements in which an entity receives an item of property, plant and equipment from a customer to connect to an ongoing supply of goods and services. The Group has concluded that there will be no material impact on the consolidated financial statements from this interpretation.

3 Business combinations

2009 acquisitions

Acquisition of the operations of Metalgrafica Gallega SA ("Megasa") at Vilagarcia (Spain)

On 8 June 2009, the Company purchased the assets and liabilities of Metalgrafica Gallega SA for a consideration, net of cash acquired of €1.8 million, of €6.6 million, including acquisition costs of €1.4 million.

The fair values of the identifiable assets and liabilities of the operations as of the date of the acquisition were:

	Recognised on acquisition	Carrying value
	€m	€m
Property, plant and equipment	2.0	2.0
Accounts receivable	8.9	8.9
Inventories	6.8	6.8
Cash	1.8	1.8
	19.5	19.5
Debt	(3.8)	(3.8)
Accounts payable	(9.0)	(9.0)
Other liabilities, net	(1.2)	(1.2)
	(14.0)	(14.0)
Fair value/carrying value of net assets	5.5	5.5
Goodwill arising on acquisition (note 10—*Intangible Assets*)	2.9	
Total consideration	8.4	

At the date of finalisation of the Financial statements, the Group was still reviewing both the fair value of many of the assets and liabilities acquired. Many of the fair values were determined on a provisional basis only.

From the date of acquisition until 31 December 2009, the acquired operations generated a net profit of €1.7 million and contributed €20.7 million to revenue. If the combination had taken place at the beginning of the year, consolidated pro forma net profit for the year ended 31 December 2009 would have been €17.3 million, excluding funding costs, and consolidated pro forma revenue for the year ended 31 December 2009 would have been €1,774.2 million.

2007 acquisitions

Acquisition of Amcor Limited's Food Can and Aerosol business in Australia and New Zealand

On 31 October 2007, the Company purchased the assets and liabilities of Amcor Limited's Food Can and Aerosol business in Australia and New Zealand for initial consideration of €95.9 million, at the date of acquisition including acquisition costs of €1.3 million. A subsequent cash payment of €0.2 million was made on 23 December 2008 and further acquisition related costs of €3.9 million were incurred throughout the year. The agreement covered seven plants manufacturing steel food cans and aluminum aerosols.

3 Business combinations (Continued)

The fair values of the identifiable assets and liabilities of the operations as of the date of the acquisition were:

	Recognised on acquisition	Carrying value
	€m	€m
Intangible assets	6.1	1.2
Property, plant and equipment	55.7	58.3
Accounts receivable	20.2	21.3
Inventories	35.7	36.7
Other assets	1.1	—
	118.8	117.5
Accounts payable	(31.1)	(23.4)
Other liabilities, net	(9.4)	(8.6)
	(40.5)	(32.0)
Fair value/carrying value of net assets	78.3	85.5
Goodwill arising on acquisition (see note 10—***Intangible assets***)	21.7	
Total consideration	100.0	

At the date of finalisation of the 2007 Financial statements, the Group was still reviewing both the fair value and initial carrying value of many of the assets and liabilities acquired, particularly with respect to trade payables, property, plant and equipment and the identifiable intangible assets. Many of the fair values were determined on a provisional basis only.

The full allocation of the purchase price was completed in 2008 and the initial goodwill recognised upon acquisition of €25.9 million was reduced by €4.2 million. The final goodwill balance recognised in respect of this acquisition of €21.7 million comprises the fair value of expected synergies.

From the date of acquisition until 31 December 2007, the operations acquired from Amcor incurred a net loss of €1.5 million and contributed €21.5 million to revenue. If the combination had taken place at the beginning of the year, consolidated pro forma net profit for the year would have been €6.2 million, excluding funding costs, and consolidated pro forma revenue for the year would have been €1,764.4 million.

4 Segmental information

The segmental reporting is based on the Group's management reporting structure. The Group is organised into business segments based on the type of products produced, the customers served or geographical location of the businesses. The Group currently has three business segments, Processed Foods, International and Specialities, plus a Corporate Costs reporting segment. These business segments are organised and managed separately and have their own management teams. Their results are regularly reviewed by the Group Chief Executive, for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Adjusted Operating Profit and is measured consistently with Adjusted Operating Profit in the consolidated financial statements. However, Group financing (including net finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

4 Segmental information (Continued)

Processed Food

The Processed Food business segment groups those activities which are primarily focussed on producing and selling packaging for retorted foods, ie foods that are cooked in the can after filling.

Within Processed Food, the Food Europe business unit supplies a range of steel and aluminum metal packaging products, from standardised products typically purchased in large volumes, to specialised, higher value-added cans including high-quality printing and sophisticated closures, for a variety of foodstuffs including ready-made meals, fruit and vegetables and petfood.

The Seafood business unit produces high-quality printed and shaped aluminum and steel packaging products incorporating value-added features such as easy open and peelable lidding systems. While production is primarily located within Europe, a significant portion of this business unit's sales are made outside Europe, including the Seychelles, Morocco, Japan, south-east Asia and South America.

International

The Impress North America business unit includes the can-making operations purchased from Heinz in August 2000. Following the acquisition in 2005 of a facility in Blacks Harbour, New Brunswick, Canada, the North America business unit now also serves customers in Canada.

The Australasia business unit comprises six plants in Australia and New Zealand acquired from Amcor Limited on 31 October 2007. It produces pre-dominantly steel food cans, as well as steel and aluminum aerosol cans, for a range of national and international customers.

Specialities

The Specialities business segment groups a number of specialist, value-added businesses in Europe, generally serving non-food or dry food customers.

Within Specialities, the Aerosols business unit produces steel aerosol packaging, mostly printed, for the hair care, skin care, body care, household and automotive markets.

The Paints and Coatings business unit produces a wide range of highly decorated steel packaging with convenience and safety features for a variety of chemical products, including paints, wood care finishes and speciality chemicals.

The Dairy and Custom business unit produces cans for powdered foods (mainly powdered milk, infant foods and coffee) and specialised packaging for beer and other products.

Corporate Costs

Corporate Costs comprises unallocated head office and other expenses that arise at a Group level and relate to the Group as a whole, including its research activities.

Accounting policies

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance based on the Adjusted Operating Profit and Adjusted EBITDA attributable to each segment. Net operating assets are defined as the total of property, plant and equipment and trade working capital. Transfer pricing between business segments is set on an arm's length basis in a manner similar to transactions with third parties. Segment

4 Segmental information (Continued)

revenue and segment result include transfers between business segments. These transfers are eliminated in consolidation.

The Group's geographical segments are based on the location of the Group's assets. However revenue is disclosed based on the geographical location of the customers.

Business segments

Segmental information for 2009, 2008 and 2007 for the Group's business segments is as follows:

	Processed Food	International	Specialities	Corporate costs unallocated	Eliminations	Total
	€m	€m	€m	€m	€m	€m
Year ended 31 December 2009						
Revenues from external customers	928.0	330.4	497.8	—	—	1,756.2
Internal revenues	75.9	—	21.7	—	(97.6)	—
Corporate costs (including R&D)	—	—	—	(20.0)	—	(20.0)
Contingent Transaction Charges	—	—	—	(21.9)	—	(21.9)
Depreciation and amortisation	(32.2)	(13.2)	(15.4)	(6.1)	—	(66.9)
Restructuring expenses	(8.4)	(2.5)	(14.4)	(2.9)	—	(28.2)
Impairment charges	(5.1)	(2.1)	(3.9)	(0.2)	—	(11.3)
Operating profit/(loss)	96.4	23.9	49.5	(51.1)	—	118.7
Adjusted Operating profit	109.9	28.5	67.8	(26.1)	—	180.1
Adjusted EBITDA	142.1	41.7	83.2	(20.0)	—	247.0
Net operating assets	374.4	143.9	235.8	(24.7)	—	729.4
Capital expenditure net of proceeds	33.6	17.3	18.0	11.2	—	80.1
Year ended 31 December 2008						
Revenues from external customers	886.2	324.4	521.1	—	—	1,731.7
Internal revenues	64.3	—	19.7	—	(84.0)	—
Corporate costs (including R&D)	—	—	—	(14.5)	—	(14.5)
Contingent Transaction Charges	—	—	—	(2.4)	—	(2.4)
Depreciation and amortisation	(33.5)	(11.4)	(17.7)	(4.6)	—	(67.2)
Restructuring expenses	(6.2)	(1.0)	(19.2)	(1.1)	—	(27.5)
Impairment charges	(1.3)	(0.3)	(5.7)	—	—	(7.3)
Operating profit/(loss)	81.9	40.3	29.2	(22.6)	—	128.8
Adjusted Operating profit	89.4	41.6	54.1	(19.1)	—	166.0
Adjusted EBITDA	122.9	53.0	71.8	(14.5)	—	233.2
Net operating assets	332.4	127.6	251.6	21.5	—	733.1
Capital expenditure net of proceeds	33.1	14.0	33.0	6.5	—	86.6
Year ended 31 December 2007						
Revenues from external customers	880.9	196.4	558.1	—	—	1,635.4
Internal revenues	70.3	—	23.4	—	(93.7)	—
Corporate costs (including R&D)	—	—	—	(14.8)	—	(14.8)
Contingent Transaction Charges	—	—	—	(14.8)	—	(14.8)
Depreciation and amortisation	(35.2)	(9.8)	(18.8)	(4.2)	—	(68.0)
Restructuring expenses	(8.9)	—	(6.9)	(0.5)	—	(16.3)
Impairment charges	(8.3)	—	(0.8)	(3.2)	—	(12.3)
Operating profit/(loss)	67.1	19.7	57.2	(37.5)	—	106.5
Adjusted Operating profit	84.3	19.7	64.9	(19.0)	—	149.9
Adjusted EBITDA	119.5	29.5	83.7	(14.8)	—	217.9
Net operating assets	361.0	130.5	245.8	16.3	—	753.6
Capital expenditure net of proceeds	47.9	10.1	35.3	8.6	—	101.9

4 Segmental information (Continued)

During June 2009, Impress split its Processed Food segment into two segments: The Processed Food segment now combines our Food and Seafood business units and an International segment combines the North America and Australasia business units. The segmental information for 2008 and 2007 has been restated in order to be comparable with information presented in 2009.

The revenues and operating profit/(loss) per reportable segment agree in aggregate to the consolidated totals per the financial statements.

Geographical breakdown

The following tables present a geographical breakdown of revenue and certain asset information for the years ended 31 December 2009, 2008 and 2007:

Revenue	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Germany	**323.0**	314.8	313.9
France	**220.2**	209.3	240.3
Netherlands	**188.9**	183.9	172.6
Other European countries	**586.0**	598.1	600.7
Rest of the world	**438.1**	425.6	307.9
	1,756.2	1,731.7	1,635.4

The allocation of external customer revenue by country is based on the location of Impress' customers and is disclosed separately for those countries whose turnover exceeds 10 per cent of that of the Group.

Non-Current Assets	31 December 2009	31 December 2008	31 December 2007
	€m	€m	€m
Germany	**114.9**	113.2	113.2
France	**98.2**	102.6	106.0
Netherlands	**113.4**	108.3	96.2
Other European countries	**164.3**	161.5	171.8
Rest of the world	**136.2**	119.1	122.1
	627.0	604.7	609.3

The non current assets above exclude deferred tax assets, loans and goodwill. The Group believes that goodwill cannot be attributed to an individual country due to the international nature of the Group and its acquisitions.

5 Expenses

Included in cost of sales are material costs of €870.3 million for the year ended 31 December 2009 (2008: €830.0 million, 2007: €781.4 million).

5 Expenses (Continued)

Functions of expense

The Group has elected to present depreciation and amortisation, restructuring expenses and impairment of property, plant and equipment and intangible fixed assets, separately on the face of the income statement. Had these expenses been allocated to the functions of expense, the allocation would have been as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Depreciation and amortisation			
Cost of sales	**60.8**	62.8	64.0
Selling and administrative expenses	**1.5**	1.1	1.1
Research expenses	**4.6**	3.3	2.9
	66.9	67.2	68.0

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Restructuring expenses			
Cost of sales	**25.3**	27.5	16.3
Selling and administrative expenses	**2.4**	—	—
Research expenses	**0.5**	—	—
	28.2	27.5	16.3
Impairment charges			
Cost of sales	**11.3**	7.3	12.3

Employee benefit costs

Details of employee benefit expenses are as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Payroll	**268.5**	275.9	270.1
Social security	**54.7**	56.3	56.4
Pension	**10.4**	10.8	11.4
Contingent Transaction Charge(1)	**21.9**	2.4	14.8
Other	**10.3**	17.4	13.1
	365.8	362.8	365.8

(1) In connection with the Refinancing in September 2006 (see note 17—Debt), certain managers became entitled to one-off payments totalling €16.0 million in 2006. Certain managers were also invited to subscribe for the Coop's A Participation Interests issued at the same date. These managers also received a right to a contingent payment, linked to the value of the Coop's B Participation Interests and payable in the event of Doughty Hanson's realisation of its B Participation Interests. This contingent, non-recurring payment (together with the 2006 €16.0 million Refinancing payments described above, the

5 Expenses (Continued)

"Contingent Transaction Charges") has been recognised on a pro rata basis from 22 September 2006 until the expected date of the Company's proposed listing on the London Stock Exchange ("Admission") of 30 September 2010. The total amount payable upon Admission is expected to be approximately €68 million.

Employee benefit costs exclude termination benefits which are recorded as part of restructuring expenses.

Compensation of key management personnel of the Group

The Group considers the business segment and function heads to be the key senior management of the Group. These individuals are also members of the Group's Executive Committee. The following table summarises the compensation received by the key senior management:

	Year ended 31 December	
	2009	**2008**
	(in € millions)	
Short-term employee benefits	**3.5**	3.3
Post-employment pension benefits	**0.3**	0.3
	3.8	3.6

In addition, the key managers are eligible to receive a contingent payment linked to the value of the Coop's B Participation Interests and payable in the event of Doughty Hanson's realisation of its B Participation Interests (see above). It is expected that, the contingent payment payable to the key managers upon Admission will be approximately €48.3 million, and employers' social charges of €3.0 million.

6 Restructuring provision

As well as reducing the handicap of specific high cost environments, the continuing restructuring of the business, supported by appropriate capital expenditures, is intended to focus capital intensive and technically advanced processes on a reduced number of sites, optimise logistics and handling systems and reposition the business around more profitable customers and products.

6 Restructuring provision (Continued)

The movements in the restructuring provisions were as follows:

	Employee costs	Lease termination and other closure costs	Total
	€m	€m	€m
2007			
Net Balance at 1 January 2007	12.5	0.2	12.7
Cash utilisation	(16.8)	(0.2)	(17.0)
Charged to income	16.1	0.2	16.3
Transferred to assets	(0.3)	(0.1)	(0.4)
Discount rate adjustment	1.2	—	1.2
Net Balance at 31 December 2007	**12.7**	**0.1**	**12.8**
Short term liability	8.1	0.1	8.2
Long term liability	4.6	—	4.6
2008			
Net Balance at 1 January 2008	12.7	0.1	12.8
Cash utilisation	(12.4)	(5.0)	(17.4)
Charged to income	21.7	5.8	27.5
Utilisation (non-cash)	(0.3)	(0.5)	(0.8)
Discount rate adjustment	(0.4)	—	(0.4)
Transferred from liabilities	1.1	—	1.1
Foreign currency translation	0.2	—	0.2
Net Balance at 31 December 2008	**22.6**	**0.4**	**23.0**
Short term liability	20.4	0.4	20.8
Long term liability	2.2	—	2.2
2009			
Net Balance at 1 January 2009	22.6	0.4	23.0
Cash utilisation	(25.5)	(0.6)	(26.1)
Charged to income	27.5	0.7	28.2
Discount rate adjustment	0.2	—	0.2
Transfer against liabilities	(0.3)	—	(0.3)
Foreign currency translation	0.1	0.3	0.4
Net balance at 31 December 2009	**24.6**	**0.8**	**25.4**
Short term liability	22.4	0.4	22.8
Long term liability	2.2	0.4	2.6

7 Net finance cost

Net finance cost comprised the following:

Interest income and expense at amortised cost	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Interest expense	**(71.3)**	(93.5)	(83.2)
Interest income	**1.1**	1.3	0.4
Net interest expense	**(70.2)**	(92.2)	(82.8)
Amortisation of deferred costs	**(13.3)**	(5.5)	(5.5)
Defined benefit obligation finance expenses	**(7.5)**	(5.3)	(0.9)
Expenses related to initial public offering	**—**	(1.3)	(10.6)
Exchange differences on loans	**(3.7)**	0.4	(0.4)
Other financial income/(costs)	**(1.3)**	0.1	(2.2)
Net finance cost	**(96.0)**	(103.8)	(102.4)

In 2009, the Company recognised an additional amortisation charge of €7.1 million in respect of deferred finance fees due to the Company's intention to list on the London Stock Exchange and to use a significant portion of the associated proceeds to redeem parts of its debt.

8 Taxation

Income tax expense consists of:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Current income taxes	**(13.2)**	(2.8)	(0.5)
Deferred income taxes	**7.6**	(5.6)	(10.2)
	(5.6)	(8.4)	(10.7)

See note 16.2—***Other reserves*** for tax recognised directly in equity.

8 Taxation (Continued)

Pre-tax income at weighted average statutory rates reconciles to the tax provision as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Pre-tax income at blended tax rate for the year ended 31 December 2009: 16.9% (2008: 28.0%, 2007: 60.9%)	**(2.9)**	(7.0)	(2.5)
Non deductible expenses / exempted income	**1.3**	(0.5)	(2.1)
Net operating loss utilisation and adjustments	**(1.1)**	—	—
Changes in tax rate applied	**0.5**	0.3	(1.4)
Taxes levied on other measurements of income	**(4.1)**	(5.8)	(5.5)
Adjustments related to prior years	**0.8**	4.0	(0.5)
Other	**(0.1)**	0.6	1.3
Effective tax rate for the year ended 31 December 2009: 24.6% (2008: 33.6%, 2007: 261.0%)	**(5.6)**	(8.4)	(10.7)

The blended income tax rate is the tax rate that would result from applying each subsidiary's statutory income tax rate to the income from continuing operations before taxes and minority interest. The Group operates in countries that have differing tax laws and rates. Consequently, the consolidated effective and blended income tax rate will vary from year to year according to the source of earnings or losses by country.

Cash paid for income taxes during the year ended 31 December 2009 amounted to €14.5 million (2008: €14.4 million, 2007: €11.8 million).

As of 31 December 2009, the Company had tax losses of €250.0 million (2008: €211.9 million, 2007: €210.6 million) available for offset against future taxable profits of the fiscal groups in which the losses arose. €131.0 million of these loss carry forwards have no expiration date (31 December 2008: €144.9 million, 2007: €159.7 million) and a substantial portion of the carry forwards with no expiration date have arisen in France. Where tax losses are subject to expiry dates, the expiry profile is as follows:

Year of expiry of tax loss	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
2008	**—**	—	2.6
2009	**—**	—	0.5
2010	**1.2**	0.6	2.9
2011	**1.7**	0.3	3.7
2012	**2.7**	3.8	—
2013	**3.9**	—	—
2014 and thereafter	**109.5**	62.3	41.2
	119.0	67.0	50.9

The Group has recognised deferred tax assets in respect of those tax losses which are expected to be utilised in future periods.

8 Taxation (Continued)

At 31 December 2009, the Group had recognised the tax effect of net operating loss carry forwards of approximately €121.3 million (2008: €99.6 million, 2007: €114.0 million) giving rise to deferred tax assets of €31.4 million (2008: €33.2 million, 2007: €26.4 million). The amount of tax losses for which the Group has not recognised a deferred tax asset as of 31 December 2009 is €128.7 million (31 December 2008: €112.3 million, 2007: €96.6 million).

Deferred income taxes are determined using the enacted tax rates at year-end and relate to the following temporary differences:

	Year ended 31 December 2009	Year ended 31 December 2008
	€m	€m
Deferred tax assets		
Net operating losses	**31.4**	33.2
Employee benefit liabilities	**23.7**	21.3
Property, plant and equipment	**1.3**	0.3
Inventory	**2.2**	2.9
Restructuring provisions	**1.8**	0.6
Bad debt provisions	**1.8**	0.9
Fair value of financial instruments	**3.0**	11.0
Provision for obsolescence	**2.2**	—
Intangible assets	**1.3**	0.5
Other	**3.9**	4.7
Subtotal	**72.6**	75.4
Deferred tax offset	**(23.6)**	(22.8)
Total deferred tax assets	**49.0**	52.6
Deferred tax liabilities		
Property, plant and equipment	**33.2**	35.2
Inventory	**6.9**	8.3
Deferred finance fees	**2.5**	5.8
Currency translation adjustment	**8.0**	5.0
Capitalised development costs	**5.6**	4.4
Employee related	**0.3**	2.5
Other	**2.7**	2.3
Subtotal	**59.2**	63.5
Deferred tax offset	**(23.6)**	(22.8)
Total deferred tax liabilities	**35.6**	40.7
Net deferred income tax liabilities	**13.4**	11.9

Offsets relate to deferred tax assets and liabilities within the same tax jurisdiction and/or tax paying unit.

8 Taxation (Continued)

The deferred income taxes included in the income statement are as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Bad debt expenses	**2.2**	(1.5)	1.1
Environmental expenses	**—**	(0.1)	(0.1)
Property, plant and equipment	**1.4**	(1.4)	3.9
Intangible assets	**0.8**	(0.1)	(3.9)
Inventory	**0.7**	—	(0.4)
Deferred finance fees	**2.1**	—	—
Net operating loss utilisation	**(4.4)**	(4.0)	(6.0)
Employee related	**5.8**	(0.6)	(2.0)
Restructuring	**(1.1)**	(1.0)	0.1
Other	**0.1**	3.1	(2.9)
	7.6	(5.6)	(10.2)

9 Property, plant and equipment

Movements on property, plant and equipment are as follows:

	Land	Buildings	Plant & machinery	Other	Total
	€m	€m	€m	€m	€m
2007					
Net balance at 1 January 2007	45.3	84.1	344.1	11.2	484.7
Additions	3.8	9.1	83.6	1.7	98.2
Acquisitions	0.6	2.8	54.9	—	58.3
Disposals	(0.3)	(0.2)	(3.3)	(0.1)	(3.9)
Impairment	(3.0)	(0.2)	(3.3)	—	(6.5)
Net movement in spare parts	—	—	2.5	—	2.5
Depreciation charge for the year	—	(4.5)	(52.6)	(2.1)	(59.2)
Foreign currency translation	(0.3)	(0.5)	(7.3)	(0.5)	(8.6)
Net balance at 31 December 2007	46.1	90.6	418.6	10.2	565.5
Cost	46.1	132.4	786.4	46.4	1,011.3
Accumulated depreciation	—	(41.8)	(367.8)	(36.2)	(445.8)
Net carrying amount	46.1	90.6	418.6	10.2	565.5
2008					
Net balance at 1 January 2008	46.1	90.6	418.6	10.2	565.5
Additions	—	9.0	71.1	3.3	83.4
Acquisitions	(0.7)	0.9	(0.3)	—	(0.1)
Disposals	(0.4)	(0.7)	(0.7)	(0.1)	(1.9)
Impairment	—	—	(6.6)	—	(6.6)
Depreciation charge for the year	—	(5.3)	(50.8)	(2.1)	(58.2)
Foreign currency translation	(0.6)	(3.0)	(17.6)	0.1	(21.1)
Net balance at 31 December 2008	44.4	91.5	413.7	11.4	561.0

9 Property, plant and equipment (Continued)

	Land	Buildings	Plant & machinery	Other	Total
	€m	€m	€m	€m	€m
Cost	44.4	137.5	816.9	49.3	1,048.1
Accumulated depreciation	—	(46.0)	(403.2)	(37.9)	(487.1)
Net carrying amount	44.4	91.5	413.7	11.4	561.0
2009					
Net balance at 1 January 2009	44.4	91.5	413.7	11.4	561.0
Additions	—	0.4	69.7	0.5	70.6
Acquisitions	—	—	2.0	—	2.0
Disposals	(0.1)	—	(0.8)	(0.1)	(1.0)
Impairment	—	—	(10.3)	(0.1)	(10.4)
Transfers	—	—	0.8	0.7	1.5
Reclassification	3.8	(4.2)	(2.5)	2.9	—
Depreciation charge for the year	—	(5.5)	(50.8)	(1.8)	(58.1)
Foreign currency translation	0.2	1.5	10.5	(0.1)	12.1
Net balance at 31 December 2009	48.3	83.7	432.3	13.4	577.7
Cost	48.3	140.2	883.2	50.9	1,122.6
Accumulated depreciation	—	(56.5)	(450.9)	(37.5)	(544.9)
Net carrying amount	48.3	83.7	432.3	13.4	577.7

Depreciation expense during the year ended 31 December 2009 was €58.1 million (2008: €58.2 million, 2007: €59.2 million). The expense of 2009 was net of a €5.9 million decrease (2008: €7.6 million) resulting from the review in 2008 of the remaining useful lives of the assets.

The amount of finance leases reported as capital assets, net of accumulated depreciation, at 31 December 2009 was €11.0 million (2008: €13.8 million, 2007: €16.1 million) and predominantly represented buildings (€8.7 million) and production plant and machinery (€2.3 million). The gross amount of these assets at 31 December 2009 was €11.8 million (2008: €25.7 million, 2007: €26.7 million). The depreciation of assets held under finance leases charged in the year ended 31 December 2009 was €0.5 million (2008: €1.5 million, 2007: €1.4 million).

The Company recognised asset impairment charges of €10.4 million in 2009 (2008: €6.6 million, 2007: €6.5 million). These non-cash charges related to the write-down of under-utilised or surplus manufacturing assets to their recoverable amount in Processed Food (€4.4 million), International (€2.1 million) and Specialities (€3.9 million). The recoverable amount was determined using expected future cash flows associated with the asset, discounted at the rate of 9.69%, and then compared to the carrying value.

The vast majority of the Group's property, plant and equipment is pledged as security under the terms and conditions of the Group's credit agreements. See note 17—***Debt*** for further details.

During 2009, the Group sold certain redundant production assets for aggregate proceeds of €2.1 million (2008: €2.5 million).

Included within land is the carrying value of non-current assets which the Group is trying to sell, of €8.2 million at 31 December 2009 (2008: €8.2 million, 2007: €8.2 million) in respect of the Group's property held for disposal in Düsseldorf, Germany (€7.0 million) and Itzehoe, Germany (€1.2 million).

Negotiations for the sale of both these sites are continuing. During the year ended 31 December 2007 the Group recorded an impairment charge of €3.0 million in respect of the Düsseldorf property.

10 Intangible assets

Movements on intangible assets are as follows:

	Goodwill	Computer software and other(2)	Development costs	Patents, trademarks and licenses	Total
	€m	€m	€m	€m	€m
2007					
Net balance at 1 January 2007	177.5	23.8	9.7	0.5	211.5
Additions	—	5.3	3.6	0.4	9.3
Acquisitions(1)	24.2	—	—	—	24.2
Impairment	(7.6)	—	(0.2)	—	(7.8)
Amortisation charge for the year	—	(6.8)	(1.9)	(0.1)	(8.8)
Foreign currency translation	(3.5)	(0.9)	—	—	(4.4)
Net balance at 31 December 2007	190.6	21.4	11.2	0.8	224.0
Cost	284.6	48.4	15.3	1.9	350.2
Accumulated amortisation and impairment	(94.0)	(27.0)	(4.1)	(1.1)	(126.2)
Net carrying amount	190.6	21.4	11.2	0.8	224.0
2008					
Net balance at 1 January 2008	190.6	21.4	11.2	0.8	224.0
Additions	—	3.9	3.9	—	7.8
Acquisitions	(4.7)	4.6	—	—	(0.1)
Impairment	(0.5)	(0.2)	—	—	(0.7)
Amortisation charge for the year	—	(6.7)	(2.2)	(0.1)	(9.0)
Foreign currency translation	(13.3)	(2.7)	—	—	(16.0)
Net balance at 31 December 2008	172.1	20.3	12.9	0.7	206.0
Cost	266.6	53.4	19.2	1.9	341.1
Accumulated amortisation and impairment	(94.5)	(33.1)	(6.3)	(1.2)	(135.1)
Net carrying amount	172.1	20.3	12.9	0.7	206.0
2009					
Net balance at 1 January 2009	172.1	20.3	12.9	0.7	206.0
Additions	0.5	6.4	3.7	1.0	11.6
Acquisitions	2.9	—	—	—	2.9
Disposals	—	(0.3)	—	(0.4)	(0.7)
Impairment	—	(0.7)	(0.2)	—	(0.9)
Amortisation charge for the year	—	(5.7)	(3.1)	—	(8.8)
Foreign currency translation	4.6	1.1	—	—	5.7
Net balance at 31 December 2009	180.1	21.1	13.3	1.3	215.8
Cost	274.6	52.6	25.0	2.9	355.1
Accumulated amortisation and impairment	(94.5)	(31.5)	(11.7)	(1.6)	(139.3)
Net carrying amount	180.1	21.1	13.3	1.3	215.8

(1) Including an amount of €1.7 million reduction of Goodwill relating to the 2006 Acquisitions.

(2) Included within computer, software and other is an amount of €12.7 million for customer contracts at 31 December 2009 (31 December 2008: €12.3 million, 2007: €14.7 million).

10 Intangible assets (Continued)

Intangible assets with definite lives have remaining lives of one to ten years. Total amortisation of amortisable intangibles of €8.8 million was charged in 2009 (2008: €9.0 million, 2007: €8.8 million).

Included within intangible assets was an amount of €11.1 million in respect of the capitalisation of internal development costs (2008: €7.8 million, 2007: €9.3 million).

Goodwill acquired through acquisitions has been allocated to cash generating units as follows:

	Food Europe	Seafood	Australasia	Specialities	Total
	€m	€m	€m	€m	€m
Balance at 1 January 2007	**65.0**	**57.9**	**—**	**54.6**	**177.5**
Acquisitions	(1.7)	—	25.9	—	24.2
Impairment	(7.6)	—	—	—	(7.6)
Foreign currency translation	(2.6)	—	(0.9)	—	(3.5)
Balance at 31 December 2007	**53.1**	**57.9**	**25.0**	**54.6**	**190.6**
Acquisitions	(1.1)	—	(3.6)	—	(4.7)
Impairment	(0.5)	—	—	—	(0.5)
Foreign currency translation	(8.3)	—	(5.0)	—	(13.3)
Balance at 31 December 2008	**43.2**	**57.9**	**16.4**	**54.6**	**172.1**
Acquisitions	—	2.9	—	—	2.9
Additions	—	—	0.5	—	0.5
Foreign currency translation	1.7	—	2.9	—	4.6
Balance at 31 December 2009	**44.9**	**60.8**	**19.8**	**54.6**	**180.1**

The €2.9 million increase to goodwill in 2009 relates to the acquisition of the operations of Megasa in Spain (see note 3—***Business combinations***).

The €4.7 million reduction to goodwill in 2008 relates to the finalisation of acquisition accounting in respect of acquisitions made in previous years.

The €24.2 million addition to goodwill in 2007 relates to the acquisition of Amcor Limited's Food Can and Aerosol business in Australia and New Zealand (see note 3—***Business combinations***) as well as the finalisation of acquisition accounting in respect of the acquisitions made in 2006.

Following a weak performance in our Russian operations and a continuing deterioration in market outlook, the Group's Food Europe business unit recorded a net goodwill impairment charge of €5.6 million in the third quarter of 2007 (€7.6 million impairment charge less a release of deferred consideration amounting to €2.0 million), in respect of goodwill arising on its investment in Sofrinskaya Banka LLC. The remaining €0.5 million of goodwill was written off in the fourth quarter of 2008 following the Company's decision to close completely its facility Sofrino in Russia.

With the exception of these impairment charges, the annual impairment reviews performed in 2009, 2008 and 2007 determined that there was no evidence of any goodwill impairment.

The recoverable amounts of all CGU's were determined based on value in use calculations. The cash flow projections used in these calculations were based on the financial budget for 2010 and the plans for 2011, approved by senior management. Cash flows beyond the two year period have been extrapolated using a real growth rate of 1% (2008: 1%).

10 Intangible assets (Continued)

Key assumptions used in the recoverable amount calculation include:

- Sales and margins—Forecasts are based on CGU level analyses of sales, markets, costs and competitors for the budget period. Consideration was given to past experience, knowledge of current contracts and the expected improvements following capital expenditure projects and synergies achieved from the integration of acquisitions;
- Raw materials and inflation—Forecasts for aluminum are based on forward prices at the time the budget period projections were prepared and take into account pass through of costs and hedging effects. Forecasts for other raw materials and energy are based on inflation forecasts and supply and demand factors;
- Weighted average cost of capital—A rate of 9.69% (2008: 9.69%) has been assumed for all CGU's based on the Company's capital structure at 31 December 2009.

Management believes that no reasonable possible change in any of the above key assumptions would cause the carrying value to materially exceed its recoverable amount. The weighted average cost of capital would have to change by more than 3% points before the recoverable amount of any of the CGU's would be lower than the carrying value.

11 Other long term Assets

Financial Assets

	31 December 2009	31 December 2008
	€m	€m
Minority investment China	**3.5**	3.5
Other minority investments	**0.3**	0.2
	3.8	3.7

On 21 December 2007 the Company made a loan of US$5.5 million (€3.5 million) to ORG, one of China's leading can manufacturers. During 2008, the Company converted this loan into 4% of ORG's equity. The company still holds certain preferential rights regarding possible future share issuance by ORG.

Other non current assets

	31 December 2009	31 December 2008
	€m	€m
Pension Assets	**4.5**	5.3
Deferred finance fees	**3.7**	—
Deposits	**0.6**	0.1
Deferred compensation	**0.1**	0.3
Other long term Assets	**0.9**	0.4
	9.8	6.1

12 Inventories

Inventories comprised the following:

	31 December 2009	31 December 2008
	€m	€m
Finished goods	**93.2**	95.2
Work in progress	**55.5**	62.0
Raw materials	**68.4**	82.5
Packaging materials	**11.7**	10.7
	228.8	250.4

Provisions against the carrying value of inventories recognised as an expense in the year ended 31 December 2009 were €3.5 million (2008: €1.1 million expense; 2007: €2.4 million income). This expense/income is included within cost of sales.

13 Trade and other receivables

Accounts receivable comprised the following:

	31 December 2009	31 December 2008
	€m	€m
Accounts receivable	**222.7**	232.7
Provision for doubtful accounts	**(12.7)**	(12.4)
	210.0	220.3

Accounts receivable are non-interest bearing and are generally on terms of between 15–120 days.

The following table shows the development of the provision for doubtful accounts:

	31 December 2009	31 December 2008
	€m	€m
Allowances as of 1 January	**(12.4)**	(9.9)
Foreign currency translation	**—**	0.3
Additions (allowances recognised as expense)	**(3.5)**	(3.7)
Use	**2.1**	0.9
Reversal	**1.1**	—
Allowances as of 31 December	**(12.7)**	(12.4)

13 Trade and other receivables (Continued)

The split of the gross accounts receivable by due date is as follows:

	31 December 2009			31 December 2008		
	Gross	Allowance	Net balance	Gross	Allowance	Net balance
		€m			€m	
Current	**181.0**	**—**	**181.0**	188.2	—	188.2
Within 30 days of due date	**18.4**	**—**	**18.4**	19.3	(0.1)	19.2
Greater than 30 days past due date	**8.0**	**(3.7)**	**4.3**	8.3	(0.1)	8.2
Greater than 90 days past due date	**3.4**	**(1.1)**	**2.3**	5.4	(1.1)	4.3
Greater than 6 months past due date	**1.5**	**(1.1)**	**0.4**	1.2	(0.8)	0.4
Greater than 1 year past due date	**10.4**	**(6.8)**	**3.6**	10.3	(10.3)	—
	222.7	**(12.7)**	**210.0**	232.7	(12.4)	220.3

Sale of receivables

In December 2009, the Group entered into a limited recourse receivables financing with GE Factofrance, whereby it may sell in aggregate up to €100 million (at any one time) of its receivables at 100 per cent of their face value, less certain reserves and commissions. The proceeds from the sale of receivables can be applied for the general corporate and working capital purposes of the Group. It has an initial three year term with an annual extension option up to a maximum total term of six years. The Company has granted security over its collection accounts which are controlled by GE Factofrance.

14 Prepaid expenses and other current assets

Prepaid expenses and other current assets comprised:

	31 December 2009	31 December 2008
	€m	€m
Value added tax	**1.8**	6.4
Other taxes	**1.6**	5.5
Discounts from suppliers	**15.6**	2.5
Prepaid expenses and other	**24.8**	24.2
	43.8	38.6

15 Cash and cash equivalents

Cash and cash equivalents comprised the following:

	31 December 2009	31 December 2008
	€m	€m
Cash at banks and in hand	**188.4**	97.6

Included within cash and cash equivalents are restricted cash balances amounting to €14.3 million (2008: €11.1 million), substantially in relation to the construction of our new US plant. Cash at banks

15 Cash and cash equivalents (Continued)

earns interest at variable rates based on the euro overnight index average (eonia) rates. The fair value of cash and cash equivalents as of 31 December 2009 was €188.4 million (2008: €97.6 million).

16 Capital and reserves

16.1 Current capital structure

Impress Coöperatieve U.A. was incorporated on 4 September 2006. On 22 September 2006, it acquired Impress Holdings, the former holding company of the Impress group. As there was no ultimate change of control, Impress Coop accounted for this acquisition as a "pooling of interests". As such, the assets and liabilities of Impress Holdings are consolidated at their historical net book values and the resultant excess of purchase price over the net book value of assets and liabilities acquired was written off against equity.

Membership and Participation Interests

Impress Coop has five classes of members, Members A-1, Members A-2, Members A-3 (collectively, Members A), Members B and Members C and three classes of Participation Interests, A Participation Interests (held by Members A), B Participation Interests (held by Members B) and C Participation Interests (held by Members C).

No member or former member, and no holder or former holder of any Participation Interests, shall be liable for any deficits of Impress Coop.

At 31 December 2009, Impress Coop had issued 315,471,711 Participation Interests with a nominal value of €1.00. During the year ended 31 December 2008, the Company repurchased 82,528 A Participation Interests which were reserved for future issue and then issued in 2009. No Participation Interests were reserved at 31 December 2009 (2008: 82,528, 2007: nil). The movement per membership class is as follows:

	A Participations	B Participations	C Participations	Total
Balance at 1 January 2007	12,230,101	169,500,000	81,000,000	262,730,101
Changes during 2007	269,000	—	15,309,754	15,579,654
Balance at 31 December 2007	12,500,001	169,500,000	96,309,754	278,309,755
Changes during 2008	(82,528)	—	17,068,496	16,985,968
Balance at 31 December 2008	12,417,473	169,500,000	113,378,250	295,295,723
Changes during 2009	82,528	—	20,093,460	20,176,988
Balance at 31 December 2009	12,500,001	169,500,000	133,471,710	315,471,711

Distributions, allocations of profits and reserves

The A Participation Interests carry no right to a fixed distribution.

The B Participation Interests accrue distributions at a rate of 6 per cent per annum.

16.1 Current capital structure (Continued)

The C Participation Interests accrue distributions at a rate of 17 per cent per annum. However, with effect from 15 October 2009 the rate rises to 22 per cent per annum for each distribution period where the ratio of net debt to EBITDA, as defined in Impress Coop's Articles of Association, exceeds 4.0 to 1.0. The rate paid by Impress Cooperative did rise to 22% for the six month distribution period commencing 15 October 2009. Distributions on the C Participation Interests will be made regardless of whether the reserves maintained for the benefit of the C Members suffice and will be payable, at Impress Coop's option, either in cash or by issuing additional C Participation Interests having an aggregate nominal value equal to the amount of such distributions. Since issuance, the Company has never paid distributions in cash.

Profits and losses shall be allocated to reserves for the benefit of the A Members, the B Members and the C Members. Profits are allocated first to the reserves maintained for the benefit of the C Members, second to the reserves maintained for the benefit of the B Members (in an amount equal to 6 per cent of the amount from time to time standing to the credit in the reserves maintained for the benefit of the B Members), and third for the benefit of the A Members.

Losses are allocated first to the general reserve (to the extent there is one), second to the reserves maintained for the benefit of the A Members, third to the reserves maintained for the benefit of the B Members and fourth to the reserves maintained for the benefit of the C Members.

Distributions made from the respective reserves can only be made pursuant to a resolution of the general meeting upon a proposal of the holders of the class of members that have an interest in the reserve from which the distribution is proposed. Interim distributions can be made on account of expected profits during any financial year, provided that they shall first be paid to the Members C in an amount determined in accordance with Impress Coop's Articles. The remainder, if any, may be paid to the Members B and the Members A.

Voting rights

In a general meeting, each Member A is entitled to cast 1,000 votes per A Participation Interest held by such member, each Member B is entitled to cast 10 votes per B Participation Interest held by such member and each Member C is entitled to cast 1 vote per C Participation Interest held by such member.

In addition to a general meeting, holders of memberships of a particular class may have meetings of the members of that particular class. In such meeting, each member entitled to vote has a single vote for each Participation Interest held.

16.2 Other reserves

Other reserves

The movements within other reserves are as follows:

	Pooling reserve	Cash flow hedge reserve	Foreign currency translation reserve	Total
	€m	€m	€m	€m
At 1 January 2007	**(531.6)**	**0.3**	**3.0**	**(528.3)**
Net movement in value of cash flow hedges	—	(2.8)	—	(2.8)
Tax effect on net movement in value of cash flow hedges	—	1.2	—	1.2
Cumulative translation adjustment	—	—	3.8	3.8
Tax effect on cumulative translation adjustment	—	—	(0.6)	(0.6)
At 31 December 2007	**(531.6)**	**(1.3)**	**6.2**	**(526.7)**
Net movement in value of cash flow hedges	—	(29.4)	—	(29.4)
Tax effect on cash flow hedges adjustment	—	9.9	—	9.9
Cumulative translation adjustment	—	—	(4.8)	(4.8)
Tax effect on cumulative translation adjustment	—	—	0.4	0.4
Reclassification Minority Share	(0.9)	—	—	—
At 31 December 2008	**(532.5)**	**(20.8)**	**1.8**	**(551.4)**
Net movement in value of cash flow hedges	—	27.4	—	27.4
Tax effect on cash flow hedges adjustment	—	(10.5)	—	(10.5)
Cumulative translation adjustment	—	—	7.4	7.4
Tax effect on cumulative translation adjustment	—	—	(0.3)	(0.3)
At 31 December 2009	**(532.5)**	**(3.9)**	**8.9**	**(527.5)**

17 Debt

Long term debt comprised:

	31 December 2009	31 December 2008
	€m	€m
Secured Notes	**736.5**	740.7
Subordinated Notes	**250.0**	250.0
Australasian Senior Bank Facility	**67.3**	55.0
Finance lease obligations	**6.9**	7.6
US Finance Facility	**18.3**	—
Other long term debts	**2.0**	—
	1,081.0	1,053.3
Deferred finance fees	**(15.4)**	(27.4)
Total long term borrowings	**1,065.6**	1,025.9
Current portion of long term debt	**(5.1)**	(1.9)
Long term debt	**1,060.5**	1,024.0

17 Debt (Continued)

Short term debt comprised:

	31 December 2009	31 December 2008
	€m	€m
Current portion of long term debt	**5.1**	1.9
Other short term borrowings	**4.8**	8.5
Receivables factoring (Italy)	**13.6**	—
Australasian Senior Bank Facility—trade working capital tranche	**—**	5.7
Short term debt	**23.5**	16.1

Debt maturity profile

The aggregate annual maturities of long term debt based on contractual maturities (including capital lease obligations—see note 21—***Commitments and contingencies***) as of 31 December 2009 were as follows:

	31 December 2009	31 December 2008
	€m	€m
2009	**—**	1.9
2010	**5.1**	4.7
2011	**7.9**	4.9
2012	**5.7**	5.2
2013	**798.9**	784.0
2014	**251.8**	252.6
2015 and thereafter	**11.6**	—
Total	**1,081.0**	1,053.3

2006 refinancing

On 22 September 2006, the Company issued €615.0 million of Senior Secured Floating Rate Notes due 2013, $175.0 million (€137.7 million at the then prevailing exchange rate) of Senior Secured Floating Rate Notes due 2013 (together "the Secured Notes") and €250.0 million of 9¼% Senior Subordinated Notes due 2014 ("the Subordinated Notes").

Senior Secured Floating Rate Notes

The Secured Notes were issued by Impress Holdings and are guaranteed by certain of its subsidiaries on a senior basis and are secured by a security interest in substantially all of the guarantors' assets. The euro-denominated Secured Notes bear interest at a rate of three-month EURIBOR plus 312.5 basis points per year. The US dollar denominated Secured Notes bear interest at a rate of three-month LIBOR plus 312.5 basis points per year. The interest on the Secured Notes is payable quarterly on 15 January, 15 April, 15 July and 15 October. The fair value of the Secured Notes approximated €710.7 million at 31 December 2009 (2008: €568.5 million).

The Secured Notes are scheduled to be repaid in one instalment on 15 September 2013. However, should the Group experience a change of control as defined in the indenture and depending on the

17 Debt (Continued)

Company's credit ratings at that time, then the Company will be required to make an offer to purchase all outstanding Secured Notes at a redemption price of 101% of the principal amount plus accrued interest to the date of repurchase. In addition, the Group since 15 September 2009, the Group is permitted to repurchase them at par value.

Senior Subordinated Notes

The Subordinated Notes were issued by Impress Holdings and are guaranteed by certain of its subsidiaries and bear interest at a rate of 9.25 per cent per year, payable semi-annually on 15 April and 15 October. The fair value of the Subordinated Notes approximated €263.8 million at 31 December 2009 (2008: €163.8 million, 2007: €255.6 million).

The Senior Subordinated Notes are scheduled to be repaid in one instalment on 15 September 2014. However, should the Group experience a change of control as defined in the Notes' indenture and depending on Impress Holdings' credit ratings at that time, then the Group will be required to make an offer to purchase all outstanding Subordinated Notes at a redemption price of 101 per cent of the principal amount plus accrued interest to the date of repurchase. In addition, the Group is permitted to repurchase them at the following specified redemption rates, from 15 September 2009:

12 month period commencing 15 September	Redemption price
2009	109.250%
2010	104.625%
2011	102.313%
2012 and thereafter	100.000%

Australasian Senior Bank facility

The acquisition of Amcor Limited's Food and Aerosol business in Australia and New Zealand on 31 October 2007 was primarily funded from a new A$155 million multicurrency senior bank debt facility (initially A$170 million—€108 million converted at exchange rates on the date of drawdown), provided by Bank of Scotland International (the "Australasian Senior Bank Facility").

The multicurrency facilities consisted of the following tranches as of 31 December 2009:

	Facility	Drawn	Drawn
	A$m	A$m	€m
Bullet tranche	80.0	76.6	47.8
Amortising tranche	35.0	16.3	10.2
Capital expenditure tranche	15.0	14.9	9.3
Trade working capital tranche	15.0	—	—
Letter of credit tranche	10.0	—	—
Total	**155.0**	**107.8**	**67.3**

The facility has a maturity of six years and must be repaid on 21 December 2013, or upon certain other events. The loans are charged at an interbank interest rate plus a margin of 225–275 basis points on the bullet and amortising tranches and 150 basis points on the capital expenditure, trade working capital and letter of credit tranches.

17 Debt (Continued)

US Finance Facility

During the third quarter of 2009 the Company concluded agreements with GE Government Finance Inc for the provision of US$27 million, repayable in instalments by 2021, to finance its new plant in Conklin, New York. Pending disbursement to fund construction work and equipment purchases, the Company recorded US$11.8 million (€8.2 million) as restricted cash as of 31 December 2009.

Spanish Bank Facility

In connection with the acquisition of the Megasa operations in Vilagarcia, Spain, the Company acquired existing debt as well as raising new debt in order to finance the acquisition. The total amount of debt related to the acquisition was €5.3 million, including a new three-year term loan with a principal amount of €1.5 million, repayable in quarterly instalments, and €3.8 million of existing debt of which €0.3 million was long term.

Receivables factoring (Italy)

The Group has available to it a €25.0 million facility to factor invoices issued by its Italian subsidiary. At 31 December 2009, borrowings of €13.6 million were outstanding under this facility, which charges a margin of 30 basis points over Euribor.

Deferred finance fees

The deferred finance fees represent debt issuance costs incurred in connection with the Company's financing. The amortisation of €13.3 million for the year ended 31 December 2009 (2008: €5.5 million, 2007: €5.5 million) is classified as part of the net finance cost (see note 7—***Net finance cost***).

Revolving Credit Facilities

The Group has available to it €89.4 million of revolving credit facilities, (€80.0 million under the Group Revolving Credit Facility and €9.4 million under the Australian Senior Bank Facility). At 31 December 2009, no borrowings were outstanding under these facilities (2008: €5.7 million, 2007: €7.4 million). At 31 December 2009, the Group therefore had available €89.4 million (2008: €67.1 million, 2007: €84.2 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

18 Pensions

The majority of the Group's employees in the Netherlands, Germany, the United States and a significant number of employees in the United Kingdom and Australia, as well as certain employees in Canada, are members of employer sponsored defined benefit pension plans, as defined by IFRS.

Defined benefit pension plan benefits are based on years of service, average compensation levels and compensation levels at the time of retirement. The plans in the Netherlands, United Kingdom, United States and Australia are funded and the policy is to fund these plans in accordance with applicable laws and regulations.

18 Pensions (Continued)

The scheme in the Netherlands, which is by far the largest operated by the Group (the Dutch scheme assets account for 84% of total Group scheme assets) is highly mature: 81% of members are either pensioners or deferred pensioners, while only 19% are still employed by the Company.

In Germany, in accordance with local practice, the Group's principal scheme is unfunded, so there are no contributions or plan assets. The liability is reserved on the Group's balance sheet. The scheme is closed to new members, as is the scheme in the United Kingdom.

In addition, the Group has arrangements in France, that provide a lump sum payment on retirement, and in Italy, where employees are entitled to lump sum payments on leaving the Group, whereby the Group's obligation is similar in nature to a pension liability. Liabilities in respect of both schemes are reserved on the Group's balance sheet; the reserve for the French lump sum scheme is net of cash deposits and bond investments segregated with a financial institution.

The employees in other countries of operation are members of state pension schemes, which impose no obligation on the Group. There are also defined contribution plans operated by the Group in the U.S., Canada, the Netherlands, the U.K., Australia and New Zealand.

The following tables summarise, on a consolidated basis, the financial information in respect of these pension plans.

Funded status of the Group's defined benefit pension schemes

The measurement date of all the Group's defined benefit schemes is 31 December. The funded status of the plans has developed as follows:

	31 December 2009	31 December 2008	31 December 2007	31 December 2006	31 December 2005
	€m	€m	€m	€m	€m
Defined benefit obligation	**(519.9)**	(484.8)	(516.1)	(571.8)	(553.7)
Plan assets	**402.7**	365.7	432.2	426.9	402.3
Net underfunded status	**(117.2)**	(119.1)	(83.9)	(144.9)	(151.4)
Experience adjustments on plan liabilities for the year	**(22.4)**	37.8	57.6	8.8	(49.7)
Experience adjustments on plan assets for the year	**(20.6)**	(77.9)	(4.0)	5.3	24.7

18 Pensions (Continued)

Changes in the aggregate defined benefit obligation ("DBO") were as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Defined benefit obligation at 1 January	**(484.8)**	(516.1)	(571.8)
Acquisition	**—**	(12.5)	(0.2)
Service cost	**(4.0)**	(5.1)	(6.4)
Interest cost	**(27.1)**	(28.6)	(27.1)
Reclassification from liabilities	**(0.2)**	—	—
Actuarial (loss)/gain	**(22.4)**	37.8	57.6
Curtailment gain	**—**	0.8	1.7
Employee contributions	**(3.4)**	(3.2)	(2.6)
Benefits paid	**27.3**	27.8	26.7
Foreign currency translation	**(5.3)**	14.3	6.0
Defined benefit obligation at 31 December	**(519.9)**	(484.8)	(516.1)

At 31 December 2009, €115.1 million of the defined benefit obligation relates to wholly unfunded plans (2008: €116.8 million, 2007: €115.7 million).

The curtailment gain in 2008 of €0.8 million arose in France, due to restructuring. The Italian law on statutory termination indemnity ("TFR") changed on 1 January 2007. As a consequence, the Group no longer accrues for these obligations but the new entitlements are paid to external funds. This has been treated as a curtailment event in 2007 (€1.0 million). The remaining curtailment gain in 2007 relates to France, due to restructuring (€0.7 million).

Changes in the aggregate value of the assets of the funded plans were as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Fair value of plan assets at 1 January	**365.7**	432.2	426.9
Acquisition	**—**	12.1	—
Expected return on plan assets	**23.8**	28.2	27.4
Actuarial gain/(loss)	**20.6**	(77.9)	(4.0)
Employer contributions	**6.2**	6.0	5.7
Employee contributions	**3.4**	3.2	2.6
Benefits paid	**(22.2)**	(23.0)	(20.4)
Foreign currency translation	**5.2**	(15.1)	(6.0)
Fair value of plan assets at 31 December	**402.7**	365.7	432.2

Employer contributions in 2009 include an final payment of €1.2 million (2008: €1.2 million, 2007: €1.5 million) made in the United Kingdom, following the refinancing of the Group's debt in 2006.

18 Pensions (Continued)

The defined benefit plans' assets were invested as presented below:

	31 December 2009 Weighted average	31 December 2008 Weighted average	31 December 2007 Weighted average
Equities	**34%**	26%	37%
Bonds	**38%**	41%	33%
Property	**21%**	25%	22%
Cash	**1%**	1%	2%
Other	**6%**	7%	6%
	100%	100%	100%

The investment strategy of the Netherlands' pension plan, where the scheme is mature and the great majority of scheme members are pensioners or deferred pensioners, is to achieve an optimum balance between return and security for the future obligations of the fund. In the non-Netherlands funds, there are fewer pensioners and the focus is generally longer-term.

At 31 December 2009, the net unfunded and underfunded liabilities of €117.2 million (2008: €119.1 million, 2007: €83.9 million) included an unfunded liability of €96.0 million (2008: €97.2 million, 2007: €94.5 million) in respect of the Group's principal scheme in Germany. This scheme has no assets as is common in Germany, and the liability is reserved on the Group's balance sheet, prior to being discharged through direct cash payments to pensioners over the lifetimes of past and present employees. This unfunded scheme was closed to new entrants in 2003, so the population covered is known and its duration and amounts payable during the run-off period can be reasonably estimated, based on actuarial assumptions.

Cash benefit payments to pensioners of the main unfunded scheme in Germany totalled €3.3 million in 2009 (2008: €3.1 million), or €3.2 million less (2008: €3.1 million less) than the corresponding income statement charge of €6.5 million (2008: €6.2 million). Benefit payments are expected to continue to rise gradually in the coming years, as scheme members begin to retire in larger numbers, to around €4.0 million per year by 2011, before peaking at approximately €7.4 million in 21 years time. However, on present assumptions, cash benefit payments will remain at or below the level of the 2009 income statement charge until approximately 2016.

The estimated company contribution to the defined benefit schemes amounts to €5.2 million for the next twelve months.

18 Pensions (Continued)

Balance sheet

Net pension liabilities held on the Company's Balance Sheet at 31 December 2009, 2008 and 2007 are as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Net underfunded status	**(117.2)**	(119.1)	(83.9)
Unrecognised net actuarial gain	**(3.5)**	(1.0)	(38.3)
Unrecognised prior service costs	**4.0**	4.9	5.4
Benefit liability recognised in financial statements	**(116.7)**	(115.2)	(116.8)
Non Current assets	**4.5**	5.3	5.6
Pension liability	**(121.2)**	(120.5)	(122.4)

The funded status, unrecognised net (gain)/loss and net benefit liability recognised at 31 December 2009 were as follows:

	Netherlands	U.K.	Germany	Other	Total
	€m	€m	€m	€m	€m
Funded status	5.7	(1.0)	(104.3)	(17.6)	(117.2)
Unrecognised net (gain)/loss	(2.0)	(1.9)	0.3	4.1	0.5
Benefit liability recognised in financial statements	**3.7**	**(2.9)**	**(104.0)**	**(13.5)**	**(116.7)**

The funded status, unrecognised net loss/(gain) and benefit liability recognised at 31 December 2008 were as follows:

	Netherlands	U.K.	Germany	Other	Total
	€m	€m	€m	€m	€m
Funded status	—	3.9	(106.0)	(17.0)	(119.1)
Unrecognised net loss/(gain)	4.6	(8.6)	4.9	3.0	3.9
Benefit liability recognised in financial statements	4.6	(4.7)	(101.1)	(14.0)	(115.2)

Actuarial assumptions

The range of actuarial assumptions for the Group's pension plans is as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
Discount rate	**4.40%–6.50%**	5.60%–6.55%	5.00%–6.45%
Rate of compensation increase	**2.25%–5.18%**	2.50%–4.50%	2.00%–4.50%
Inflation	**1.80%–3.25%**	2.00%–3.00%	1.80%–3.25%
Expected rate of return on plan assets	**3.20%–7.75%**	3.20%–8.50%	4.50%–8.50%
Life expectancy of members aged 65 (in years)	**17.7–20.5**	17.7–19.0	17.7–19.0

18 Pensions (Continued)

The assumptions regarding future mortality expectations are set based on advice, published statistics and experience in each territory. The overall expected rates of return are established by applying published brokers' forecasts to each asset category.

Periodic pension expense

Net periodic pension cost for the defined benefit schemes comprised the following:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Current service cost	**4.1**	5.1	6.4
Past service cost	**0.9**	0.9	1.6
Curtailment gain (reported within restructuring expenses)	**—**	(0.7)	(1.3)
Pension expense reported within operating profit	**5.0**	5.3	6.7
Interest cost	**27.1**	28.6	27.1
Expected return on plan assets	**(23.8)**	(28.2)	(27.4)
Defined benefit assets ceiling	**4.2**	5.3	1.3
Amortisation of actuarial gains and losses	**—**	(0.4)	—
Pension expense reported within net finance costs	**7.5**	5.3	1.0
	12.5	10.6	7.7
Actual return on plan assets	**44.4**	(49.7)	23.4

IAS 19 Employee Benefits imposes a ceiling on the defined benefit asset that can be recognised in the financial statements and, during the year ended 31 December 2009, an amount of €4.2 million (2008: €5.3 million) was not recognised in respect of the Group's pension plan in the Netherlands.

The amortisation of past service costs primarily relates to the 2006 changes in the Netherlands plan, which accounted for €0.9 million in each of 2009, 2008 and 2007, and the amortisation of past service costs in Germany (€0.7 million in 2007).

Certain early retirement obligations for former Dutch employees, which cease in 2010, remain in the metal industry schemes and are defined benefit in nature. The Group accounts for the multi-employer plan as if it were a defined contribution plan as the manager of the plan is not able to provide the Group with the required company-specific information to enable the Group to account for the plan as a defined benefit plan (see note 19—***Long term provisions***).

In addition to the cost of the defined benefit schemes set forth above, the total cost of the Group's defined contribution pension schemes, amounted to €5.4 million in 2009 (2008: €5.5 million, 2007: €4.7 million).

The Group has no material liability in respect of post retirement benefits other than the pension plans discussed above.

19 Long term provisions

Long term provisions comprised:

	Environmental provision	Other employment benefits	Other	Total
	€m	€m	€m	€m
Balance at 1 January 2007	**3.9**	**16.6**	**5.5**	**26.0**
Acquisitions	—	4.6	5.6	10.2
Arising during the year	—	2.6	0.8	3.4
Utilisation	—	(3.9)	(1.1)	(5.0)
Reversal	(0.9)	(0.2)	—	(1.1)
Discount rate adjustment	0.2	0.2	(0.2)	0.2
Balance at 31 December 2007	**3.2**	**19.9**	**10.6**	**33.7**
Arising during the year	0.2	4.9	3.2	8.3
Utilisation	(0.7)	(5.2)	(5.6)	(11.5)
Reversal	(0.2)	—	(0.2)	(0.4)
Discount rate adjustment	0.1	(0.7)	—	(0.6)
Balance at 31 December 2008	**2.6**	**18.9**	**8.0**	**29.5**
Acquisitions	—	0.9	—	0.9
Arising during the year	—	3.2	1.9	5.1
Utilisation	(0.1)	(4.1)	(1.5)	(5.7)
Transfer to liabilities	—	(0.6)	(0.9)	(1.5)
Foreign currency translation	—	—	(0.7)	(0.7)
Discount rate adjustment	—	0.4	—	0.4
Balance at 31 December 2009	**2.5**	**18.7**	**6.8**	**28.0**

The environmental provision is expected to be settled over the next five years and the provisions for other employee benefits and other items are expected to be settled within the coming ten years.

The main components of other employment benefits are the provisions for anniversary payments to employees in France, Germany and the Netherlands totalling €5.4 million in 2009 (€5.2 million in 2008, €5.8 million in 2007), early retirement provisions in Germany and the Netherlands totalling €8.9 million (2008: €9.8 million, 2007: €9.9 million). The provisions for anniversary payments have been calculated on an actuarial basis and will be paid at regular intervals over the course of employment.

20 Trade payables and other current liabilities

Trade and other current liabilities comprised the following:

	31 December 2009	31 December 2008
	€m	€m
Trade payables	**287.1**	298.6
Accrued wages, salaries, vacation and other employee related costs	**107.8**	80.2
Other accrued expenses	**31.7**	16.1
Interest payable	**14.9**	19.8
Value added tax	**5.4**	7.0
Other taxes	**1.3**	5.6
Other	**27.9**	16.2
Other current liabilities	**189.0**	144.9

Trade payables are non-interest bearing and are normally settled on terms averaging 76 days (2008: 72 days). Interest payable on the Group's long term debt is settled quarterly throughout the financial year for the Secured Notes and twice per year (15 April and 15 October) for the Subordinated Notes. Further reference is made to note 17—***Debt.***

21 Commitments and contingencies

Legal Matters

The Group is involved in certain legal proceedings arising in the normal course of its business. The Group believes that none of these proceedings, either individually or in aggregate, is likely to have a material adverse effect on its business or its consolidated financial position.

Environmental issues

The Group is regulated under various European Union, national and local environmental, occupational health and safety and other governmental laws and regulations relating to:

- the generation, storage, handling, and transportation of hazardous materials;
- the emission and discharge of materials into the environment;
- the remediation of contamination associated with the release of hazardous substances, and
- the design, characteristics, and recycling of its products.

The Group has established proactive policies with respect to environmental matters. The Group has engaged outside consultants to audit its environmental activities and has created environmental management teams, information systems, education and training programs, and environmental assessment procedures for new processes and suppliers.

As a result of reviews carried out at the time of the 1997 Acquisition and subsequent acquisitions, the Group established a reserve for environmental costs. In general, the Group accrued the maximum amount of the estimated potential cost of items identified. The utilisation and adequacy of this reserve is monitored annually.

21 Commitments and contingencies (Continued)

The amount provided was €2.5 million as of 31 December 2009 (2008: €2.6 million, 2007: €3.2 million). This is included in the balance sheet in other non-current liabilities (see note 19—***Long term provisions***).

There was no material amount charged to the income statement in respect of environmental expenses in the years ended 31 December 2009, 2008 and 2007.

The Group believes, based on current information, that it is in substantial compliance with applicable environmental laws and regulations. It does not believe it will be required, under either existing or anticipated future environmental laws and regulations, to expend amounts, over and above the amount accrued, which will have a material adverse effect on its financial condition or results of operations as a whole. In addition, no material proceedings against the Group arising under environmental laws are pending.

Capital commitments

The Group started construction of a new US facility in September 2009. This project is expected to be completed in 2010. At 31 December 2009 the Company had entered into commitments regarding the building construction and capital equipment amounted to US$11.8 million (€8.2 million)

Lease commitments

The Group and its subsidiaries leases manufacturing, warehousing and office facilities and certain equipment, a significant portion of these obligations having been assumed as part of either the 1997 Acquisition or subsequent acquisitions. Certain non-cancellable leases are classified as finance leases, and the leased assets are included in property, plant and equipment (see note 9—***Property, plant and equipment***). Other long term non-cancellable leases are classified as operating leases and are not capitalised.

The aggregate lease commitments are as follows:

Finance leases	31 December 2009	31 December 2008
	€m	€m
Due within one year	**1.2**	1.6
Due after one year but not more than five years	**5.5**	5.6
Due after more than five years	**4.0**	3.6
	10.7	10.8

Operating leases	31 December 2009	31 December 2008
	€m	€m
Due within one year	**16.1**	13.1
Due after one year but not more than five years	**37.6**	39.0
Due after more than five years	**35.4**	37.0
	89.1	89.1

The present value of future minimum payments on finance leases is €6.9 million (2008: €7.6 million; 2007: €8.4 million) of which €1.2 million (2008: €1.0 million; 2007: €1.0 million) is due

21 Commitments and contingencies (Continued)

within one year. Rental expense on operating leases amounted to €17.0 million for the year ended 31 December 2009 (2008: €12.1 million, 2007: €12.4 million).

22 Financial risk management

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, commodity price risk, liquidity risk and interest rate risk. Financial risk management is carried out by the Group's treasury department in close cooperation with management of the Business Units, under policies approved by management.

Capital management

The objectives of the Group's capital management are:

- to ensure access to long term committed funds;
- to maintain appropriate levels of capital ratios; and
- to maintain and improve the Group's credit ratings

in order to support business growth and maximise shareholder value.

The Group maintains its capital structure through the arrangement of secured debt facilities and control of debt service costs as well as maintaining tight control over operating cash flows and investments.

Net debt including cash of €188.4 million at 31 December 2009 amounted to €895.6 million or 3.6 times Adjusted EBITDA (2008: €942.5 million including cash of €97.6 million, 4.0 times Adjusted EBITDA; 2007: €986.2 million including cash of €53.2 million, 4.5 times Adjusted EBITDA). The Group also targets reductions in the ratio of net debt to Adjusted EBITDA from approximately 5 times at the time of refinancing down to a level below 4 times.

Foreign exchange risk

The Group operates internationally including in emerging markets in central and eastern Europe. The international spread exposes the Group to foreign exchange risk arising from various currency exposures, primarily with respect to sterling, the US dollar, the Australian and New Zealand dollars and the Japanese yen. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. In order to manage this risk, the Group hedges a portion of its currency translation risk by financing its operations within the Group through borrowings denominated in the relevant local currencies. Part of the transactional exposure is hedged via forward contracts to mitigate the effect on the Group's trading results.

If the euro/sterling exchange rate had moved by +/− 10 per cent, with all other variables held constant, the impact on both post-tax profit and other components of equity arising from the retranslation for the years ended 31 December 2009 would have been, €1.2 million. For 2008 and 2007 the effect would have been immaterial.

For all other currencies, if the exchange rate had moved by +/− 10 per cent, with all other variables held constant, the impact on both post-tax profit and other components of equity arising from the retranslation of amounts denominated in currencies other than the functional currencies of the Group's reporting entities would have been immaterial for all three reporting years.

22 Financial risk management (Continued)

Credit risk

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash investments, foreign currency exchange contracts, aluminum futures contracts and trade accounts receivable. The Group places its cash and investments and executes its foreign currency exchange contracts with high quality financial institutions with a solid credit standing.

Impress manages the credit risk to which it is exposed by applying credit limits for each financial institution and by dealing exclusively with financial institutions with high credit ratings. Financial transactions are only concluded with counterparties that have at least a Moody's credit rating of P1 for short term instruments and A3 for long term instruments. At the balance sheet date there were no significant concentrations of credit risk.

The Group does not routinely obtain collateral for its receivables. At the operational level, outstanding receivables are monitored by credit committees reporting to the management of the Business Units. Appropriate allowances are made for credit risks that have been identified. Concentrations of credit risk with respect to trade receivables are generally limited, owing to the large number of customers and their dispersion across many geographic areas.

The maximum exposure to credit risk is represented by the carrying amounts of financial assets that are recognised in the balance sheet, including derivative financial instruments with a positive market value. No significant agreements or financial instruments were available at the reporting date that would reduce the maximum exposure to credit risk. Reference is made to note 23—***Financial instruments*** for the carrying value.

Commodity price risk

The Group is exposed to changes in prices of its main raw materials, primarily steel and aluminum. It is the Group's objective to reduce the effect of these price changes on its results, either by means of variable pass-through contracts with customers in which products are indexed to the price of the underlying raw material, or by entering into exchange-traded futures contracts on the London Metal Exchange to hedge the price movement of the aluminum ingot and the related euro/dollar exposure via forward exchange contracts.

At 31 December 2009, if the price of aluminum had moved by +/- 10%, with all other variables held constant, the impact on post-tax profit and other components of equity arising from the revaluation of open futures and forward exchange contracts would have been €nil and €4.2 million (2008: €nil and €4.1 million) respectively.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the treasury department aims to maintain flexibility in funding by keeping committed credit lines open.

22 Financial risk management (Continued)

The following tables show a maturity analysis of the earliest contractual undiscounted cash flows, including future interest, for financial liabilities as of 31 December 2009 and 2008:

31 December 2009	Due within 1 year	Due between 1 and 5 years	Due after more than 5 years	Total
	€m	€m	€m	€m
Long term debt	58.6	1,255.7	10.3	1,324.6
Capital lease obligations	1.2	5.5	4.0	10.7
Short term debt	18.5	—	—	18.5
Trade payables	287.1	—	—	287.1
Other liabilities	32.8	—	—	32.8
Financial derivatives	8.0	(1.5)	—	6.5
	406.2	1,259.7	14.3	1,680.2

31 December 2008	Due within 1 year	Due between 1 and 5 years	Due after more than 5 years	Total
	€m	€m	€m	€m
Long term debt	90.9	1,139.5	268.3	1,498.7
Capital lease obligations	1.6	5.6	3.6	10.8
Short term debt	14.6	—	—	14.6
Trade payables	298.6	—	—	298.6
Other liabilities	32.4	—	—	32.4
Financial derivatives	13.2	18.6	—	31.8
	451.3	**1,163.7**	**271.9**	**1,886.9**

Interest rate risk

The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Group manages its interest rate risk by using floating-to-fixed interest rate swaps. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

At 31 December 2009, if interest rates had moved by +/- 100 basis points, with all other variables held constant, the impact on post-tax profit and other components of equity would have been €4.4 million and €2.3 million (2008: €2.8 million and €2.9 million) respectively.

23 Financial instruments

Fair values

The carrying amounts and the estimated fair values of financial instruments are as follows:

	Carrying amount 2009	Fair value 2009	Carrying amount 2008	Fair value 2008
	€m	€m	€m	€m
Financial assets				
Cash and cash equivalents	**188.4**	**188.4**	97.6	97.6
Trade and other receivables	**210.0**	**210.0**	220.3	220.3
Other financial assets	**3.8**	**3.8**	3.7	3.7
Other current and non-current assets	**15.6**	**15.6**	2.5	2.5
Financial derivatives	**8.1**	**8.1**	5.8	5.8
	425.9	**425.9**	329.9	329.9
Financial liabilities				
Secured Notes	**736.5**	**710.7**	740.7	568.5
Subordinated Notes	**250.0**	**263.8**	250.0	163.8
Australasian Senior Bank Facility	**67.3**	**67.3**	60.7	60.7
US finance facility	**18.3**	**18.3**	—	—
Financial lease obligation	**6.9**	**6.9**	7.6	7.6
Other long term debt	**2.0**	**2.0**	—	—
Receivables factoring (Italy)	**13.6**	**13.6**	—	—
Other short term debt	**4.8**	**4.8**	8.5	8.5
Trade and other payables	**287.1**	**287.1**	298.6	298.6
Other current liabilities	**32.8**	**32.8**	32.4	32.4
Financial derivatives	**14.6**	**14.6**	37.6	37.6
	1,433.9	**1,421.9**	1,436.1	1,177.7

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation or sale. The following methods and assumptions were used to estimate the fair values:

- cash, trade and other receivables, trade and other payables are stated at carrying amount, which approximates fair value in view of the short maturity of these instruments;
- financial derivatives and long term instruments are based on calculations, quoted market prices or quotes obtained from intermediaries;
- the value of the secured and subordinated notes are based on price quotations received from banks; and
- other assets and liabilities are held at amortised costs.

Financial derivatives

The Group uses the following hierarchy of valuation techniques for determining and disclosing the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

23 Financial instruments (Continued)

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Level 2 valuation techniques have been used to value all of the Group's financial derivates.

Financial derivatives are recognised on the face of the balance sheet at fair value as follows:

	Year ended 31 December 2009	Year ended 31 December 2008	Year ended 31 December 2007
	€m	€m	€m
Fair value assets			
Forward exchange contracts	**0.3**	5.8	0.8
Aluminum contracts	**7.8**	—	—
Interest rate hedge contracts	**—**	—	1.4
	8.1	5.8	2.2
Fair value liabilities			
Forward exchange contracts	**3.6**	2.0	—
Aluminum contracts	**—**	23.9	4.0
Interest rate hedge contracts	**11.0**	11.7	—
	14.6	37.6	4.0

The estimated gain within other reserves at 31 December 2009 (see note 16.2—***Other reserves***) that was expected to be reclassified to earnings in 2010 was €1.4 million, net of tax (2008: €17.0 million). The actual amount that will be reclassified to earnings in 2010 may vary from this amount due to changing market conditions.

23.1 Interest rate hedging derivatives

The Group entered into interest rate hedging derivative instruments at the end of 2006 to reduce the exposure on the Secured Notes. The hedging arrangements started with effect from 15 January 2007 have a maturity of five years. Furthermore, as part of the obligations under the Australasian Senior Bank Facility, the Company entered into interest rate swaps in order to reduce a part of the

23.1 Interest rate hedging derivatives (Continued)

exposure on this facility. Fair values as of the end of the reporting periods have been estimated based on the interbank interest rate market as of those dates.

Type	Currency	Inception/Maturity	Nature	31 December 2009 (in € millions of notional amounts)	31 December 2008 (in € millions of notional amounts)
Cap & floor—4.00%, 3.56%	EUR	January 2007/January 2012	Bullet	120.0	120.0
Cap & floor—5.25%, 4.50%	USD	January 2007/January 2012	Bullet	41.6	43.1
Variable to fixed (7.945%)	NZD	January 2008/January 2013	Bullet	24.0	19.6
Variable to fixed (7.19%)	AUD	January 2008/January 2013	Bullet	23.8	18.8

The impact of interest rate hedging instruments during 2009 was to increase the interest payable by €3.5 million above what would otherwise have been paid on the Group's debt at the prevailing market interest rates (2008: decrease 0.5 million below, 2007: €Nil).

23.2 Aluminum derivatives

The Group hedges a substantial portion of its anticipated aluminum purchases on the London Metal Exchange ("LME"). Excluding conversion and freight costs, the physical aluminum deliveries are priced based on the average price of aluminum on the LME for the relevant month. The price risk on these aluminum purchases is hedged by buying fixed-price aluminum futures for the month of physical delivery, and selling averaging aluminum futures in the month that will form the basis for pricing the physical deliveries. Both the bought and sold futures contracts will be for the same volume of metal, this being a portion of the Group's total requirement for any one month.

Since aluminum is normally traded in US dollars, while sales of aluminum products are mostly priced in euros, the Group normally arranges corresponding euro/dollar hedging contracts in parallel to its aluminum hedges, such that the related aluminum purchases are effectively hedged in euros.

The Group held aluminum futures for hedging purposes as detailed in the table below:

LME Aluminum futures—open contracts	Year ended 31 December 2009	Year ended 31 December 2008
	€m	€m
Contract/notional amount	57.1	54.8
Estimated fair value	7.8	(23.9)

The contracts held as of 31 December 2009 are due to mature in 2010, 2011, 2012 and the first quarter of 2013. The related cash flows are to be expected in the same periods.

Fair values have been estimated based on LME-quoted market prices and there has been no change in the valuation techniques. The fair value of these contracts when initiated is nil; no premium is paid or received.

23.2 Aluminum derivatives (Continued)

For aluminum hedges the amount that has been recycled through equity and into profit and loss in respect of the cash flow hedges in 2009 is a loss of €17.7 million (2008: €1.2 million loss, 2007: €0.6 million gain), all of which relates to cost of sales.

23.3 Foreign Exchange derivatives

The operations of the Group are conducted by entities in many countries, and accordingly, the results of operations of the Group are subject to currency translation risk and currency transaction risk.

With respect to currency translation risk, the financial condition and results of operations of each of these entities is measured and recorded in the relevant functional currency and then translated into euros for inclusion in the consolidated financial statements. The Group translates the balance sheets of the respective non-euro denominated operations into euros at the prevailing exchange rates on the balance sheet date. Income and cash flow statements are translated at the average exchange rate for the period. The Group generally hedges a portion of its currency translation risk by financing its operations in subsidiaries through borrowings denominated in local currencies, wherever possible. The lending entity will then hedge any net foreign currency exposure arising on the intercompany financing using forward foreign exchange contracts.

In addition to currency translation risk, the Group incurs currency transaction risk whenever one of its operating subsidiaries enters into either a sale or purchase transaction using a currency other than its functional currency. Currency transaction risk is reduced by matching sales revenue and costs in the same currency, which is generally the practice in the metal packaging industry given the ease of purchasing raw materials in the local market (other than tinplate in Australia and New Zealand and aluminum, both of which are always priced in US dollars) and the high cost of transporting completed cans over long distances.

Currency hedging with regard to revenues mainly relates to revenues from certain contracts that generate significant sterling sales revenues on goods supplied from plants in the eurozone. These revenue flows will continue going forward. The Group also hedges part of its exposure on exports to Japan from Europe denominated in yen.

Although the Company takes steps to protect itself against the volatility of currency exchange rates, there is a residual risk that currency risks due to volatility in exchange rates may have a material adverse effect on the Group's financial condition or results of operations.

The following tables give details of the Group's forward foreign exchange contracts at 31 December 2009 and 2008 that are held for hedging purposes. All the contracts held at 31 December

23.3 Foreign Exchange derivatives (Continued)

2009 are due to mature in 2010 and early 2011; similarly all the contracts held as of 31 December 2009 matured within 2 years.

	31 December 2009			
	Cash flow hedges		Fair value hedges	
	Contract/ nominal amount	Fair value of asset/(liability)	Contract/ nominal amount	Fair value of asset/(liability)
	€m	€m	€m	€m
Forward foreign exchange contracts				
Buy euro, sell GBP	1.2	0.1	—	—
Buy USD, sell euro	4.3	0.2	—	—
Buy USD, sell AUD	20.5	(1.3)	—	—
Buy USD, sell NZD	21.2	(1.4)	—	—
Buy USD, sell GBP	—	—	55.1	(0.6)
Buy euro, sell GBP	—	—	9.0	(0.1)
Buy euro, sell yen	—	—	6.9	—
Buy euro, sell AUD	—	—	6.7	—
Buy euro, sell NZD	—	—	4.3	(0.1)
Buy CZK, sell euro	4.7	(0.1)	5.8	—
Total	**51.9**	**(2.5)**	**87.8**	**(0.8)**

	31 December 2008			
	Cash flow hedges		Fair value hedges	
	Contract/ nominal amount	Fair value of asset/(liability)	Contract/ nominal amount	Fair value of asset/(liability)
	€m	€m	€m	€m
Forward foreign exchange contracts				
Buy euro, sell yen	5.2	(1.1)	—	—
Buy Euro, sell GBP	7.3	1.6	—	—
Buy USD, sell AUD	18.3	2.0	—	—
Buy USD, sell NZD	12.4	2.2	—	—
Buy USD, sell GBP	—	—	64.7	0.5
Buy euro, sell GBP	—	—	31.5	(0.8)
Buy euro, sell yen	—	—	7.3	(0.1)
Buy euro, sell AUD	—	—	8.5	(0.1)
Buy euro, sell NZD	—	—	0.4	—
Buy CZK, sell euro	4.3	(0.3)	3.5	(0.1)
Total	**47.5**	**4.4**	**115.9**	**(0.6)**

The Group has no forward foreign exchange contracts held for trading purposes.

The amount that has been recycled through equity and into profit and loss in respect of foreign exchange cash flow hedges is a gain of €2.6 million of which a loss of €0.6 million related to sales and a gain of €3.2 million related to cost of sales (2008: gain of €1.7 million of which gain of €0.7 million related to sales and a gain €1.0 million related to cost of sales).

23.3 Foreign Exchange derivatives (Continued)

The amount that has been recognised in profit and loss due to ineffectiveness is €nil (2008: €0.5 million).

A loss of €15.3 million is recognised in the profit and loss account (2008: gain of €29.9 million) in respect of fair value hedges. The corresponding amounts recognised in the profit and loss account in respect of the underlying hedged items are a loss of €15.3 million (2008: loss of €29.9 million).

23.4 Hedge of net investments in foreign operations

Included in long term debt (see note 17—***Debt***) at 31 December 2009 was a borrowing of US$49.9 million (€34.6 million) which has been designated and used as a hedge of the exposure to foreign exchange risk on the net investment in subsidiaries with US dollar exposure (2008: $49.9 million). Gains or losses on the retranslation of the long term debt are transferred to equity to offset any gains or losses on translation of the net investments in the relevant subsidiaries.

24 Related party disclosures

Upon Impress Coop's purchase of Impress Holdings, certain members of management were granted the right to purchase a proportion of Impress Coop's A Participation Interests for cash. Including Impress Coop Membership Interests received in exchange for ordinary shares in Holdings on its purchase by Impress Coop, management currently owns 24.82 per cent of Impress Coop's 'A' Participation Interests, 0.16 per cent of the 'B' Participation Interests and 2.69 per cent of the 'C' Participation Interests.

For the disclosure of the remuneration of key managers reference is made to note 5—Expenses.

25 Subsequent events

There are no subsequent events.

COÖPERATIEVE STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Notes	For the period ended 31 December 2009	2008
		(in € millions)	
General and administrative expenses	*8*	**(22.2)**	(2.7)
Operating result		**(22.2)**	(2.7)
Net finance cost	*9*	**(35.7)**	(43.5)
Loss before tax		**(57.9)**	(46.2)
Tax benefit	*10*	**14.7**	11.8
Loss for the year		**(43.2)**	(34.4)
Other comprehensive income		**—**	—
Total comprehensive income		**(43.2)**	(34.4)

COÖPERATIEVE STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2009	2008
		(in € millions)	
ASSETS			
Non-current assets			
Investment in subsidiaries	*3*	**724.9**	724.9
Deferred tax asset		**13.5**	7.9
		738.4	732.8
Current assets			
Current tax	*4*	**38.8**	29.6
Cash and cash equivalents		**0.1**	—
		38.9	29.6
Total assets		**777.3**	762.4
Equity and Liabilities			
Members' interests	*5*	**215.4**	227.5
General account	*5*	**(105.0)**	(74.0)
		110.4	153.5
Non-current liabilities			
Long term debt to subsidiary	*6*	**605.7**	571.2
Current liabilities			
Other current liabilities	*7*	**61.2**	37.7
Total Liabilities		**666.9**	608.9
Total Equity and Liabilities		**777.3**	762.4

COÖPERATIEVE STATEMENT OF CHANGES IN EQUITY

	(1) A Participation	(1) B Participation	(1) C Participation	(1) General account	Total equity
			(in € millions)		
Balance 1 January 2008	—	153.7	99.0	(64.7)	188.0
Allocation of the 2007 result	—	(42.7)	—	42.7	—
Repurchase A Participation Interests	(0.1)	—	—	—	(0.1)
Accretion C Participation Interests	—	—	17.6	(17.6)	—
Total comprehensive income	—	—	—	(34.4)	(34.4)
Balance 31 December 2008	(0.1)	111.0	116.6	(74.0)	153.5
Allocation of the 2008 result	—	(34.4)	—	34.4	—
Issuance A Participation Interests	0.1	—	—	—	0.1
Accretion C Participation Interests	—	—	22.2	(22.2)	—
Total comprehensive income	—	—	—	(43.2)	(43.2)
Balance 31 December 2009	**—**	**76.6**	**138.8**	**(105.0)**	**110.4**

(1) Before allocation of the 2009 result.

COÖPERATIEVE STATEMENT OF CASH FLOWS

	31 December 2009	31 December 2008
	(in € millions)	
Cash flows from operating activities		
Loss for the year	**(43.2)**	(34.4)
Movement on deferred tax	**(5.6)**	(0.6)
Increase in interest payable on subsidiary loan	**35.7**	43.5
Increase in income tax receivable	**(9.1)**	(11.2)
Increase in other liabilities	**22.2**	2.7
Net cash flows provided by operations	**—**	—
Cash flows from financing activities	**—**	
Issue/(Repurchase) of A Participation Interests	**0.1**	—
Net cash provided by/(used in) financing activities	**0.1**	—
Effect of exchange rate changes on cash and cash equivalents	**—**	—
Net change in cash and cash equivalents	**0.1**	—
Cash and cash equivalents at beginning of period	**—**	—
Cash and cash equivalents at end of period	**0.1**	
Cash paid for interest	**—**	—
Cash paid for income tax	**—**	—
Cash paid for restructuring	**—**	—

NOTES TO THE COÖPERATIEVE FINANCIAL STATEMENTS

1 Corporate Information

Impress Coöperatieve U.A. (the "Coop") was incorporated on 4 September 2006 in The Netherlands as a Coöperatieve (Coöperatie) with limited liability (uitgesloten aansprakelijkheid; U.A.) under Dutch law. It is domiciled in The Netherlands and its registered office is Zutphenseweg 51, NL-7418 AH, Deventer.

On 22 September 2006, the Coop acquired Impress Holdings B.V., formerly Impress Metal Packaging Holdings B.V. ("Holdings"), which was incorporated on 4 May 1997 as the holding company for the metal packaging businesses it acquired from Pechiney SA and Schmalbach-Lubeca AG on 28 May 1997 ("the 1997 Acquisition"). Holdings manufactures and sells metal packaging solutions. The ultimate controlling shareholder of the Coop are funds controlled by Doughty Hanson.

The objects of the Coop include the following:

- to attract capital from its members;
- to borrow monies from affiliates and affiliates of members;
- to acquire, hold and dispose of securities;
- to purchase and dispose of investments, including investments in registered properties (which includes real estate);
- to hold deposits with authorised credit institutions; and
- to provide guarantees and security for its obligations, as well as for the obligations of third parties, including affiliates.

2 Accounting

2.1 Basis of preparation

The accompanying financial statements of the Coop as of 31 December 2009, have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges, and would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. The financial statements are reported in Euro millions, rounded to the nearest hundred thousand (€0.1 million) except when otherwise indicated.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission.

2.2 Accounting policies

The accounting policies are the same as those described in note 2—***Basis of preparation*** of the Consolidated Financial Statements described above.

Financial assets

Financial assets comprise investments in subsidiary companies.

Investments in subsidiary companies are valued at cost, less accumulated impairment charges. Impairment losses are recognised when the carrying amount of an investment in a subsidiary exceeds its recoverable amount. At each reporting date the Company assesses whether there is any indication that

2.2 Accounting policies (Continued)

a previously recognised impairment loss no longer exists or has decreased. Dividends are recognised in the income statement on a cash basis.

The Coop tests its investment in subsidiaries for impairment on (i) an annual basis and (ii) when an indication of impairment exists. When considering impairment, the Group's policy is to compare the carrying value of its investments in subsidiaries, to the enterprise value, using a discounted cash flow calculation). The Coop's estimate of future cash flows is based on assumptions about a number of factors, including future operating performance, realisation of sales forecasts, economic conditions, and technological changes, and may differ from actual future cash flows. Also, the evaluation of fair value using a discounted cash flow means that assumptions about the timing of cash flows, relative to the date of the evaluation, impact upon the result of that evaluation."

3 Investments

On 22 September 2006, the Coop acquired Impress Holdings B.V., formerly Impress Metal Packaging Holdings B.V. The investment amount was €724.9 million.

At 31 December 2009, the Group's investments comprise solely its investment in Impress Holdings B.V. Impress Holdings B.V. has the following subsidiaries as of 31 December 2009:

Subsidiary	Territory of incorporation	Nature of holding	% Ownership 2009	% Ownership 2008
Impress Holdings B.V.	The Netherlands	Direct	100.00	100.00
Impress Group B.V.	The Netherlands	Indirect	100.00	100.00
Impress Netherlands B.V.	The Netherlands	Indirect	100.00	100.00
Impress B.V.	The Netherlands	Indirect	100.00	100.00
Impress Metal Packaging Pielkenrood B.V.	The Netherlands	Indirect	100.00	100.00
Impress Metal Packaging Properties B.V.	The Netherlands	Indirect	100.00	100.00
Impress Shared Service Centre B.V.	The Netherlands	Indirect	100.00	100.00
Impress Metal Packaging Strojobal B.V.	The Netherlands	Indirect	100.00	100.00
Impress Europe B.V.	The Netherlands	Indirect	100.00	100.00
Thomassen & Drijver Verblifa B.V.	The Netherlands	Indirect	100.00	100.00
Impress Russia Holdings 1 B.V.	The Netherlands	Indirect	100.00	100.00
Impress Russia Holdings 2 B.V.	The Netherlands	Indirect	100.00	100.00
Impress Russia Holdings 3 B.V.	The Netherlands	Indirect	100.00	—
Impress Russia Holdings 4 B.V.	The Netherlands	Indirect	100.00	—
Impress Dutchco 1 B.V.	The Netherlands	Indirect	100.00	—
Impress UK Limited	United Kingdom	Indirect	100.00	100.00
Impress Metal Packaging IOM Limited	United Kingdom	Indirect	100.00	100.00
Impress Metal Packaging Limited	United Kingdom	Indirect	100.00	100.00
Impress UK Holding 1 Limited	United Kingdom	Indirect	100.00	100.00
Impress UK Holding 2 Limited	United Kingdom	Indirect	100.00	100.00
Impress Sutton Limited	United Kingdom	Indirect	100.00	100.00
Impress Merthyr Tydfil Limited	United Kingdom	Indirect	100.00	100.00
Impress (2007) Limited	United Kingdom	Indirect	100.00	100.00
Impress (2007) (No. 2) Limited	United Kingdom	Indirect	100.00	100.00
Impress S.p.A	Italy	Indirect	99.43	99.43
Impress S.A.	France	Indirect	99.99	99.99

3 Investments (Continued)

Subsidiary	Territory of incorporation	Nature of holding	% Ownership 2009	% Ownership 2008
Impress Metal Packaging S.A.	France	Indirect	99.99	99.99
Impress Holdings 1 SAS	France	Indirect	100.00	100.00
Impress Production SAS	France	Indirect	100.00	100.00
Impress Services SAS	France	Indirect	100.00	100.00
Impress Laon SAS	France	Indirect	100.00	100.00
Impress France Holding SAS	France	Indirect	100.00	100.00
Impress Holding GmbH	Germany	Indirect	100.00	100.00
Impress GmbH & Co oHG	Germany	Indirect	100.00	100.00
Impress Verwaltungsgesellschaft mbH	Germany	Indirect	100.00	100.00
Impress Beteiligungen GmbH	Germany	Indirect	100.00	100.00
Impress Verpackungen GmbH & Co KG	Germany	Indirect	100.00	100.00
Impress Verpackungen Erftstadt GmbH & Co KG	Germany	Indirect	100.00	100.00
Impress Verpackungen Erftstadt Verwaltung GmbH	Germany	Indirect	100.00	100.00
Impress Erftstadt GmbH	Germany	Indirect	100.00	100.00
Impress Schwedt GmbH	Germany	Indirect	100.00	100.00
Impress Znojmo A.S.	Czech Republic	Indirect	100.00	100.00
Impress A.S.	Czech Republic	Indirect	82.57	82.57
Impress Metal Packaging Iberica S.A.	Spain	Indirect	100.00	100.00
Impress Metal Packaging Reus S.L	Spain	Indirect	100.00	100.00
Impress Metal Packaging K.K	Japan	Indirect	100.00	100.00
Impress Belgium N.V	Belgium	Indirect	100.00	100.00
Impress Buftea SA	Romania	Indirect	99.99	99.99
Impress Vaja Fémcsomagoló Kft	Hungary	Indirect	100.00	100.00
Impress Sp. z o.o.	Poland	Indirect	100.00	100.00
Impress Metal Packaging SIA	Latvia	Indirect	100.00	100.00
Impress Seychelles Ltd	Seychelles	Indirect	100.00	100.00
Impress USA Inc	United States	Indirect	100.00	100.00
Impress Holding NA, Inc	United States	Indirect	100.00	—
Impress American Samoa Inc	American Samoa	Indirect	100.00	100.00
Impress Packaging Puerto Rico, Inc	Puerto Rico	Indirect	100.00	100.00
Impress Canada Ltd	Canada	Indirect	100.00	100.00
Impress Danmark A/S	Denmark	Indirect	100.00	100.00
Impress Esbjerg, branch of Impress Erftstadt GmbH, Tyskland	Denmark	Indirect	100.00	100.00
Sofrinskaya Banka LLC	Russia	Indirect	100.00	100.00
Russkaya Banka LLC	Russia	Indirect	66.67	66.67
Impress Russ LLC	Russia	Indirect	100.00	100.00
Impress Noginsk LLC	Russia	Indirect	100.00	—
Impress Kuban LLC	Russia	Indirect	100.00	—
Impress Ukraine LLC	Ukraine	Indirect	100.00	100.00
Impress Australia Pty Ltd	Australia	Indirect	100.00	100.00

3 Investments (Continued)

Subsidiary	Territory of incorporation	Nature of holding	% Ownership 2009	% Ownership 2008
Impress Australasia Holdings Pty Ltd	Australia	Indirect	100.00	100.00
Impress NZ Ltd	New Zealand	Indirect	100.00	100.00
Impress Metal Packaging Morocco SA	Morocco	Indirect	99.87	99.87
Beijing Xingmei ORG PRC JVC	China	Indirect	4.13	4.13
Impress Group B.V.. representative office of Hong Kong	Hong Kong	Indirect	100.00	—
Impress Korea Co, Inc	South Korea	Indirect	100.00	—
2I S.A.C.	Peru	Indirect	50.00	—
Royal Impress Co, Inc	Thailand	Indirect	55.00	—

4 Current assets

	31 December	
	2009	**2008**
	(in € millions)	
Current income tax	**38.8**	29.6
Total	**38.8**	29.6

Further reference is made to note 10—***Taxation***.

5 Equity

	(1) A Participation	(1) B Participation	(1) C Participation	(1) General account	Total equity
		(in € millions)			
Balance 1 January 2008	**—**	**153.7**	**99.0**	**(64.7)**	**188.0**
Allocation of the 2007 result	—	(42.7)	—	42.7	—
Repurchase A Participation Interests	(0.1)	—	—	—	(0.1)
Accretion C Participation Interests	—	—	17.6	(17.6)	—
Total comprehensive income	—	—	—	(34.4)	(34.4)
Balance 31 December 2008	**(0.1)**	**111.0**	**116.6**	**(74.0)**	**153.5**
Allocation of the 2008 result	—	(34.4)	—	34.4	—
Issuance A Participation Interests	0.1	—	—	—	0.1
Accretion C Participation Interests	—	—	22.2	(22.2)	—
Total comprehensive income	—	—	—	(43.2)	(43.2)
Balance 31 December 2008	**—**	**76.6**	**138.8**	**(105.0)**	**110.4**

(1) Before allocation of the 2009 result.

The difference between the Company's equity and the consolidated equity is because the Company values its investments in subsidiaries at cost. In the consolidated equity, the net assets of the subsidiaries are consolidated and their cumulative results are added to the consolidated equity.

5 Equity (Continued)

The difference between the consolidated equity and the stand alone equity of the company can be explained as follows:

	31 December 2009	31 December 2008
	(in € millions)	
Consolidated Equity of Impress Coöperatieve U.A.	**(262.5)**	(303.6)
Difference upon acquisition of Impress Holdings B.V.	**522.5**	522.5
Changes in net asset value of Impress Holdings B.V. after acquisition	**(149.6)**	(65.4)
Stand alone equity of Impress Coöperatieve U.A.	**110.4**	153.5

Further reference is made to note 16.1—***Capital*** of the Consolidated Financial Statements.

6 Long term debt

	Year ended 31 December 2009	Year ended 31 December 2008
	(in € millions)	
Loans payable to Impress Holdings B.V.	**480.1**	480.1
Current account with Impress Holdings B.V.	**(4.1)**	(3.0)
Accrued interest	**129.7**	94.1
Total	**605.7**	571.2

In connection with the 2006 Refinancing of the Impress Group the Coop received a loan of €480.1 million from Impress Holdings B.V. At 31 December 2009, the €605.7 million carrying value of the loan included €129.7 million of interest payable.

This loan carries interest on various tranches at various interest rates which, at the option of the Coop, is settled either in cash or added to the outstanding loan balance. The various tranches of the loan are repayable and carry interest as follows:

- €250.0 million—carries interest of 9.5% and is repayable at the times and to the extent that the Subordinated Notes of Impress Holdings B.V. are repayable;
- €200.0 million—carries interest based on 3 months Euribor plus 3.375% and is repayable on 30 September 2013 or on such earlier date as may be agreed by Impress Holdings B.V and the Coop; and
- €30.1 million—carries interest based on 3 months Euribor plus 3.375% and is repayable at the times and to the extent that the Secured Notes of Impress Holdings B.V. are repayable.

Reference is also made to note 17—***Debt*** of the Consolidated Financial Statements regarding the repayment schedule of the long term debt.

7 Current liabilities

Current liabilities comprises:

	Year ended 31 December	
	2009	**2008**
	(in € millions)	
Intercompany payables	**7.1**	5.5
Contingent transaction charges	**52.7**	30.8
Other payables	**1.4**	1.4
Total current liabilities	**61.2**	37.7

The intercompany payables are due within one year and do not carry any interest.

8 Expenses

Details of the General and administrative expenses are as follows:

	Year ended 31 December	
	2009	**2008**
	(in € millions)	
Contingent transaction charges	**21.9**	2.4
Other expenses	**0.3**	0.3
Total General and administrative expenses	**22.2**	2.7

Certain managers were also invited to subscribe for the Coop's 'A' Participation Interests issued at the same date. These managers also received a right to a contingent payment, linked to the value of the Coop's 'B' Participation Interests and payable in the event of Doughty Hanson's realisation of its 'B' Participation Interests. On Admission it is expected that the contingent payments made to the key managers, which are generally taxable as income will amount to approximately €48.3 million and €3.0 million of employer's social charges.

9 Financial expense

	Year ended 31 December	
	2009	**2008**
	(in € millions)	
Interest expense on loan to subsidiary	**(35.7)**	(43.5)
Net financial expense	**(35.7)**	(43.5)

For the interest expense on the loan to subsidiary reference is made to note 6—***Long term debt***.

10 Taxation

Income tax benefit consists of:

	Year ended 31 December	
	2009	**2008**
	(in € millions)	
Current income taxes	**9.1**	11.2
Deferred income taxes	**5.6**	0.6
Total income tax	**14.7**	11.8

The deferred income tax charge relates to timing differences in the treatment of the contingent transaction charges between IFRS and the fiscal authorities in the Netherlands.

The Coop and certain of its Dutch subsidiaries form a fiscal unity headed by the Coop which follows the practice of charging or crediting companies within the fiscal unity for taxation on income or losses arising in these companies. The Coop recognises only the deferred tax position of the Company, not for the whole fiscal unity.

The effective tax rate is 25.5% and does not deviate from the expected income tax rate.The expected income tax rate is the 2009 tax rate that would result from applying the statutory income tax rate to the income from continuing operations before taxes.

No tax was paid during the year.

11 Financial risk management

The Coops activities are limited and do not expose it to a wide variety of financial risks. The main financial risks are liquidity risk and cash flow interest rate risk. Financial risk management is carried out by the treasury department of Impress Group, in close co-operation with divisional management under policies approved by the risk committee.

Liquidity risk

The Coop relies upon the liquidity management of Impress Holdings B.V, the policy of which is to maintain a balance between continuity of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury department aims to maintain flexibility in funding by keeping committed credit lines available. The Coop has limited stand alone resources.

See note 6—***Long term Debt*** for the maturity analysis of the earliest contractual undiscounted cash flows for financial liabilities as of 31 December 2009.

Cash flow interest rate risk

The Coop does not actively manage its interest rate risk. The funding has been set up using a mix of fixed and variable rate debts.

11 Financial risk management (Continued)

Fair values

The carrying amounts and the estimated fair values of financial instruments are as follows:

	Carrying amount 2009	Fair value 2009	Carrying amount 2008	Fair value 2008
		(in € millions)		
Financial liabilities				
Shareholder loan payable	**605.7**	**608.6**	571.2	560.3
Other debt to subsidiary	**7.1**	**7.1**	5.5	5.5
Other current liabilities	**54.1**	**54.1**	32.2	32.2
	666.9	**669.8**	608.9	598.0

The following methods and assumptions were used to determine the fair value of financial instruments: current tax and other current liabilities are stated at carrying amount, which approximates fair value in view of the short maturity of these instruments. The fair values of long-term instruments are based on calculations, quoted market price or quotes obtained from intermediaries.

12 Related party disclosures

Upon the Coop's purchase of Impress Holdings B.V., certain members of management were granted the right to purchase a proportion of the Group's A Membership Interests for cash. Including Coop Membership Interests received in exchange for Ordinary Shares of Impress Holdings B.V. on its purchase by the Coop, Management currently owns 24.82% of the Coop's A Membership Interests, 0.16% of the B Membership Interests and 2.69% of the C Participation Interests.

Impress Holdings B.V. has agreed to make available certain key managers to the Group to provide assistance in connection with a potential sale or initial public offering of the Impress Group. Impress Holdings B.V. was reimbursed for these services in 2007 by the Coop see note 5—***Expenses—Employee*** benefit costs of the Consolidated Financial Statement. In addition, the Group has agreed to provide further remuneration to these managers for these services through the provision of a Contingent Transaction Charges ("CTC"). The CTC will only be paid out in the event of such a transaction.

13 Employee information

The Company had no employees in 2009 nor in 2008.

14 Directors' remuneration

The directors of the Coop received other benefits of in total €2.3 million for the year ended 31 December 2009 (2008: €2.3 million). Certain directors are entitled to a contingent payment upon Admission. The related payroll expense in 2009 was €10.5 million (2008: €1.2 million). Further reference is made to note 5—***Expenses—Employee benefit costs*** of the Consolidated Financial Statements (Contingent Transaction Charges).

15 Guarantees and commitments

The Coop has not given any guarantees at 31 December 2009.

15 Guarantees and commitments (Continued)

Directors

F.B.N. Labbé	D.B. Newlands
Y.M.J.H. Duchesne	J.M. Etienne
J.G. Gemmell	J.J. Leahy
J.H. Geake	A. Berto

Deventer, 31 May 2010

OTHER INFORMATION

1 Auditor's Report

The report of the auditors, Ernst & Young Accountants LLP, is presented on page F-228.

1.1 Distribution of profits and reserves

The Articles of Association provide that the net result for the year is allocated according to what is set forth in note 5—***Equity—Distributions, allocations of profits and reserves*** of the Coöperatieve Financial Statements. Pending the decision of the annual accounts by the General Meeting, the loss is disclosed within the retained earnings.

1.2 Subsequent Events

There are no subsequent events.

AUDITOR'S REPORT

To: the General Meeting of Impress Coöperatieve U.A.

Report on the financial statements

We have audited the accompanying financial statements 2009 of Impress Coöperatieve U.A., Deventer, which comprise the consolidated and Coöperatieve statement of financial position as of 31 December 2009, the income statement, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Impress Coöperatieve U.A. as of 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Zwolle, 3 June 2010
Ernst & Young Accountants LLP
Daniel Groot Zwaaftink

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Ireland

PARENT GUARANTOR

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Ardagh Packaging Finance plc

9.250% Senior Notes due 2020 guaranteed on a senior basis by Ardagh Packaging Holdings Limited and on a senior subordinated basis by certain of its wholly owned subsidiaries

OFFERING MEMORANDUM

February 1, 2011

Citi

Merrill Corporation Ltd, London
11ZAL18701