OFFERING MEMORANDUM—LISTING PARTICULARS **NOT FOR GENERAL CIRCULATION IN THE UNITED STATES**

€180,000,000

Ardagh Glass Finance plc

8¾% Senior Notes due 2020
guaranteed on a senior basis by
Ardagh Glass Holdings Limited
and on a senior subordinated basis by
certain of its wholly owned subsidiaries

The 8¾% Senior Notes due 2020 will be issued in the aggregate principal amount of €180.0 million (the "Senior Notes") and will be the senior obligations of Ardagh Glass Finance plc (the "Issuer").

The Senior Notes will bear interest at the rate of 8¾% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1, 2010. The Senior Notes will mature on February 1, 2020. We may redeem the Senior Notes in whole or in part at any time on or after February 1, 2015 at the redemption prices specified herein. Prior to February 1, 2015, we may also redeem all or part of the Senior Notes by paying a "make whole" premium. In addition, prior to February 1, 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 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 Senior Notes will be guaranteed on a senior basis by Ardagh Glass Holdings Limited (the "Parent Guarantor") and on a senior subordinated basis by certain of its wholly owned subsidiaries (the "Subsidiary Guarantors" and, together with the Parent Guarantor, the "Guarantors"). The Senior Notes will be the Issuer's senior obligations and will 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 will be 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 guarantee of the Senior Notes by the Parent Guarantor (the "Parent Guarantee") will rank 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, will be 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 Guarantor's guarantee (a "Subsidiary Guarantee", collectively, the "Subsidiary Guarantees" and, together with the Parent Guarantee, the "Guarantees") will rank 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 will also be 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.

Currently, there is no public market for the Senior Notes. Application has been made for listing particulars to be approved by the Irish Stock Exchange and for the 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 Senior Notes will be listed and admitted to trading on the Global Exchange Market of the Irish Stock Exchange.

Investing in the Senior Notes involves risks. See "Risk Factors" beginning on page 15.

The 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 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 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 Senior Notes will be issued in the form of one or more global notes in registered form. On the closing date of this offering, the global notes will be deposited and registered in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V. ("Euroclear"), or Clearstream Banking, société anonyme ("Clearstream Banking").

Price: 99.994% plus accrued interest, if any, from January 20, 2010

The initial purchasers expect to deliver the Senior Notes to purchasers on or about January 20, 2010 (the "Issue Date").

Sole Book Running Manager

Citi

Co-Manager

Davy

January 21, 2010

You should rely only on the information contained in this offering memorandum (the "Offering Memorandum"). None of the Issuer, the Guarantors or the initial purchasers (as defined below) 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 purchasers. None of the Issuer, the Guarantors or the initial purchasers is making an offer of the 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 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 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 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.

Citigroup Global Markets Limited and J&E Davy trading as Davy (the "initial purchasers") 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 purchasers 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 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 out under the headings "Exchange Rates", "Summary", "Operating and Financial Review and Prospects" and "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 "we", "us", "Ardagh", "Ardagh Glass Group" and "our", for the purposes of this Offering Memorandum, we are referring to the Parent Guarantor and its subsidiaries (including any of their predecessors).

The information set out 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 or 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 purchasers.

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 purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Senior Notes.

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

The 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 Senior Notes in certain jurisdictions may be restricted by law. See "Notice to EEA 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 purchasers or any of our or their respective representatives is making any representation to you regarding the legality of an investment in the Senior Notes, and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Senior Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the 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 purchasers shall have any responsibility for any of the foregoing legal requirements.

The Senior Notes will be issued in the form of one or more global notes. The global notes will be deposited and registered in the name of a common depositary for Euroclear and Clearstream Banking. Transfers of interests in the global notes will be effected through records maintained by Euroclear, Clearstream Banking and their respective participants. The Senior Notes will not be issued in definitive registered form except under the circumstances described in the section "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, 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.

NOTICE TO EEA INVESTORS

This Offering Memorandum has been prepared on the basis that all offers of Senior Notes will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("EEA"), from the requirement to produce a prospectus for offers of securities. Accordingly, any person making or intending to make any offer within the EEA of Senior Notes, which are the subject of the offering contemplated in this Offering Memorandum, should only do so in circumstances in which no obligation arises for the Issuer or the initial purchasers to produce a prospectus for such offer. Neither the Issuer nor the initial purchasers have authorized, nor do they authorize, the making of any offer of Senior Notes through any financial intermediary, other than offers made by the initial purchasers, which constitute the final placement of Senior Notes contemplated in this Offering Memorandum.

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer has been made and no offer will be made of the Senior Notes to the public in that Relevant Member State other than:

(a) to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of Citigroup Global Markets Limited; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Senior Notes shall require the publication by the Issuer, any Guarantor or the initial purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Senior Notes to the public" in relation to any Senior Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Senior Notes to be offered so as to enable an investor to decide to purchase any Senior Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

CERTAIN REGULATORY ISSUES RELATED TO THE UNITED KINGDOM

Each 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 FSMA) received by it in connection with the issue 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

(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 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 Financial Services and Markets Act 2000) in connection with the issue or sale of the 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 Senior Notes are not being offered to the public in the United Kingdom.

NOTICE REGARDING SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

SUBSTANTIALLY ALL 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 Senior Notes, Citigroup Global Markets Limited (or persons acting on behalf of Citigroup Global Markets Limited) may over-allot Senior Notes (provided that the aggregate principal amount of Senior Notes allotted does not exceed 105% of the aggregate principal amount of the Senior Notes that are the subject of this offering) or effect transactions with a view to supporting the market price of the 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 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 issue, or no later than 60 days after the date of the allotment of the 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:

"2003 Indenture"	The indenture governing the 2003 Notes.
"2003 Notes"	The existing 8⅞% Senior Notes due 2013 that were issued in 2003.
"2007 Indenture"	The indenture governing the 2007 Notes.
"2007 Notes"	The existing 7.125% Senior Notes due 2017 that were issued in 2007.
"2009 Indenture"	The indenture governing the 2009 Notes.
"2009 Notes"	The existing 9.250% First Priority Senior Secured Notes due 2016 that were issued in 2009.
"Amended and Restated Anglo Irish Senior Secured Credit Facility"	Facility agreement dated March 9, 2007, amended and restated on June 18, 2007, and amended and restated on June 12, 2009, among Ardagh Glass Holdings Limited and Anglo Irish Bank Corporation Limited, as arranger, original lender, agent and security agent, as more fully described in "Description of Other Indebtedness—Amended and Restated Anglo Irish Senior Secured Credit Facility".
"Ardagh", "Ardagh Glass Group", "Group", "we", "us" and "our"	Ardagh Glass Holdings Limited and its subsidiaries (including any of their predecessors) except where the context requires otherwise.
"Ardagh Glass Holdings Limited"	A private company incorporated under the laws of Ireland.
"Company"	Ardagh Glass Holdings Limited.
"EBITDA"	Group operating profit before depreciation, amortization, other income and expenses and non cash items. EBITDA margin is calculated as EBITDA divided by Group 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 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.
"euro", "EUR" or "€"	Euro, the currency of the European Union member states participating in the European Monetary Union.

"GE Commercial Finance Facility" . .	Invoice discounting facility agreement dated March 23, 2009 between Ardagh Glass Limited and GE Commercial Finance Limited, as more fully described in "Description of Other Indebtedness—GE Commercial Finance Facility".
"Guarantors"	The Parent Guarantor and the Subsidiary Guarantors, together.
"IFRS"	International Financial Reporting Standards as adopted by the European Union.
"Indenture"	The indenture governing the Senior Notes offered hereby.
"Issuer"	Ardagh Glass Finance plc, a public limited company incorporated under the laws of Ireland.
"Parent Guarantor"	Ardagh Glass Holdings Limited.
"pounds", "GBP" or "£"	Pounds sterling, the currency of the United Kingdom.
"Restricted Subsidiary"	See "Description of the Notes—Certain Definitions—Restricted Subsidiary".
"Rexam Acquisition"	The acquisition by us of the glass container manufacturing division of Rexam plc in June 2007.
"Subsidiary Guarantors"	Ardagh Treasury Limited, Ardagh Corporate Services Limited, Ardagh Glass Sales Limited, Heye Beteiligungs GmbH & Co. KG, Ardagh Glass GmbH, Ardagh Glass Holding GmbH, Heye International GmbH, Schaumburger Formenbau GmbH, Ardagh Glass Limited, Ardagh Glass (UK) Limited, Ardagh Holdings (UK) Limited, Ardagh Glass Denmark ApS, Ardagh Glass Sweden AB, Ardagh Glass Sweden Finance AB, Ardagh Glass Holmegaard AS, Ardagh Glass Limmared AB, Ardagh Glass Netherlands B.V., Ardagh Glass Netherlands Finance B.V., Ardagh Glass Finance BV, Ardagh Glass Ujście SA, Ardagh Glass Gostyn SA, Ardagh Glass Wyszkow SA, Enville Limited and Ardagh Glass SrL, together.
"U.S. GAAP"	Accounting principles generally accepted in the United States of America.
"Yeoman"	Yeoman Capital S.A.

PRESENTATION OF FINANCIAL AND OTHER DATA

Issuer

Ardagh Glass Finance plc, the Issuer, is a direct, wholly owned subsidiary of Ardagh Glass Holdings Limited, the Parent Guarantor. The Issuer was incorporated and registered in the Republic of Ireland as a public limited company on March 1, 2007 and is a finance company that has not engaged in any activities other than the issuance of the 2007 Notes and the 2009 Notes, the granting of a guarantee of the Amended and Restated Anglo Irish Senior Secured Credit Facility and the making of certain intercompany loans.

Ardagh Glass Holdings Limited

Ardagh Glass Holdings Limited was incorporated and registered in the Republic of Ireland as a limited liability company on August 5, 2005. As a result of a Group restructuring effective November 18, 2005, Ardagh Glass Holdings Limited acquired 100% of the ordinary shares of Ardagh International Holdings Limited from Ardagh Glass Limited. Through its acquisition of Ardagh International Holdings Limited, Ardagh Glass Holdings Limited acquired 100% of the business of Ardagh Glass Limited. Ardagh Glass Holdings Limited is the parent guarantor of the 2007 Notes and the 2009 Notes. In this Offering Memorandum, we refer to, and present consolidated financial information for, Ardagh Glass Holdings Limited and its subsidiaries.

New Corporate Structure

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 ("AGG plc") in exchange for the issue of shares to the AGG plc shareholders in the same proportions as they had held shares in AGG plc.

Financial Statements

This Offering Memorandum includes:

- the audited non-statutory consolidated financial statements of Ardagh Glass Holdings Limited and its subsidiaries for the financial years ended and as at December 31, 2008, 2007 and 2006;
- the unaudited consolidated interim financial information of Ardagh Glass Holdings Limited and its subsidiaries for the nine-month periods ended and as at September 30, 2009 and 2008; and
- for comparative purposes only in "Operating and Financial Review and Prospects", condensed selected pro forma financial information for the financial year ended December 31, 2007 (the "2007 Pro Forma Financial Information"), which gives pro forma effect to the Rexam Acquisition as if such acquisition was consummated on January 1, 2007.

Except as otherwise noted, the financial statements included in this Offering Memorandum have been prepared in accordance with IFRS in effect as at December 31, 2008 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 the terms of the offering of the Senior Notes and the financial information contained in this Offering Memorandum. You should consult your own professional advisors for an understanding of the differences between IFRS and 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.

The accounting policies set out in the "F-pages" have been consistently applied to all periods presented.

Industry and Market Data

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, no facts have been omitted which would render the reproduced 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 is 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.

The 2007 Pro Forma Financial Information

This Offering Memorandum contains unaudited condensed pro forma financial information for the year ended December 31, 2007 in the form of the 2007 Pro Forma Financial Information. The 2007 Pro Forma Financial Information is based on the audited non-statutory consolidated financial statements of Ardagh for the fiscal year ended December 31, 2007, aggregated with the unaudited combined financial statements of Rexam for the period from January 1, 2007 to June 20, 2007 and gives effect to the Rexam Acquisition as if it was completed on January 1, 2007. 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 ("ISA U.K. and Ireland") or U.S. GAAP. In evaluating the pro forma financial information, you should carefully consider the audited financial statements of Ardagh Glass Holdings Limited and the notes thereto.

The presentation of the 2007 Pro Forma Financial Information is helpful as a basis for comparing Ardagh's results of operations in the financial year ended December 31, 2008 with Ardagh's results of operations in the same period in 2007 in a meaningful way by giving pro forma effect to the Rexam Acquisition as if it was completed at the beginning of the 2007 financial year. A comparison of the results of operations in the 2008 financial year with the audited non-statutory consolidated financial statements for the 2007 fiscal year would not be a fair comparison of the year-on-year results of operations because the Rexam Acquisition was completed on June 21, 2007 and, consequently, the combined results of operations of Ardagh and the acquired business were only partially reflected in the audited non-statutory consolidated financial statements for the 2007 fiscal year. **Nevertheless, the 2007 Pro Forma Financial Information is not necessarily indicative of what actual results of operations of Ardagh would have been assuming the Rexam Acquisition had been consummated on January 1, 2007, nor does it purport to represent the results of operations for future periods.**

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 "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 negative 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 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 manufacturing capacity, competitive pricing pressures, inflation or deflation and changes in tax rates and laws;
- fluctuations in raw material and labor costs;
- availability of raw materials;
- costs and availability of energy;
- foreign currency fluctuations relative to the British pound, euro, Danish kroner, Swedish kronor and Polish zloty;
- 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;
- performance by customers of their obligations under purchase agreements;
- consumer preferences for alternative forms of packaging; and
- the timing and occurrence of events which 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 Rate Between the Euro and British Pounds Sterling

The table below sets forth the period end, the average, high and low exchange rates (representing, for any day, the average of an afternoon selling and buying rate on such day) for British pounds sterling, expressed in British pounds per €1.00, for the years indicated.

	British pounds per euro[1]			
Year ended December 31,	Period Ending	Average[2]	High	Low
2005	0.6872	0.6831	0.7057	0.6624
2006	0.6738	0.6820	0.7014	0.6684
2007	0.7343	0.6871	0.7378	0.6557
2008	0.9670	0.8026	0.9804	0.7411
2009	0.8885	0.8899	0.9609	0.8449

(1) Source: Bank of England.

(2) The average buying rates for British pounds 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, expressed in British pounds per euro, for each of the six months prior to the date of this Offering Memorandum.

	British pounds per euro[1]		
Month	Period Ending	High	Low
July 2009	0.8551	0.8661	0.8527
August 2009	0.8812	0.8812	0.8480
September 2009	0.9140	0.9214	0.8709
October 2009	0.8954	0.9382	0.8949
November 2009	0.9148	0.9148	0.8836
December 2009	0.8885	0.9100	0.8876
January 2010 (through January 8, 2010)	0.8990	0.8993	0.8956

(1) Source: Bank of England.

The British pounds sterling per euro exchange rate on January 8, 2010 was £0.8990 = €1.00.

Our inclusion of such translations is not meant to suggest that the British pound 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.

Exchange Rate Between the Euro and U.S. Dollar

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

	U.S. dollars per euro[1]			
Year ended December 31,	Period Ending	Average[2]	High	Low
2005	1.1849	1.2444	1.3465	1.1670
2006	1.3197	1.2566	1.3343	1.1820
2007	1.4589	1.3709	1.4872	1.2893
2008	1.3971	1.4712	1.5991	1.2453
2009	1.4331	1.3952	1.5094	1.2543

(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, expressed in U.S. dollars per euro, 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 2009	1.4257	1.4232	1.3884
August 2009	1.4334	1.4412	1.4082
September 2009	1.4640	1.4790	1.4224
October 2009	1.4719	1.5033	1.4545
November 2009	1.5005	1.5134	1.4724
December 2009	1.4331	1.5094	1.4275
January 2010 (through January 8, 2010)	1.4405	1.4418	1.4308

(1) Source: Bloomberg.

The U.S. dollar per euro exchange rate on January 8, 2010 was $1.4405 = €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.

Exchange Rate Between the Euro and Danish Kroner

The table below sets forth the period end, the average, high and low exchange rates (representing, for any day, the average of an afternoon selling and buying rate on such day) for Danish kroner ("DKK"), expressed in DKK per €1.00, for the years indicated.

	DKK per euro(1)			
Year ended December 31,	**Period Ending**	**Average(2)**	**High**	**Low**
2005	7.4605	7.4525	7.4640	7.4351
2006	7.4560	7.4590	7.4674	7.4528
2007	7.4566	7.4511	7.4624	7.4395
2008	7.4506	7.4558	7.4628	7.4428
2009	7.4415	7.4461	7.4563	7.4406

(1) Source: National Bank of Denmark.

(2) The average buying rates for Danish kroner 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, expressed in DKK per euro, for each of the six months prior to the date of this Offering Memorandum.

	DKK per euro(1)		
Month	**Period Ending**	**High**	**Low**
July 2009	7.4461	7.4469	7.4447
August 2009	7.4431	7.4452	7.4425
September 2009	7.4443	7.4443	7.4407
October 2009	7.4430	7.4449	7.4430
November 2009	7.4424	7.4427	7.4406
December 2009	7.4415	7.4433	7.4415
January 2010 (through January 8, 2010)	7.4410	7.4415	7.4407

(1) Source: National Bank of Denmark.

The DKK per euro exchange rate on January 8, 2010 was DKK 7.4410 = €1.00.

Our inclusion of such translations is not meant to suggest that the Danish kroner 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.

Exchange Rate Between the Euro and Swedish Kronor

The table below sets forth the period end, the average, high and low exchange rates (representing, for any day, the average of an afternoon selling and buying rate on such day) for Swedish kronor ("SEK"), expressed in SEK per €1.00, for the years indicated.

	SEK per euro(1)			
Year ended December 31,	**Period Ending**	**Average(2)**	**High**	**Low**
2005	9.4300	9.3039	9.6490	9.0040
2006	9.0500	9.2483	9.4675	8.9700
2007	9.4735	9.2629	9.4735	9.0145
2008	10.9355	9.6794	11.6465	9.2710
2009	10.3530	10.6099	11.6465	10.0570

(1) Source: Sveriges Riksbank.

(2) The average buying rates for Swedish kronor 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, expressed in SEK per €1.00, for each of the six months prior to the date of this Offering Memorandum.

	SEK per euro(1)		
Month	**Period Ending**	**High**	**Low**
July 2009	10.3975	11.0865	10.3975
August 2009	10.1890	10.3465	10.0570
September 2009	10.2350	10.3415	10.0775
October 2009	10.3885	10.4145	10.1605
November 2009	10.4620	10.4900	10.1990
December 2009	10.3530	10.4945	10.3145
January 2010 (through January 8, 2010)	10.2005	10.2215	10.1780

(1) Source: Sveriges Riksbank.

The SEK per euro exchange rate on January 8, 2010 was SEK 10.2005 = €1.00.

Our inclusion of such translations is not meant to suggest that the Swedish kronor 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.

Exchange Rate Between the Euro and Polish Zloty

The table below sets forth the period end, the average, high and low exchange rates (representing, for any day, the average of an afternoon selling and buying rate on such day) for Polish zloty ("PLN"), expressed in PLN per €1.00, for the years indicated.

	PLN per euro(1)			
Year ended December 31,	**Period Ending**	**Average(2)**	**High**	**Low**
2005	3.8457	4.0224	4.2919	3.8160
2006	3.8295	3.8955	4.1064	3.7598
2007	3.5955	3.7815	3.9373	3.5661
2008	4.1490	3.5162	4.1757	3.2040
2009	4.1048	4.3448	4.9025	3.9671

(1) Source: Bloomberg.

(2) The average buying rates for Polish zloty 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, expressed in PLN per euro, for each of the six months prior to the date of this Offering Memorandum.

	PLN per euro(1)		
Month	**Period Ending**	**High**	**Low**
July 2009	4.1460	4.4378	4.1460
August 2009	4.0950	4.1860	4.0820
September 2009	4.2000	4.2351	4.0895
October 2009	4.2580	4.2804	4.1628
November 2009	4.1635	4.2740	4.0886
December 2009	4.1048	4.2172	4.0589
January 2010 (through January 8, 2010)	4.1084	4.1109	4.0794

(1) Source: Bloomberg.

The PLN per euro exchange rate on January 8, 2010 was PLN 4.1084 = €1.00.

Our inclusion of such translations is not meant to suggest that the Polish zloty 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 Senior Notes. This Offering Memorandum contains specific terms of the 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 and our non-statutory consolidated financial statements 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 Glass Group", "Group", "we", "us" and "our" for the purposes of this Offering Memorandum, we are referring to Ardagh Glass Holdings Limited and its subsidiaries (including any of their predecessors).

The Issuer was incorporated on March 1, 2007 and has not engaged in any activities prior to this offering except the issuance of the 2007 Notes and the 2009 Notes, the granting of a guarantee of the Amended and Restated Anglo Irish Senior Secured Credit Facility and the making of certain intercompany loans. Ardagh Glass Group S.A., our ultimate parent company, is not an obligor under the Senior Notes.

Business Overview

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

Revenues and EBITDA for Ardagh for the year ended December 31, 2008 were €1,357.2 million and €262.1 million, respectively, and for the nine months ended September 30, 2009 were €935.2 million and €172.2 million, respectively. Although our revenues for the nine months ended September 30, 2009 have decreased from the corresponding period in the prior year, Ardagh was able to implement price increases which helped to offset volume declines. In addition, negative translation effects from currency fluctuations had a significant impact. Revenues and EBITDA for Ardagh for the twelve months ended September 30, 2009 were €1,264.4 million and €234.3 million, respectively.

Ardagh operates 20 glass plants with 40 glass furnaces and 101 production lines in seven countries. In 2009, the aggregate production of Ardagh's glass container businesses was approximately 2.9 million tonnes. For the year ended December 31, 2009, Ardagh 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.

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

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

Source: Ardagh management estimate.

Ardagh Glass Engineering

Ardagh Glass Engineering Group was established in late 2008 and brings together our main technology business, Heye International, and the mould manufacturing and repair operations within the Group. The nature of these activities is different from the nature of glass container operations and, consequently, their development can be better catered for by having a separate, focused management team. In 2009, these activities represented approximately 5% of our revenues. Through Heye International, with headquarters in Germany and operating internationally, Ardagh 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. Heye International is one of only a few companies worldwide providing comprehensive turnkey glass container operations and technology services to the global glass container manufacturing industry. In recent years, it has provided support to worldwide businesses, such as AB InBev, Amcor, Femsa and Heineken, and has undertaken the design and supply of six major glass manufacturing facilities.

The Rexam Acquisition

On March 11, 2007, Ardagh Glass Group plc, our then ultimate parent company, entered into a Share Purchase Agreement (the "Share Purchase Agreement") with Rexam plc for the acquisition by wholly owned subsidiaries of Ardagh Glass Holdings Limited of the share capital of various wholly owned subsidiaries of Rexam plc, which operated the glass container manufacturing division of Rexam plc. The Rexam Acquisition was consummated on June 21, 2007 and the acquired business has now been fully integrated into our business.

The Rexam Acquisition had a material effect on our business, approximately doubling Ardagh's size based on sales volume and resulting in a significant expansion of its operations in Germany and Poland and entry into new markets in the Nordic and Benelux regions. The primary focus of Ardagh's management following the acquisition of the glass division of Rexam plc has been to successfully integrate the acquired business with the pre-existing Ardagh operations and to realize the anticipated synergies quickly and efficiently. During 2008, this process was successfully completed. Ardagh now operates as an integrated business with a unified management team focused on profitably serving its customers' needs on a regional and multi-national basis.

Competitive Strengths

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

- ***Leading Market Position in Its Principal Market—Northern Europe.*** We believe Ardagh 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. We believe Ardagh is one of the market leaders in Germany, the U.K. and the Nordic region, with strong market positions in the food, beer and spirits sectors. Ardagh has achieved this by pursuing strategic opportunities, such as the expansion of operations through the Rexam Acquisition, while maintaining profitability rather than pursuing market share gains at the expense of operating margins. Ardagh's leading Northern European market position provides it with significant economies of scale. Furthermore, the cash flow generated from its operations allows for ongoing reinvestment in its business.
- ***Customer Relationships.*** Ardagh has strong and long-standing relationships with its customers which include some of the leading European and global food and beverage manufacturers such as AB InBev, Bacardi, Carlsberg, Coca-Cola Schweppes Beverages, Diageo, Heineken, Kraft, MEK, Nestlé, Pernod Ricard, Premier Foods, SABMiller and Vin & Sprit. The average tenure of Ardagh's relationships with its top five customers is more than nine years, and for certain

customers, such as Vin & Sprit, the relationship dates back several decades. Ardagh also has very strong relationships with a number of regional leaders such as DEK, Dutch Glory/Hak, Gobber, Maspex, Orkla, Royal Unibrew and Stute. Ardagh's customers rely heavily on manufacturers to provide quality products on time and in specified quantities, as failure to do so would disrupt their production lines and may have a significant adverse impact on their business. As a result, Ardagh's customers typically undertake a rigorous selection process prior to choosing a manufacturer. We believe that Ardagh's customers identify Ardagh as being reliable and capable of delivering high quality, technologically advanced products, which is a key purchasing consideration. Ardagh's top ten customers accounted for approximately 41% of total revenues in 2009.

- ***Technical Leadership and Innovation.*** Ardagh has superior technology and manufacturing capabilities including a high standard of product and process development and extensive knowledge of the industry, which is supported through its division Ardagh Glass Engineering. Ardagh 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 capabilities, range of machine configurations and high degree of flexibility, they are able to meet the diverse design needs of customers and to face ongoing industry challenges. Ardagh has consistently focused on decreasing total costs through staffing reductions, machine line rationalization and investments in advanced technology.

- ***Proven Ability to Execute Strategic Acquisitions and Integrate Acquired Businesses.*** Ardagh's strategy of careful evaluation and pursuit of strategic opportunities has resulted in its successful growth through acquisitions. The Rexam Acquisition resulted in approximately doubling Ardagh's size based on sales volume, in significantly expanding its operations in Germany and Poland and in entering into new markets in the Nordic and Benelux regions. Ardagh previously acquired and efficiently integrated companies such as Heye Holding, Huta Szkla Ujscie ("HSU") and Redfearn. These acquisitions resulted in Ardagh's expansion into new and in existing markets and generated significant cost savings and revenue growth.

- ***Experienced and Highly Focused Management Team with a Proven Track record.*** Ardagh's management team is highly experienced with strong backgrounds in the glass container industry in Northern Europe, Australia and Southeast Asia. The members of Ardagh's senior team have demonstrated their ability to manage costs, adapt to changing market conditions and acquire and successfully integrate new businesses, including our significant expansion and the nearly doubling of our size as a result of the Rexam Acquisition. Ardagh's directors and senior management are incentivized through share ownership in our ultimate holding company Ardagh Glass Group S.A. As of December 31, 2009, Ardagh's senior management (including directors of Ardagh Glass Group S.A., other than Paul Coulson) collectively owned directly approximately 22% of the total share capital of Ardagh Glass Group S.A.

Business Strategy

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

- ***Maintain a Disciplined Earnings and Cash-Flow Oriented Approach.*** Ardagh carefully assesses 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 seek to improve our efficiency, control costs and preserve cash flows. In response to the present economic environment, we have taken and 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.*** Ardagh's goal is to be the most profitable glass container producer in the markets in which it operates, with a low cost base, highly efficient machinery, strong technological expertise and a highly motivated workforce. Through the technology and manufacturing business of Heye International, which designs, manufactures and commissions glass container plants, and the deployment of the best technology available globally, Ardagh intends to increase productivity through the continuing development and transfer of expertise and best practices across its operations.

- ***Focus on High-Growth Glass Intensive Segments.*** Ardagh focuses its marketing efforts and production capacity on relatively high-growth glass segments in which it can maintain or achieve competitive pricing levels, such as the premium beer segment. Ardagh also focuses on segments that we believe have potential to substitute high-value added glass containers for alternative forms of packaging.

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

- ***Careful Evaluation and Pursuit of Strategic Opportunities in the Medium and Long Term.*** Ardagh will continue to consider acquiring businesses in the medium and long term in line with its strategic objectives which include the realization of attractive returns on investment and the generation of significant free cash flow. In addition, Ardagh may selectively explore business opportunities for establishing operations in new markets to meet the geographic and other needs of current and potential customers.

Recent Developments

Subject to confirmation in our annual report for 2009 to be published later this year, our expectations with respect to business performance in the fourth quarter of 2009 are as follows:

- EBITDA to be in-line with the fourth quarter of 2008;
- the positive cashflow momentum evident in the third quarter of 2009 continued in the fourth quarter;
- our inventory reduction initiative came to a successful conclusion in the fourth quarter;
- capital expenditure for the 2009 fiscal year to be confirmed at €105 million; and
- our year-end liquidity position to be in-line with target.

The Issuer

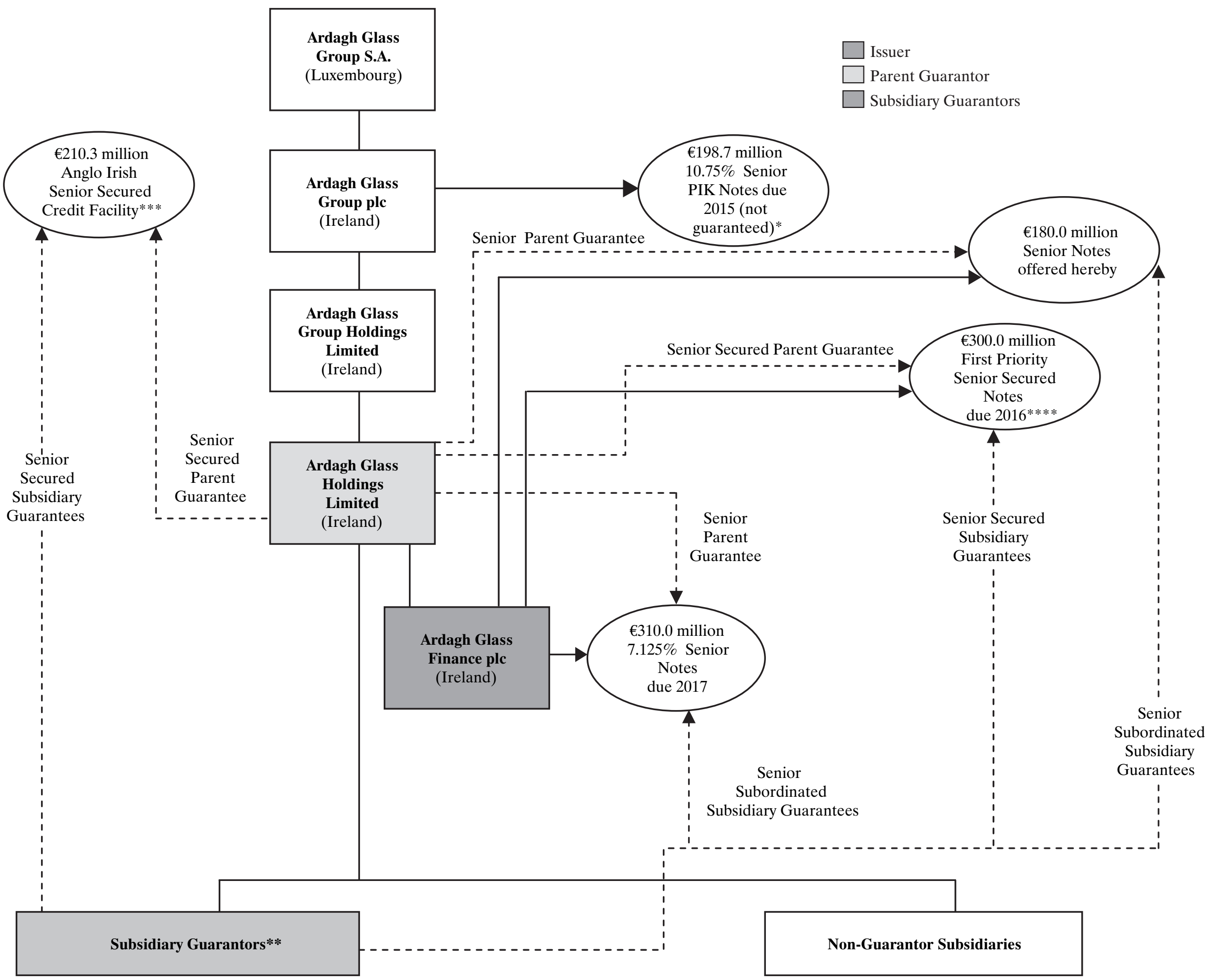
The Issuer is a public limited company, incorporated under the laws of Ireland, with its principal office at 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland.

The telephone number of the Issuer is +353 1 605 2400.

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 Senior Notes offered hereby and following 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 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, 2009.

** It is our intention that, after the Issue Date, Ardagh Glass Moerdijk B.V. and Ardagh Glass Dongen B.V. will guarantee the Senior Notes, subject in all cases to full compliance with applicable legal requirements in The Netherlands, including employment-related matters and receipt of unconditional positive advice from the competent works council following works council consultations. All references to Subsidiary Guarantors in this Offering Memorandum, or references to the revenues, EBITDA or assets of the Subsidiary Guarantors as a group exclude Ardagh Glass Moerdijk B.V. and Ardagh Glass Dongen B.V.

*** Of the €210.3 million drawn under the Amended and Restated Anglo Irish Senior Secured Credit Facility, €94.9 million was drawn by Ardagh Corporate Services Limited and €109.3 million was drawn by Heye GmbH and €6.1 million by Ardagh Glass GmbH.

**** The 2009 Notes were issued at a price of 98.116% of the principal amount thereof.

As at September 30, 2009, after giving pro forma effect to the issuance of the Senior Notes and the application of the net proceeds therefrom, Ardagh on a consolidated basis would have had:

- total debt, including secured debt, (before deducting deferred financing costs) of the Subsidiary Guarantors of €995.8 million, of which €490.0 million 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 €505.6 million.

In addition, as at September 30, 2009, we had total retirement benefit obligations of €63.3 million. In certain jurisdictions, these obligations may rank senior to the Guarantee in a bankruptcy of the relevant Guarantor as a matter of law.

As at September 30, 2009, our non-guarantor subsidiaries, all of which will be "Restricted Subsidiaries" for purposes of the Indenture, had:

- no total debt; and
- aggregated trade payables and deferred taxes of €14.8 million.

For information about the revenues, EBITDA and total assets of the Subsidiary Guarantors and non-guarantor subsidiaries, as well as a list of the Subsidiary Guarantors, see "Unaudited Supplemental Information on the Subsidiary Guarantors".

THE OFFERING

The following summary contains basic information about the Senior Notes. It may not contain all the information that is important to you. For a more complete understanding of the Senior Notes, please refer to the section of this Offering Memorandum entitled "Description of the 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 Notes".

Issuer	Ardagh Glass Finance plc.
Notes Offered	€180.0 million aggregate principal amount of Senior Notes due February 1, 2020.
Maturity	February 1, 2020.
Interest	8¾% per annum, payable semi annually in arrears on each February 1 and August 1, beginning on August 1, 2010. Interest on the Senior Notes will accrue from their date of issue.
Guarantees	The Senior Notes will be guaranteed on a senior basis by the Parent Guarantor and on a senior subordinated basis by certain of the Parent Guarantor's wholly owned subsidiaries. As at September 30, 2009, the Parent Guarantor would have had on a consolidated basis, after giving pro forma effect to the issuance of the Senior Notes and the application of the proceeds therefrom: (i) total debt, including secured debt, (before deducting deferred financing costs) of the Subsidiary Guarantors of €995.8 million, of which €490.0 million would rank equally in right of payment to the Subsidiary Guarantees and (ii) total debt of the Subsidiary Guarantors that is senior in right of payment to the Subsidiary Guarantees of €505.6 million. In addition, as of the same date, Ardagh's non-guarantor Subsidiaries, all of which are Restricted Subsidiaries, had no debt and aggregated trade payables and deferred taxes of €14.8 million. For information about the revenues, EBITDA and total assets of the Subsidiary Guarantors and non-guarantor subsidiaries, as well as a list of the Subsidiary Guarantors, see "Unaudited Supplemental Information on the Subsidiary Guarantors". For a list of our Subsidiary Guarantors, see "Listing and General Information". See also "Description of Other Indebtedness" and "Description of the Notes".
Ranking	The Senior Notes will be general obligations of the Issuer and will: • 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

- be effectively subordinated to any secured indebtedness of the Issuer to the extent of the value of the assets securing such debt.

The Parent Guarantee will be the general unsecured obligation of the Parent Guarantor and will:

- rank 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;
- rank 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;
- be 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 2009 Notes and the Amended and Restated Anglo Irish Senior Secured Credit Facility;
- be structurally subordinated to all existing and future indebtedness of any of the Parent Guarantor's subsidiaries that do not guarantee the Senior Notes; and
- not be subject to the restrictions on enforcement applicable to each Subsidiary Guarantee.

Each Subsidiary Guarantee will be the general unsecured obligation of such Subsidiary Guarantor and will:

- be 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 2009 Notes and the Amended and Restated Anglo Irish Senior Secured Credit Facility;
- rank 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 2007 Notes);
- rank 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 Subsidiary Guarantee;
- be effectively subordinated to any *pari passu* secured debt of the Subsidiary Guarantor to the extent of the value of the assets securing such debt;
- be effectively subordinated to all existing and future indebtedness of such Subsidiary Guarantor's non-guarantor subsidiaries; and

	• be 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 Guarantees will not become due during this standstill period. See "Description of the Notes—Ranking of the Notes and the Guarantees; Subordination".
Optional Redemption	At any time prior to February 1, 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 Notes—Optional Redemption—Optional Redemption prior to February 1, 2015". At any time on or after February 1, 2015, the Issuer may also redeem all or part of the Senior Notes at the redemption prices listed under "Description of the Notes—Optional Redemption—Optional Redemption on or after February 1, 2015". At any time prior to February 1, 2013, the Issuer may redeem up to 35% of the aggregate principal amount of Senior Notes with the net cash proceeds of certain equity offerings at the redemption price listed under "Description of the Notes—Optional Redemption—Optional Redemption prior to February 1, 2013 upon Public Equity Offering". For a more detailed description, see "Description of the Notes—Optional Redemption".
Restrictive Covenants	The Indenture will contain 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 Notes—Certain Covenants". These covenants are subject to a number of important qualifications and exceptions.
Transfer Restrictions	We have not registered the Senior Notes or the related Guarantees under the U.S. Securities Act. You may only offer or sell 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 Senior Notes will be used, together with cash on hand, to redeem all of the outstanding 2003 Notes (including principal amount, accrued interest to the date of redemption and the applicable redemption premium).
Trustee	The Bank of New York Mellon.
Principal Paying Agent, Custodian and Transfer Agent	The Bank of New York Mellon.
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 Senior Notes to be 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 will be governed by the laws of the state of New York.
Risk Factors	Investing in the 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 whether to invest in the 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 at the dates indicated below. The historical financial data for the year 2007 do not fully reflect changes as a result of the Rexam Acquisition because this acquisition was consummated on June 21, 2007. The historical financial data presented in the following table for the year 2006 do not reflect changes as a result of the Rexam Acquisition. 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 at December 31, 2008, 2007 and 2006, from the audited non-statutory consolidated financial statements of Ardagh Glass Holdings Limited and its subsidiaries, included elsewhere in this Offering Memorandum.

We have derived the summary unaudited consolidated interim financial data for the nine-month periods ended and as at September 30, 2009 and 2008, from the unaudited consolidated interim financial information of Ardagh Glass Holdings Limited and its subsidiaries, included elsewhere in this Offering Memorandum.

The unaudited consolidated financial information for the twelve months ended and as at September 30, 2009 set forth below was derived by adding the consolidated financial data of Ardagh for the year ended December 31, 2008 to the consolidated financial data of Ardagh for the nine months ended September 30, 2009 and subtracting the consolidated financial data of Ardagh for the nine months ended September 30, 2008. The financial information for the twelve months ended and as at September 30, 2009 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-month period ended September 30, 2009, should not be regarded as indicative of our results expected for the year ending December 31, 2009.

Although our audited non-statutory consolidated financial statements for the 2008 financial year present the financial condition and results of operations of the combined Ardagh and Rexam businesses, the audited non-statutory consolidated financial statements for the 2007 financial year reflect the effects of the Rexam Acquisition on our results of operations only partially, from the period of the Rexam Acquisition (June 21, 2007) to the end of the 2007 financial year.

	Audited Consolidated Year ended and as at December 31, 2008	2007*	2006	Unaudited Nine months ended and as at Before other income and expense September 30, 2009	Other income and expense September 30, 2009	September 30, 2009	September 30, 2008	Twelve months ended and as at September 30, 2009**
	(in € millions, except ratios and where indicated)							
Profit and Loss Account Data								
Revenues	1,357.2	1,025.0	647.5	935.2	—	935.2	1,028.0	1,264.4
Cost of sales	(1,178.4)	(887.6)	(620.1)	(825.9)	(2.1)	(828.0)	(886.9)	(1,119.5)
IFRS non-cash stock adjustment	—	(13.8)***	—	—	—	—	—	—
Gross profit	178.8	123.6	27.4	109.3	(2.1)	107.2	141.1	144.9
Sales, general and administration expenses	(73.7)	(57.6)	(32.9)	(47.1)	—	(47.1)	(57.1)	(63.7)
Other income and expenses	(24.9)	(8.9)	8.8	—	(41.1)	(41.1)	(13.4)	(52.6)
Operating profit/(loss)	80.2	57.1	3.3	62.2	(43.2)	19.0	70.6	28.6
Net finance expenses	(84.0)	(53.0)	(26.4)	(57.3)	(7.3)****	(64.6)	(59.7)	(88.9)
Share of profit of joint venture	0.8	0.3	0.3	0.4	—	0.4	0.4	0.8
(Loss)/profit before tax	(3.0)	4.4	(22.8)	5.3	(50.5)	(45.2)	11.3	(59.5)
Income tax credit/ (expense)	6.5	0.2	6.2	(1.3)	—	(1.3)	(1.6)	6.8
Profit/(loss) for the period	3.5	4.6	(16.6)	4.0	(50.5)	(46.5)	9.7	(52.7)
Balance Sheet Data								
Cash and cash equivalents	61.9	62.6	68.0	84.8	—	84.8	57.9	84.8
Working capital(1)	281.1	230.2	105.1	289.8	—	289.8	302.9	289.8
Total assets	1,342.9	1,400.8	621.8	1,349.9	—	1,349.9	1,438.7	1,349.9
Total borrowings(2)	958.0	935.2	332.9	990.8	—	990.8	959.9	990.8
Total equity	31.2	105.2	103.0	(13.5)	—	(13.5)	114.3	(13.5)
Other Data								
Gross margin(3)	13.2%	13.4%	4.2%	11.7%	—	11.5%	13.7%	11.6%
EBITDA(4)	262.1	180.2	52.1	172.2	—	172.2	200.0	234.3
EBITDA margin(4)	19.3%	17.6%	8.0%	18.4%	—	18.4%	19.5%	18.5%
Depreciation(5)	157.0	100.4	57.6	110.0	2.1	112.1	116.0	153.1
Net interest costs(6)	74.6	53.2	27.6	56.8	—	56.8	56.8	74.6
Capital expenditure	128.8	99.4	32.6	75.8	—	75.8	93.5	111.1
Net borrowings(7)	874.8	845.5	257.4	874.4	—	874.4	877.8	874.4
Ratio of net borrowings to EBITDA(4)(7)	3.3x	4.7x	4.9x	—	—	—	—	3.7x
Ratio of EBITDA to net interest costs(4)(6)	3.5x	3.4x	1.9x	3.0x	—	3.0x	3.5x	3.1x
Pro Forma Data								
Pro forma net borrowings(8)								€880.9
Ratio of pro forma net borrowings to EBITDA(4)(8)								3.8x
Pro forma net interest costs(9)								€75.4
Ratio of EBITDA to pro forma net interest costs(4)(9)								3.1x

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

** Includes other income and expense for the period indicated.

*** 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.

**** Net finance expense for the nine months ended September 30, 2009 includes an expense of €5.3 million. Due to the partial prepayment of the Amended and Restated Anglo Irish Senior Secured Credit Facility, a portion of the Group's interest rate swaps were no longer classified as hedging instruments. IFRS requires that any previous cumulative mark-to-market adjustments to the fair value of this derivative be removed from equity and charged directly to the income statement with no net impact on shareholder funds.

(1) Working capital is made up of inventories, trade receivables, other receivables, prepayments, trade payables, other tax and social security payable and recoverable, other payables and accruals (excluding interest payable), pallet deposits, customer deposits and amounts owed to joint venture.

(2) Total borrowings includes all bank borrowings as well as vendor loan notes, subordinated loan notes and deferred consideration loan notes.

(3) Gross margin is calculated as gross profit excluding other income and expense divided by Group 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,
	2008	2007*	2006	2009	2008	2009
	(in € millions)					
Gross profit	178.8	123.6	27.4	107.2	141.1	144.9
Add back IFRS non-cash stock adjustment	—	13.8	—	—	—	—
Add back other income and expense	—	—	—	2.1	—	2.1
Gross profit excluding other items	178.8	137.4	27.4	109.3	141.1	147.0

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

(4) EBITDA is operating profit before depreciation, amortization, other income and expenses and non-cash items. EBITDA margin is calculated as EBITDA divided by Group 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 container 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 operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of operating profit to EBITDA is as follows:

	Audited Consolidated			Nine months ended				Twelve months ended
	Year ended December 31,			Before other income and expense	Other income and expense			
	2008	2007*	2006	September 30, 2009	September 30, 2009	September 30, 2009	September 30, 2008	September 30, 2009
					(in € millions)			
Group operating profit/ (loss)	80.2	57.1	3.3	62.2	(43.2)	19.0	70.6	28.6
Add back depreciation and amortization	157.0	100.4	57.6	110.0	2.1	112.1	116.0	153.1
Add back IFRS non cash stock adjustment	—	13.8	—	—	—	—	—	—
Add back other income and expenses**	24.9	8.9	(8.8)	—	41.1	41.1	13.4	52.6
EBITDA	262.1	180.2	52.1	172.2	—	172.2	200.0	234.3

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

** Other income and expenses comprise restructuring costs, termination benefits and aborted acquisition and disposal costs. See Note 5 to the consolidated non-statutory financial statements for the year ended December 31, 2008 and Note 2 to the unaudited consolidated interim financial information for the nine month period ended September 30, 2009 of Ardagh Glass Holdings Limited, for further analysis.

(5) Depreciation less capital grant amortization.

(6) Net interest costs represent net finance costs 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 less cash and deferred financing costs.

(8) Pro forma net borrowings give pro forma effect to the issuance of the Senior Notes and the application of the proceeds therefrom as if such issuance took place on September 30, 2009. Management believes that amounts included in net borrowings for overdraft and revolving credit lines and cash are indicative of the average balances for the twelve-month period ended September 30, 2009. However, these are not necessarily indicative of such average balances to be expected for any financial year.

(9) Pro forma net interest costs give pro forma effect to the issuance of the Senior Notes and the application of the proceeds therefrom as if the Senior Notes were issued on October 1, 2008.

RISK FACTORS

An investment in the 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 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 Senior Notes could decline, and we may not be able to pay all or part of the interest or principal on the 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 and the Senior Notes

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

We have a substantial amount of debt and significant debt service obligations. As at September 30, 2009, on a pro forma basis, after giving effect to the issuance of the Senior Notes and the application of the net proceeds of this offering as described under "Use of Proceeds", we would have had (i) total debt (before deducting financing costs) of €995.8 million, of which €180.0 million would have been debt incurred in this offering, (ii) debt of €505.6 million of the Guarantors which would rank senior in right of payment to the Guarantees and (iii) €815.8 million of debt which will mature prior to the maturity of the Senior Notes. In addition, our main credit facilities permitted additional borrowings of up to €215.9 million and all of these borrowings would effectively rank senior to the Senior Notes.

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 Amended and Restated Anglo Irish Senior Secured 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 senior debt, a minimum level of EBITDA to total debt, a minimum level of EBITDA to total senior debt interest payable, a minimum level of EBITDA to total cash interest payable, a minimum tangible net worth and a maximum amount of capital expenditures, all as defined in such credit facilities. See "Description of Other Indebtedness—Amended and Restated Anglo Irish Senior Secured 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 could also require us to apply all available cash to repay the borrowings or prevent us from making debt service payments on the 2009 Notes or the 2007 Notes, any of which would be an event of default under the Senior Notes. If the debt under our credit facilities, the 2009 Notes, the 2007 Notes, or the 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 senior secured credit facilities, the 2009 Indenture, the 2007 Indenture, the Indenture and other outstanding debt, we may be able to incur substantial additional debt in the future, which could be secured. For example, the Indenture will allow the Parent Guarantor and its Restricted Subsidiaries (as defined in the Indenture) to grant liens on any of their property or assets to secure certain other debt that may be incurred under the "Limitation on Debt" covenant in the Indenture described in "Description of the Notes—Certain Covenants—Limitation on Debt".

As of September 30, 2009, on a pro forma basis, after the application of the net proceeds of this offering as described under "Use of Proceeds", our main credit facilities permitted additional borrowings of up to €215.9 million, and all of these borrowings would effectively rank senior to the Guarantees. Although the terms of these credit facilities and the Indenture 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 to 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 the principal amounts outstanding under the Senior Notes, the 2009 Notes and the 2007 Notes upon the maturity of each such series of notes in February 2020, July 2016 and June 2017, respectively. 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 indentures governing the 2009 Notes and the 2007 Notes, the Amended and Restated Anglo Irish Senior Secured Credit Facility, the GE Commercial Finance Facility and certain of our other credit facilities limit our ability to take certain actions.

The Indenture, the indentures governing the 2009 Notes and the 2007 Notes, the Amended and Restated Anglo Irish Senior Secured 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 indentures governing the 2009 Notes and the 2007 Notes, the Amended and Restated Anglo Irish Senior Secured 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 glass container packaging business is likely to require participation in the consolidation of the glass industry in Europe 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 indentures governing the 2009 Notes and the 2007 Notes, the Amended and Restated Anglo Irish Senior Secured 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 Amended and Restated Anglo Irish Senior Secured 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 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 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 Subsidiary Guarantors is incorporated in one of Ireland, Germany, the United Kingdom, Denmark, Sweden, The Netherlands, Poland, Guernsey or Italy. The insolvency laws of these 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 the Company'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. A brief description of certain aspects of insolvency law in Ireland, Germany, England, Denmark, Sweden, The Netherlands, Poland, Guernsey and Italy is set forth under "Limitations on Validity and Enforceability of the Guarantees".

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 2009 Notes, the 2007 Notes and 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 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, 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, the Amended and Restated Anglo Irish Senior Secured Credit Facility and the GE Commercial Finance Facility 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.

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 2009 Notes, the Amended and Restated Anglo Irish Senior Secured 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 Indenture 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. 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 at September 30, 2009, on a pro forma basis, after giving effect to the issuance of the Senior Notes and the application of the net proceeds of this offering as described under "Use of Proceeds", the Parent Guarantor and the Subsidiary Guarantors would have had €505.6 million of secured debt outstanding.

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

The 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, and the Subsidiary Guarantors, each of which is incorporated under the laws of one of Ireland, Germany, the United Kingdom, Denmark, Sweden, The Netherlands, Poland, Guernsey or Italy. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Ireland, Germany, the United Kingdom, Denmark, Sweden, The Netherlands, Poland, Guernsey or Italy. 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 Guarantors' 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, ability to obtain post-petition interest and 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 Senior Notes and the Guarantees in these jurisdictions or limit any amounts that you may receive. See "Limitations on Validity and Enforceability of the Guarantees".

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 "—Risks Associated with the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees".

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

The Senior Notes are new securities for which there is currently no existing market. Although we have made an application to list the Senior Notes on the Global Exchange Market of the Irish Stock Exchange, we cannot assure you that the Senior Notes will become or will remain listed. We cannot assure you as to the liquidity of any market that may develop for the Senior Notes, the ability of holders of the Senior Notes to sell them or the price at which the holders of the 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 purchasers that Citigroup Global Markets Limited intends to make a market for the Senior Notes after the offering is completed. However, Citigroup Global Markets Limited is not obligated to do so and may cease its 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 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 for Euroclear and Clearstream Banking (or its nominee) will be the sole holder of the global notes representing the Senior Notes. 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. 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. 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 Senior Notes.

The Issuer is incorporated under the laws of Ireland, and the Guarantors are incorporated under the laws of one of Ireland, Germany, England, Denmark, Sweden, The Netherlands, Guernsey, Poland or Italy. All of the directors and executive officers of the Issuer and the Guarantors live outside the United States. All of the assets of the Issuer and the Guarantors, 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.

In addition, Irish, German, English, Danish, Swedish, Dutch, Polish and Italian counsel have each informed us that it is questionable whether an Irish, German, English, Danish, Swedish, Dutch, Polish or Italian court would accept jurisdiction and impose civil liability if proceedings were commenced in Ireland, Germany, the United Kingdom, Denmark, Sweden, The Netherlands, Poland or Italy predicated solely upon U.S. federal securities laws. See "Service of Process and Enforcement of Judgments".

Risks Associated with the Guarantees

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

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. 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 of a parent company's debt need to be reasonable and economically and operationally justified from the guarantor's perspective, as well as thin capitalization and fraudulent transfer principles. If these limitations were not observed, the Subsidiary Guarantees could be subject to legal challenge. With respect to these jurisdictions, the Indenture 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 Subsidiary Guarantees in one of these jurisdictions, your claims are likely to be limited. In some cases, where the amount that can be guaranteed 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 Subsidiary Guarantees will be validly given in accordance with local law restrictions, there can be no assurance that a third party creditor would not challenge these Subsidiary Guarantees and prevail in court.

Your right 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 its Guarantee 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 Amended and Restated Anglo Irish Senior Secured Credit Facility or a guarantor of the 2009 Notes and certain other credit facilities, such Subsidiary Guarantor's obligations thereunder and under its hedging arrangements. As at September 30, 2009, on a pro forma basis, after giving effect to the issuance of the Senior Notes and the application of the net proceeds of this offering as described under "Use of Proceeds", all of the Subsidiary Guarantors on a combined basis would have had outstanding €505.6 million of senior debt, which would rank senior in right of payment to their Guarantees of the Senior Notes. 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 Subsidiary Guarantees. For a complete summary of the terms of, and subordination provisions relating to, the Senior Notes and the Guarantees, see "Description of the Notes—Ranking of the Notes and the Guarantees; Subordination".

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 Subsidiary 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 Subsidiary 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 Subsidiary 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 your rights as a note holder 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 Subsidiary Guarantees in the event of a default by the Issuer or a Subsdiary Guarantor.

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 become 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, 2009, on a pro forma basis after the application of the net proceeds of this offering, our non-guarantor subsidiaries would have no debt and approximately €30.4 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. For information about the revenues, EBITDA and total assets of the Subsidiary Guarantors and non-guarantor subsidiaries, see "Unaudited Supplemental Information on the Subsidiary Guarantors".

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 Guarantors are organized under the laws of the United Kingdom, Ireland, Germany, The Netherlands, Italy, Denmark, Poland, Guernsey and Sweden. 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 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;

- 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 was incurred for our benefit, and only indirectly the Guarantor's benefit, or some other basis and (1) was insolvent or rendered insolvent by reason of the issuance of the Guarantee, or subsequently became insolvent for other reasons; (2) was engaged, or about to engage, in a business transaction for which the Guarantor's assets were unreasonably small; or (3) 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 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 saleable 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 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.

For an overview of the enforceability issues as they relate to the Guarantees, see "Limitations on Validity and Enforceability of Guarantees".

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

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.

The weakening of consumer confidence, declining income and asset values in many areas and 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 or 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.

An increase in glass container manufacturing capacity without a corresponding increase in demand for glass 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 packaging companies is heavily influenced by the supply of, 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. The construction of new capacity can create particular challenges.

We cannot assure you that the glass container manufacturing capacity in any of our markets will not increase further in the future, nor can we assure you that demand for glass containers will meet or exceed supply. If glass 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.

We face intense competition from other glass container producers, as well as from manufacturers of alternative forms of 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 Saint-Gobain. Our principal regional competitors are O-I, Saint-Gobain, Quinn Glass, Beatson Clark, Allied 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, this could materially adversely affect our future performance.

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 metal cans and 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.

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. We are not able to predict to what extent energy prices will rise 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.

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 container 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 glass container businesses, 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.

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

Our ten largest customers accounted for approximately 41% of our glass container revenues for the year ended December 31, 2009. We believe our relationships with these customers are good, but we cannot assure you that we will be able to maintain these relationships. We typically sell most of our 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 they purchase from us, or cease purchasing our glass containers 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 glass container suppliers. If, following the consolidation of one of our customers with another company, a competitor was to be the main supplier of glass containers to the consolidated companies, this could have a material adverse effect on our business, financial condition or results of operations.

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 profitability could be affected by varied seasonal demands.

Demand for our 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.

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.

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 in Germany, the United Kingdom, Sweden, Denmark, The Netherlands, Poland and Italy 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, 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 Germany, the United Kingdom, the Nordic region, the Benelux region, Poland and Italy 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 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 which we acquired. Regarding companies acquired by us, we cannot assure you that our due diligence investigations identified or accurately quantified all material environmental matters related to the acquired facilities. Furthermore, 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 which 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 out 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 European Union Emissions Trading Scheme ("EU ETS"), which applies greenhouse gases and was introduced in the European Union from January 1, 2005. See "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.

Glass manufacturing is a very energy intensive activity and the cost of energy is one of the largest operational costs for glass installations. Given the growing concerns about climate change and the effects of greenhouse gas emissions, Ardagh is likely to have to both reduce and manage its own emissions, so as to meet regulatory requirements, and will also be affected by increased energy prices. It can be expected that further measures will be introduced, both at the European Union and individual Member State level, in order to address emissions of greenhouse gases, energy efficiency and to mitigate the effects of greenhouse gases on climate. Changes in all of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

A European Union Directive on packaging and packaging waste requires that certain rates of recycling and recovery be achieved. Some Member States have enacted legislation which 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 which 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 which are used in the manufacture of glass 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, Authorization 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. Further, 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 environmental, health and safety, and product requirements and their enforcement may have a material impact on our operations.

Stricter environmental, health and safety laws and enforcement policies could result in substantial additional costs and liabilities for us. Compliance with these laws could result in significant capital expenditures as well as other costs and liabilities (including limited availability of materials or substances used by us in the manufacture of glass containers), which could have a material adverse effect on our business, financial condition and results of operations. Further, we cannot assure you that we will be able to meet all future environmental, health and safety, or product regulations, or that we will have sufficient funds to make the necessary capital expenditures.

Changes in laws and regulations relating to deposits on, and recycling of, glass 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, for example, carbonated drinks and alcoholic beverages, represent a significant proportion of our packaging market. 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 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 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 material 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.

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.

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.

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. However, a substantial portion of our assets, liabilities, revenues and expenses is denominated in pounds, Swedish kronor, Danish kroner and Polish zloty. 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 September 30, 2009, 44% of our 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.

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.

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 which 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 September 30, 2009, we had €61.6 million of interest rate swaps in excess of the outstanding amount of such EURIBOR-based variable rate debt. As of the same date, we had €177.5 million of undrawn EURIBOR-based variable rate debt, which is drawable at our discretion.

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".

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. The Ardagh Glass Group has been created as a result of a series of acquisitions, de-mergers and other corporate transactions over a number of years. These acquisitions have had and are expected to continue to have a positive effect on our results of operations in subsequent periods following their acquisition. The increases in revenue, gross profit, sales, general and administration expenses and operating profit in the year ended December 31, 2008 compared with the year ended December 31, 2007 and in the year ended December 31, 2007 compared with the year ended December 31, 2006 are largely due to the Rexam Acquisition, which was completed in June 2007. 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.

We disclose pro forma financial information for the 2007 financial year giving effect to the Rexam Acquisition to provide the basis for a more meaningful comparison of our results of operations in the 2007 and 2008 financial years.

The Rexam Acquisition was consummated on June 21, 2007 and the integration of the acquired business to the Ardagh business was effected thereafter. Although our audited non-statutory consolidated financial statements for the 2008 financial year present the financial condition and results of operations of the combined Ardagh and Rexam businesses, the audited non-statutory consolidated financial statements for the 2007 financial year reflect the effects of the Rexam Acquisition on our results of operations only partially, from the period of the Rexam Acquisition (June 21, 2007) to the end of the 2007 financial year. Consequently, the year-on-year comparison of our results of operations for the 2008 and 2007 financial years on the basis of our audited non-statutory consolidated financial statements would not be meaningful. To facilitate a more meaningful comparison of the relevant year-on-year period, we are including in this Offering Memorandum certain selected pro forma financial information relating to our results of operations in the 2007 financial year giving effect to the Rexam Acquisition as if it occurred on January 1, 2007. This 2007 Pro Forma Financial Information excludes or may exclude certain special charges and other costs. Although we believe the disclosure of the 2007 Pro Forma Financial Information will help you more meaningfully compare the year-on-year results for the 2007 and 2008 financial years, we urge you to carefully review the audited non-statutory consolidated financial statements for the same periods, including the notes thereto, included elsewhere in this Offering Memorandum. The 2007 Pro Forma Financial Information is not necessarily indicative of what actual results of operations of Ardagh would have been assuming the Rexam Acquisition had been consummated at the beginning of January 1, 2007, nor does it purport to represent the results of operations for future periods.

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.

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. 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.

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 Glass Group S.A., our ultimate parent company, or our debt holders. Paul

Coulson is Chairman of the board of directors of Ardagh Glass Group S.A. and individually owns approximately 21% of the share capital of Ardagh Glass 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 12.1% of the share capital of Ardagh Glass Group S.A.

Paul Coulson, Wolfgang Baertz, Brendan Dowling and Herman Troskie are members of the board of directors of Ardagh Glass 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 Glass Group S.A., all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. See "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 following table sets forth our expected sources and uses of funds at the closing date of the offering of the Senior Notes.

Sources of Funds	Amount	Uses of Funds	Amount
	(€ million)		(€ million)
Proceeds from the offering of the Senior Notes	180.0	Repayment of the 2003 Notes(1)	175.0
Cash	6.5	Debt extinguishment costs(2)	6.5
		Fees and transaction costs	5.0
Total Sources	186.5	**Total Uses**	186.5

(1) The 8⅞% Senior Notes due 2013 were issued in 2003 by Ardagh Glass Finance B.V. The 2003 Notes are guaranteed on a senior basis by the Parent Guarantor and on a senior subordinated basis by certain subsidiaries of the Parent Guarantor. They mature on July 1, 2013.

(2) Debt extinguishment costs include €5.2 million of early redemption premium and €1.3 million of other early redemption costs relating to the period of redemption notice.

CAPITALIZATION

The following table shows our unaudited total cash and capitalization as at September 30, 2009, on a historical basis and as adjusted to give effect to this offering and the application of the net proceeds therefrom, as described under "Use of Proceeds". The information set out below should be read in conjunction with the consolidated financial statements of Ardagh, in each case together with the notes thereto, included elsewhere in this Offering Memorandum.

	As at September 30, 2009		
	Actual	Adjustments	As Adjusted
		(in € millions)(1)	
Cash(2)	84.8	(6.5)	78.3
Debt(3)			
Anglo Senior Secured Facility—Term Debt(4)	210.3	—	210.3
Anglo Senior Secured Facility—Revolving Credit Facility(5)	—	—	—
2009 Notes(6)	294.6	—	294.6
GE Commercial Finance Facility(7)	0.7	—	0.7
Total Senior Secured Debt	505.6	—	505.6
2007 Notes	310.0	—	310.0
2003 Notes(8)	175.0	(175.0)	—
Senior Notes offered hereby	—	180.0	180.0
Other borrowings	0.2	—	0.2
Deferred financing costs(6)	(31.6)	(5.0)	(36.6)
Total debt(6)	959.2	—	959.2
Total shareholders' funds	(13.5)	(6.5)	(20.0)
Total capitalization	945.7	(6.5)	939.2

(1) Sterling denominated borrowings have been translated at an exchange rate of €1.00 = £0.9166, the exchange rate used in preparing Ardagh's balance sheet on that date.

(2) In the near-term, it is our intention to make a restricted payment of €20.0 million to our ultimate holding company Ardagh Glass Group S.A. The proceeds of such restricted payment will then be used by Ardagh Glass Group S.A. to buy back a portion of its own shares.

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

(4) On an historical and as adjusted basis, Ardagh would have undrawn availability under this facility of €27.5 million.

(5) As of September 30, 2009, we had undrawn availability under this facility of €150.0 million.

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

(7) The GE Commercial Finance Facility is secured.

For further details relating to the debt instruments described above, see "Operating and Financial Review and Prospects—External Financings" and "Description of Other Indebtedness". We have not incurred any short-term or long-term debt since September 30, 2009.

(8) We intend to redeem all of the 2003 Notes with the proceeds of the Senior Notes. The amount of 2003 Notes included above reflects the outstanding principal balance net of accrued interest and debt financing costs. The total amount that will be repaid upon redemption will be €181.5 million, which represents the principal amount of €175.0 million, plus €5.2 million of early redemption premium and €1.3 million of other early redemption costs relating to the period of redemption notice.

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 at the dates indicated below. 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. The historical financial data presented in the following table for the year ended and as at December 31, 2006 do not reflect changes as a result of the Rexam Acquisition. 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 at December 31, 2008, 2007 and 2006 from the audited non-statutory consolidated financial statements of Ardagh Glass Holdings Limited and its subsidiaries included elsewhere in this Offering Memorandum.

We have derived the selected unaudited consolidated interim financial data for the nine-month periods ended and as at September 30, 2009 and 2008 from the unaudited consolidated interim financial information of Ardagh Glass Holdings Limited and its subsidiaries included elsewhere in this Offering Memorandum.

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-month period ended September 30, 2009 should not be regarded as indicative of our results expected for the year ending December 31, 2009.

Although our audited non-statutory consolidated financial statements for the 2008 financial year present the financial condition and results of operations of the combined Ardagh and Rexam businesses, the audited non-statutory consolidated financial statements for the 2007 financial year reflect the effects of the Rexam Acquisition on our results of operations only partially, from the period of the Rexam Acquisition (June 21, 2007) to the end of the 2007 financial year.

Adjustment to previously reported results for the nine-month period ended September 30, 2009

Net finance expense for the nine months ended September 30, 2009 includes an expense of €5.3 million. Due to the partial prepayment of the Amended and Restated Anglo Irish Senior Secured Credit Facility, a portion of the Group's interest rate swaps were no longer classified as hedging instruments. IFRS requires that any previous cumulative mark-to-market adjustments to the fair value of this derivative be removed from equity and charged directly to the income statement with no net impact on shareholder funds.

	Audited Consolidated			Unaudited				
	Year ended and as at December 31,			Nine months ended and as at				Twelve months ended and as at
	2008	2007*	2006	Before other income and expense September 30, 2009	Other income and expense September 30, 2009	September 30, 2009	September 30, 2008	September 30, 2009**
	(in € millions, except ratios and where indicated)							
Profit and Loss Account Data								
Revenues	1,357.2	1,025.0	647.5	935.2	—	935.2	1,028.0	1,264.4
Cost of sales	(1,178.4)	(887.6)	(620.1)	(825.9)	(2.1)	(828.0)	(886.9)	(1,119.5)
IFRS non-cash stock adjustment	—	(13.8)***	—	—	—	—		
Gross profit	178.8	123.6	27.4	109.3	(2.1)	107.2	141.1	144.9
Sales, general and administration expenses	(73.7)	(57.6)	(32.9)	(47.1)	—	(47.1)	(57.1)	(63.7)
Other income and expenses	(24.9)	(8.9)	8.8	—	(41.1)	(41.1)	(13.4)	(52.6)
Operating profit/(loss)	80.2	57.1	3.3	62.2	(43.2)	19.0	70.6	28.6
Net finance expenses	(84.0)	(53.0)	(26.4)	(57.3)	(7.3)****	(64.6)	(59.7)	(88.9)
Share of profit of joint venture	0.8	0.3	0.3	0.4	—	0.4	0.4	0.8
(Loss)/profit before tax	(3.0)	4.4	(22.8)	5.3	(50.5)	(45.2)	11.3	(59.5)
Income tax credit/ (expense)	6.5	0.2	6.2	(1.3)	—	(1.3)	(1.6)	6.8
Profit/(loss) for the period	3.5	4.6	(16.6)	4.0	(50.5)	(46.5)	9.7	(52.7)
Balance Sheet Data								
Cash and cash equivalents	61.9	62.6	68.0	84.8	—	84.8	57.9	84.8
Working capital(1)	281.1	230.2	105.1	289.8	—	289.8	302.9	289.8
Total assets	1,342.9	1,400.8	621.8	1,349.9	—	1,349.9	1,438.7	1,349.9
Total borrowings(2)	958.0	935.2	332.9	990.8	—	990.8	959.9	990.8
Total equity	31.2	105.2	103.0	(13.5)	—	(13.5)	114.3	(13.5)
Other Data								
Gross margin(3)	13.2%	13.4%	4.2%	11.7%	—	11.5%	13.7%	11.6%
EBITDA(4)	262.1	180.2	52.1	172.2	—	172.2	200.0	234.3
EBITDA margin(4)	19.3%	17.6%	8.0%	18.4%	—	18.4%	19.5%	18.5%

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

** Includes other income and expense for the period indicated.

*** 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.

**** Net finance expense for the nine months ended September 30, 2009 includes an expense of €5.3 million. Due to the partial prepayment of the Amended and Restated Anglo Irish Senior Secured Credit Facility, a portion of the Group's interest rate swaps were no longer classified as hedging instruments. IFRS requires that any previous cumulative mark-to-market adjustments to the fair value of this derivative be removed from equity and charged directly to the income statement with no net impact on shareholder funds.

(1) Working capital is made up of inventories, trade receivables, other receivables, prepayments, trade payables, other tax and social security payable and recoverable, other payables and accruals (excluding interest payable), pallet deposits, customer deposits and amounts owed to joint venture.

(2) Total borrowings includes all bank borrowings as well as vendor loan notes, subordinated loan notes and deferred consideration loan notes.

(3) Gross margin is calculated as gross profit excluding other income and expense divided by Group 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,
	2008	2007*	2006	2009	2008	2009
	(in € millions)					
Gross profit	178.8	123.6	27.4	107.2	141.1	144.9
Add back IFRS non-cash stock adjustment	—	13.8	—	—	—	—
Add back other income and expense	—	—	—	2.1	—	2.1
Gross profit excluding other items	178.8	137.4	27.4	109.3	141.1	147.0

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

(4) EBITDA is operating profit before depreciation, amortization, other income and expenses 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 container 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 operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of operating profit to EBITDA is as follows:

	Audited Consolidated			Nine months ended				
	Year ended December 31,			Before other income and expense September 30, 2009	Other income and expense September 30, 2009	September 30, 2009	September 30, 2008	Twelve months ended September 30, 2009
	2008	2007*	2006					
					(in € millions)			
Group operating profit/ (loss)	80.2	57.1	3.3	62.2	(43.2)	19.0	70.6	28.6
Add back depreciation and amortization	157.0	100.4	57.6	110.0	2.1	112.1	116.0	153.1
Add back IFRS non cash stock adjustment	—	13.8	—	—	—	—	—	—
Add back other income and expenses**	24.9	8.9	(8.8)	—	41.1	41.1	13.4	52.6
EBITDA	262.1	180.2	52.1	172.2	—	172.2	200.0	234.3

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

** Other income and expenses comprise restructuring costs, termination benefits and aborted acquisition and disposal costs. See Note 5 to the consolidated non-statutory financial statements for the year ended December 31, 2008 and Note 2 to the unaudited consolidated interim financial information for the nine-month period ended September 30, 2009 of Ardagh Glass Holdings Limited, for further analysis.

UNAUDITED SUPPLEMENTAL INFORMATION ON THE SUBSIDIARY GUARANTORS

The Issuer's obligations under the Senior Notes will be guaranteed by the Parent Guarantor on a senior basis and by the Subsidiary Guarantors on a senior subordinated basis. The following table sets forth the revenues, EBITDA and total assets of the Subsidiary Guarantors and the non-guarantor subsidiaries (in absolute terms and expressed as a percentage of the aggregated revenues, EBITDA and assets of Ardagh) for the twelve months ended and as at September 30, 2009, along with, in each case, intercompany eliminations. This table should be read in conjunction with "Operating and Financial Review and Prospects" and the financial statements of Ardagh and related notes thereto included elsewhere in this Offering Memorandum.

	Twelve months ended and as at September 30, 2009							
	Parent Guarantor and Issuer		Subsidiary Guarantors(1)(2)		Non-Guarantors(2)		Totals	
	€	%	€	%	€	%	€	%
Revenues aggregated	—	—	1,119.1	88.5	145.3	11.5	1,264.4	100
EBITDA aggregated	—	—	199.1	85.0	35.2	15.0	234.3	100
Total assets aggregated	—	—	1,207.9	89.5	142.0	10.5	1,349.9	100

(1) Includes historical revenues and EBITDA of a non-guarantor subsidiary that transferred all of its assets, liabilities and operations to a Subsidiary Guarantor.

(2) It is our intention that, after the Issue Date, Ardagh Glass Moerdijk B.V. and Ardagh Glass Dongen B.V. will guarantee the Senior Notes, subject in all cases to full compliance with applicable legal requirements in The Netherlands, including employment-related matters and receipt of unconditional positive advice from the competent works council following works council consultations. All references to Subsidiary Guarantors in this Offering Memorandum, or references to the revenues, EBITDA or assets of the Subsidiary Guarantors as a group exclude Ardagh Glass Moerdijk B.V. and Ardagh Glass Dongen B.V.

The following table lists the Subsidiary Guarantors by country or geographic region.

Ireland	Germany	United Kingdom	The Nordic Region	The Netherlands	Poland	Italy	Guernsey
Ardagh Treasury Limited	Heye Beteiligungs GmbH & Co. KG	Ardagh Glass Limited	Ardagh Glass Denmark ApS	Ardagh Glass Netherlands B.V.	Ardagh Glass Ujscie SA	Ardagh Glass SrL	Enville Limited
Ardagh Corporate Services Limited	Ardagh Glass GmbH	Ardagh Glass (UK) Limited	Ardagh Glass Holmegaard AS	Ardagh Glass Netherlands Finance B.V.	Ardagh Glass Gostyn SA		
Ardagh Glass Sales Limited	Ardagh Glass Holding GmbH	Ardagh Holdings (UK) Limited	Ardagh Glass Sweden AB	Ardagh Glass Finance B.V.	Ardagh Glass Wyszkow SA		
	Heye International GmbH		Ardagh Glass Sweden Finance AB				
	Schaumburger Formenbau GmbH		Ardagh Glass Limmared AB				

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 statements for the three-year period 2006-2008 and the unaudited consolidated interim financial information for the nine-month periods ended September 30, 2009 and 2008, 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" and "Selected Consolidated Financial and Other Data of Ardagh". 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".

This Offering Memorandum contains the 2007 Pro Forma Financial Information. The 2007 Pro Forma Financial Information is based on the historical consolidated financial statements of Ardagh for the fiscal year ended December 31, 2007, aggregated with the historical combined unaudited financial statements of Rexam for the period from January 1, 2007 to June 21, 2007 and gives effect to the Rexam Acquisition as if it was completed on January 1, 2007. The 2007 Pro Forma Financial Information is not necessarily indicative of what actual results of operations of Ardagh would have been assuming the Rexam Acquisition had been consummated at the beginning of January 1, 2007, nor does it purport to represent the results of operations for future periods.

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

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

Ardagh operates 20 glass plants with 40 glass furnaces and 101 production lines in seven countries. In 2009, the aggregate production of Ardagh's glass container businesses was approximately 2.9 million tonnes. For the year ended December 31, 2009, Ardagh 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.

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

Ardagh generates its revenues principally from its glass container manufacturing business and its glass technology and manufacturing equipment 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 Ardagh's plants. Demand for glass containers may be influenced by trends in 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, Ardagh's shipment volume of glass containers is typically lower in the first quarter. Ardagh builds inventory in the first quarter in anticipation of these seasonal demands. In addition, Ardagh 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 Ardagh's glass manufacturing operations during the first quarter of the year. Plant shutdowns may also affect the comparability of results from period to period. Ardagh's working capital requirements are typically greatest at the end of the first quarter of the year.

The prices Ardagh 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, Ardagh has experienced increases in certain components of its cost of sales. The elements of Ardagh's cost of sales for its glass container manufacturing business include (1) variable costs, such as natural gas and electricity, raw materials (including the cost of cullet (crushed recycled glass)), packaging materials, decoration, freight and other distribution costs, and (2) fixed costs, such as labor and other plant related costs including depreciation, maintenance, sales, marketing and administration costs. Ardagh'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 Ardagh's cost of sales is fixed, its results of operations are significantly dependent upon sales volumes.

In recent times the prices paid for soda ash and cullet have experienced sharp increases due to changes in the structure of the underlying market, such as cullet supply in Germany, which has had knock on impacts throughout continental Europe, or changes in the global supply versus demand balance, as has happened in the case of soda ash. We are now seeing a slow softening in pricing, which we expect will continue until there is an improvement in general economic conditions.

As a result of macro economic 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, Ardagh 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.

Recent Acquisitions

Our acquisition strategy has been to participate in the consolidation of the European glass container industry through the careful evaluation, selection and pursuit of strategic opportunities throughout Europe.

Acquisition of the Glass Division of Rexam plc. In June 2007, Ardagh acquired the glass container manufacturing business of Rexam 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 the existing trading units and active legal entities comprising the Ardagh glass container business were rebranded and renamed Ardagh Glass.

Acquisition of Busch and Spreen. In December 2008, Ardagh 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. 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 moulds for glass container operations and is a key supplier of moulds to Ardagh companies.

Critical Accounting Policies

Ardagh prepares its financial statements in accordance with IFRS. A summary of Ardagh's significant accounting policies is contained in the consolidated non-statutory financial statements beginning on page F-1. 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 Containers. 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.

Ardagh 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. Under this methodology, Ardagh compares the total costs incurred to date to the total estimated costs for the contract and records that proportion of the total contract revenues in the period. Contract costs include materials, labor and other direct costs related to contract performance. Provisions are established for estimated losses, if any, on uncompleted contracts in the period in which such losses are determined. Amounts representing changes to contract orders, claims or other items are included in sales only when customers have approved them. A significant number of estimates are used in these computations. Revenues generated from large project sales can be considerable and have a significant impact on the revenues of the period in which they are booked, making comparisons with prior periods difficult.

Most sales by Heye International relating to spare parts and equipment are recorded when product is delivered and invoiced to customers. Sales relating to technical assistance agreements are generally recognized on an accruals basis over the financial year. Sales from Heye International relating to service support are generally recorded on a monthly basis based on manpower time.

Pension Liabilities

Some of Ardagh's operating companies have pension plans, the forms and benefits of which vary with conditions and practices in the countries concerned. In accounting for its pension liabilities, Ardagh has made certain judgments relating to inflation rates, return on funds invested, the age at which members retire or leave the schemes, the proportion of members who are married and mortality. Details relating to principal pension plans and to the principal assumptions made are set out in Note 18 to the consolidated non-statutory financial statements of Ardagh included elsewhere in this Offering Memorandum.

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 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 unrecognized 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 recognized 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 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 Recognized 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 at 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 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 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 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 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 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 8 to the consolidated non-statutory financial statements of Ardagh included elsewhere in this Offering Memorandum.

Results of Operations

Nine-Month Periods Ended September 30, 2009 and 2008

This discussion is based on a comparison of the unaudited consolidated interim financial information of Ardagh for the nine-month periods ended September 30, 2009 and 2008.

Revenue

Group revenue decreased by €92.8 million, or 9.0%, to €935.2 million in the nine-month period ended September 30, 2009 from €1,028.0 million in the nine-month period ended September 30, 2008. Excluding foreign exchange effects, Group revenue decreased by €32.8 million.

Eurozone. Eurozone revenue in the nine-month period ended September 30, 2009 was €524.4 million compared to €551.9 million for the same period in 2008, a decrease of €27.5 million or 5.0%.

United Kingdom. United Kingdom revenue at €236.4 million for the nine-month period ended September 30, 2009, decreased by €27.0 million from €263.4 million in 2008. The movement of the average Euro to Sterling translation rate applied to the nine-month period ending on September 30, 2009 compared to the nine-month period ending on September 30, 2008 decreased the Euro value of the United Kingdom revenue expressed in Euro by €33.8 million. Excluding the foreign exchange impact, revenue in the United Kingdom increased by €6.8 million in the nine-month period ended September 30, 2009.

Other. Other segment revenue was €174.4 million for the nine-month period ended September 30, 2009 compared to €212.7 million for the same period in 2008, a decrease of €38.3 million or 18.0%. The movement of average translation rates applied to 2009 compared to those applied to 2008 decreased the Euro value of revenue by €26.2 million.

Gross Profit

Excluding other income and expenses, gross profit of €109.3 million for the nine-month period ended September 30, 2009 decreased by €31.8 million or 22.5% from €141.1 million for the nine-month period ended September 30, 2008. The short-term capacity closures program, which was designed to reduce inventory levels, accounted for €23.2 million of this decrease and year-on-year translation rate movements had an adverse effect on gross profit of €8.6 million. Excluding these costs, the gross profit for the Group for the nine-month period ended September 30, 2009 was in line with the results for the same period in 2008.

Other income and expenses included in gross profit were €2.1 million for assets fully depreciated as a result of furnace closure.

Eurozone. Eurozone segment gross profit decreased by €23.1 million or 27.3%, from €84.5 million for the nine-month period ended September 30, 2008 to €61.4 million for the same period in 2009.

United Kingdom. United Kingdom segment gross profit increased by €14.2 million to €35.6 million in the nine-month period ended September 30, 2009 from €21.4 million in the nine-month period ended September 30, 2008. Year-on-year translation rate movements had a €4.3 million unfavorable impact on the gross profit of this segment compared to 2008. Excluding the foreign exchange impact, gross profit for the United Kingdom increased by €18.5 million during the nine-month period ending September 30, 2009.

Other. Other segment gross profit decreased from €35.2 million in the nine-month period ended September 30, 2008 to €12.3 million for the same period in 2009; a decrease of €22.9 million. Year-on-year translation rate movements accounted for €4.3 million of this movement.

SG&A Expenses

Excluding other income and expenses SG&A expenses for the nine-month period ended September 30, 2009 were €47.1 million compared to €57.1 million for the same period in 2008; a decrease of €10.0 million across the Group. The year-on-year translation rate movement resulted in a decrease of €0.8 million. Excluding foreign exchange effects, reduction in SG&A costs in the nine-month period were €9.2 million. €2.7 million of this reduction was due to costs which were reallocated to cost of sales in 2009. The balance was due to reduced salary and wage costs primarily in the Eurozone segment.

Other income and expenses included in SG&A were €41.1 million comprised of €39.2 million of redundancy costs, €2.0 million of start-up costs relating to the new furnace in Moerdijk, €0.6 million for asset write downs relating to permanent capacity closure and €(0.7) million cash received for a doubtful receivable which pre-dated our Italian acquisition.

Operating Profit

Excluding other income and expenses of €43.2 million (2008: €13.4 million), operating profit decreased by €21.8 million from a profit of €84.0 million for the nine-month period ended September 30, 2008 to a profit of €62.2 million for the same period in 2009. Year-on-year translation rate movements accounted for €7.8 million of this decrease, therefore on a constant currency basis, operating profit decreased by €14.0 million or 16.7%.

Net Finance Expense

Excluding other income and expenses, net finance expense for the nine-month period ended September 30, 2009 was €57.3 million compared to €59.7 million in the nine-month period ended September 30, 2008; a decrease of €2.4 million. The year-on-year movement on foreign exchange gains and losses accounted for a decrease of €5.9 million which was offset by a year-on-year increase in net finance costs associated with pension schemes of €3.5 million.

Other income and expenses included in net finance expense include €2.0 million for borrowing extinguishment costs representing the write off of unamortized deferred finance costs relating to the partial prepayment of the Amended and Restated Anglo Irish Senior Secured Credit Facility and €5.3 million, mark-to-market provision for derivative financial instruments not designated as hedging instruments. This arises due to the value of EURIBOR interest rate hedges exceeding the value of the underlying Euro-denominated variable rate debt, following the partial prepayment of the Amended and Restated Anglo Irish Senior Secured Credit Facility after the successful bond issue in June 2009.

Income Tax Charge

Income tax was a charge of €1.3 million in the nine-month period ended September 30, 2009 and a charge of €1.6 million in the nine-month period ended September 30, 2008.

Profit for the Financial Period

Excluding other income and expenses of €50.5 million (2008: €13.4 million), profit for the nine-month period ended September 30, 2009 was €4.0 million compared with a profit in the same period in 2008 of €23.1 million; profits decreased by €19.1 million as a result of the items explained above.

Total Other Income and Expenses

Total other income and expenses of €50.5 million were incurred in the nine-month period ended September 30, 2009. The components of this net charge were as follows:

Cost of Sales

- €2.1 million for assets fully depreciated as a result of furnace closures.

SG&A Expenses

- €39.2 million of redundancy costs;
- €2.0 million for start-up costs relating to the new furnace in Moerdijk;
- €0.6 million for asset write downs relating to permanent capacity closures; and
- (€0.7) million cash received for a doubtful receivable which pre-dated our Italian acquisition in 2002.

Finance Expenses

- €2.0 million for borrowing extinguishment costs representing the write off of unamortized deferred finance costs relating to the partial prepayment of the Amended and Restated Anglo Irish Senior Secured Credit Facility; and
- €5.3 million mark-to-market provision for derivative financial instruments not designated as hedging instruments. This arises due to the value of EURIBOR interest rate hedges, exceeding the value of Euro denominated variable rate debt, following the partial prepayment of the Amended and Restated Anglo Irish Senior Secured Credit Facility after the successful bond issue in June 2009.

Years Ended December 31, 2008 and 2007 (Pro Forma)

In this section we are comparing the results of operations for the years ended December 31, 2008 and December 31, 2007 on the basis of the audited consolidated financial statements of Ardagh for the year ended December 31 and the 2007 Pro Forma Financial Information, respectively. The 2007 Pro Forma Financial Information is based on the historical combined unaudited financial statements of Ardagh for the fiscal year ended December 31, 2007, aggregated with the historical consolidated financial statements of Rexam for the period from January 1, 2007 to June 20, 2007 and gives effect to the Rexam Acquisition as if it was completed as of January 1, 2007. The 2007 Pro Forma Financial Information is not necessarily indicative of what actual results of operations of Ardagh would have been assuming the Rexam Acquisition had been consummated at the beginning of January 1, 2007, nor does it purport to represent the results of operations for future periods.

Due to the difficulty in comparing the 2007 trading results, which include the acquired Rexam Glass division from June 21, 2007, with the 2008 results which include the acquired business for the full year, the following tables and commentary set out the key operating measures of the combined business on a pro forma basis, as though Ardagh had acquired the Rexam Glass division on January 1, 2007. To improve the year-on-year comparability of the results the IFRS non-cash stock adjustment of €13.8 million has been excluded from the 2007 pro forma numbers.

	Audited	Pro forma
	Year ended December 31,	
	2008	2007
	(in € millions)	
Revenue	1,357.2	1,340.6
Cost of sales	(1,178.4)	(1,157.8)
Gross profit	178.8	182.8
Sales, general and administration expenses	(73.7)	(76.3)
Other income and expenses	(24.9)	(11.9)
Operating profit	80.2	94.6

	Audited	Pro forma
	Year ended December 31,	
	2008	2007
	(in € millions)	
Other data		
Gross margin[1]	13.2%	13.6%
EBITDA[2]	262.1	232.5
EBITDA margin[2]	19.3%	17.3%
Depreciation[3]	157.0	126.0

(1) Gross margin is calculated as gross profit divided by Group revenues.

(2) EBITDA is operating profit before depreciation, amortization, other income and expenses and non cash items. EBITDA margin is calculated as EBITDA divided by Group 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 container 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 operating performance or any other measures of performance derived in accordance with IFRS.

The reconciliation of operating profit to EBITDA is as follows:

	Audited	Pro forma
	Year ended December 31,	
	2008	2007
	(in € millions)	
Group operating profit/(loss)	80.2	94.6
Add back depreciation and amortization	157.0	126.0
Add back other income and expenses	24.9	11.9
EBITDA	262.1	232.5

(3) Depreciation less capital grant amortization.

Revenue

Group revenue increased by €16.6 million, or 1.2%, to €1,357.2 million in the year ended December 31, 2008 from €1,340.6 million in the year ended December 31, 2007. Excluding the foreign exchange effects, group revenue increased by 4.3%.

Eurozone. Eurozone revenue in 2008 was €732.8 million compared to €671.6 million in 2007, an increase of €61.2 million or 9.1%. Within this segment, the Glass Technology business generated revenue of €42.9 million, a decrease of €12.3 million, or 22.3%, compared to €55.2 million for the same period in 2007. This reduction was due to reduced volumes on major technology projects. The glass container business generated revenue of €689.9 million, an increase of €73.5 million or 11.9% over the same period in 2007. The glass container business recorded volume and sales mix improvements of € 6.9 million in 2008, or 1.1%, compared to 2007 revenues, while sales price increases accounted for €66.6 million or 10.8%, of the year-on-year movement in this segment.

United Kingdom. United Kingdom revenue was €349.3 million for 2008 and decreased by €57.5 million, or 14.1%, compared to € 406.8 million in 2007. The movement of the average Euro to Sterling translation rate applied to revenue amounts in the year ended on December 31, 2008 compared to the year ended on December 31, 2007 led to a decrease in revenue expressed in Euro by €52.5 million, or 12.9%. Excluding the foreign exchange effects, volume reductions throughout the year and also capacity closure which occurred late in 2008, accounted for €22.9 million or 5.6% of the decrease, while sales price increases accounted for €17.9 million or 4.4% of the year-on-year revenue movement.

Other. Other segment revenue was €275.1 million for 2008 compared to €262.2 million for 2007, an increase of €12.9 million or 4.9%. The movement of average translation rates applied in revenue amounts in 2008 compared to those applied to revenue amounts in 2007, increased the revenue in Euro terms by €11.9 million, or 4.5%. Excluding the foreign exchange effects, sales volume and product mix changes reduced the revenue by €5.3 million, or 2.0%, and year-on-year sales price increases accounted for €6.3 million or 2.4%, of the revenue movement.

Gross Profit

Ardagh's gross profit, excluding the IFRS non-cash stock adjustment in 2007, decreased by €4.0 million or 2.2%, from €182.8 million in 2007 to €178.8 million in 2008.

Eurozone. Eurozone segment gross profit increased by €13.6 million, or 13.9%, from €97.7 million in 2007 to €111.3 million in 2008. Gross profit as a percentage of revenue increased from 14.5% in 2007 to 15.2% in 2008. Within this segment the glass technology gross profit was €16.2 million for 2008, an increase of €0.1 million, or 0.6%, from 2007, while glass containers generated gross profit of €81.6 million in 2007 compared to €95.1 million in 2008, an increase of €13.5 million or 16.5%. The glass container business suffered a range of cost base increases in 2008 over 2007. The main cost increases were:

- Depreciation of €16.7 million arising from asset value adjustments due to IFRS acquisition accounting requirements;
- Raw material and other cost increases of €29.6 million; and
- Energy cost increases of €16.9 million.

Factors which improved the 2008 gross profit of this segment of the glass container business were:

- Selling price and mix changes of €68.0 million; and
- Efficiency gains and cost reductions of €8.7 million.

United Kingdom. United Kingdom segmental gross profit in 2008 was €24.3 million compared to €50.5 million in 2007, a decrease of €26.2 million, or 51.9%. Year-on-year translation rate movements had a €3.7 million adverse impact on the gross profit of this segment compared to 2007. Excluding the foreign exchange effect, gross profit as a percentage of revenue decreased from 12.4% in 2007 to 7.0% in 2008. This decrease is primarily due to energy cost increases, which amounted to €40.6 million, and raw material and other cost increases in 2008 that amounted to €4.1 million compared to 2007. Pay rate increases for employees from December 31, 2007 to December 31, 2008 were € 2.9 million. Sales price mix and volume increases were primarily responsible for reducing the impact of these adverse factors.

Other. Other segmental gross profit increased from €34.6 million in 2007 to €43.2 million in 2008, an increase of € 8.6 million, or 24.9%. The movement of average translation rates from 2007 to 2008 had the effect of increasing the segment gross profit by € 0.5 million. Excluding the foreign exchange effect, gross profit as a percentage of revenue increased from 13.2% in 2007 to 16.2% in 2008. The major drivers of the rise in gross profit of this segment were, increased sales price to the amount of €13.3 million, improved productivity and production mix totaling €14.9 million. Offsetting these increases were additional depreciation of €5.2 million resulting from the asset value adjustments due to the IFRS acquisition accounting requirements being applicable for a full year and energy and raw material increases of €14.9 million.

SG&A Expenses

SG&A expenses for 2008 were €73.7 million compared to € 76.3 million in 2007, a reduction of €2.6 million or 3.4%. Year-on-year average translation rate changes accounted for €1.5 million of the decrease. Excluding the foreign exchange effect, SG&A expenses as a percentage of revenue remained relatively flat between the two periods. While headcount reductions as a result of the integration of the Rexam Glass division drove SG&A costs down, this was offset by inflation and the cost impact of strengthening the Group Head Office.

Other Income and Expense

The amount of other income and expense for 2008 is €24.9 million and is detailed below under the heading "Other Income and Expenses" in the section titled "Years ended December 31, 2008 and 2007 (Historical)". In 2007, € 3.0 million of costs attributable to Rexam prior to its acquisition have been treated as 'one time'. These costs principally comprised royalty and IT costs in excess of the normal course of operating the business, which were allocated by Rexam to the glass division.

Operating Profit

Operating profit excluding "one time" items decreased by €1.4 million or 1.3% from €106.5 million in 2007 to €105.1 million in 2008. The movement of the average translation rates applied to the year ended on December 31, 2007 compared to the year ended on December 31, 2008 decreased the Euro value of operating profits by €1.7 million year-on-year; €2.7 million in the United Kingdom segment and a favorable €1.0 million in the Other segment.

Years Ended December 31, 2008 and 2007 (Historical)

This discussion is based on a comparison of the audited consolidated financial statements of Ardagh for the years ended December 31, 2008 and 2007.

Operating Results

The increases in revenue, gross profit, sales, general and administration expenses and operating profit are largely due to the Rexam Acquisition which was completed in June 2007. For this reason each of the headings have not been discussed independently as to do so would not be meaningful. Instead a comparison of 2008 and 2007 trading results on a pro forma basis has been included prior to this section of the report.

Other Income and Expenses

Net expense amounting to €24.9 million and €8.9 million has been treated as 'one time' in 2008 and 2007, respectively. These 'one time' costs are as follows:

2008

- 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, U.K. 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.

2007

- €8.8 million of redundancy costs were incurred throughout Ardagh 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.

Net Finance Expense

Net finance expense was €84.0 million in 2008 compared to € 53.0 million in 2007. These amounts include items other than debt servicing costs. The 2008 amount of €84.0 million includes a notional net income of €1.3 million relating to pension funds and an expense of €10.7 million due to foreign exchange losses on group loans leaving the debt servicing cost at €74.6 million. The 2007 amount of €53.0 million 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 leaving the debt servicing cost at €53.1 million.

Therefore, the debt servicing cost increased from €53.1 million in 2007 to €74.6 million in 2008, an increase of €21.5 million, or 40.5%. This increase was due to the increase in net debt that occurred in June 2007 as a result of the Rexam glass division acquisition.

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 the Ardagh 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.

Years Ended December 31, 2007 and 2006

This discussion is based on a comparison of the audited consolidated financial statements of Ardagh for the years ended December 31, 2007 and 2006.

Operating Results

The significant increases in revenue, gross profit, sales, general and administration expenses and operating profit are largely due to the Rexam Acquisition which was completed in June 2007. We have eliminated some of the effects of the acquisition to provide like-for-like comparisons for Ardagh's operations.

Revenue

Group revenue increased by €377.5 million, or 58.3%, to € 1,025.0 million in the year ended December 31, 2007 from € 647.5 million in the year ended December 31, 2006. This increase is primarily due to the Rexam Acquisition. Excluding this acquisition, revenue increased by €10.5 million, or 1.6%, to €658.0 from €647.5 million in the year ended December 31, 2006.

Gross Profit

Gross profit, excluding one time costs, increased by €110.0 million to €137.4 million in the year ended December 31, 2007 from €27.4 million in the year ended December 31, 2006 primarily due to the Rexam Acquisition. Gross profit as a percentage of revenue increased from 4.2% to 13.4% as a result of improved product mix, efficiency gains and cost reductions resulting from this acquisition.

SG&A Expenses

Group SG&A expenses for 2007 were €57.6 million compared to €32.9 million in 2006, an increase of €24.7 million or 75.1% primarily due to the Rexam Acquisition. SG&A as a percentage of revenue increased from 5.1% to 5.6%, before the full integration of Rexam had been effected.

Other Income and Expenses

Net expense amounting to €8.9 million has been treated as 'one time' in 2007. This amount is made up of the following elements:

- Ardagh incurred severance costs of €8.9 million due to a headcount reduction program as a result of the Rexam glass division integration process.

Net income amounting to €8.8 million has been treated as 'one time' in 2006. This amount is made up of the following elements:

- On January 1, 2006 one third of the United Kingdom pension deficit was derecognized because from that date the scheme became funded on a shared cost basis whereby the scheme members fund one third of the cost of providing the benefits and the company funds two thirds of the cost. This has been treated as a realized gain reflecting reduced future cashflows associated with the scheme and as a result a credit of €19.3 million has been recognized on the Other Income and Expense line in the income statement;
- The United Kingdom incurred €0.5 million in non trade related legal costs;
- The Fixed Asset write downs of €1.9 million relating to the November 2006 furnace closure at the Barnsley plant;
- The United Kingdom incurred severance costs of €7.2 million due to a headcount reduction programme as a result of the Redfearn integration process and the November 2006 furnace closure at the Barnsley site; and
- Ardagh recognized two goodwill adjustments amounting to € 0.9 million in 2006. €0.2 million relating to the acquisition of the remaining minority interests in HSU and € 0.7 million due to

booking additional cost associated with the Redfearn Glass acquisition which completed in May 2005.

Net Finance Expense

Net finance expense was €53.0 million, in the twelve-month period ended December 31, 2007 compared to €26.4 million in the twelve-month period ended December 31, 2006, an increase of €26.6 million. This increase is as a result of the new €310 million 7.125% senior notes due 2017 and also the additional senior debt which was put in place to help part fund the Rexam Acquisition.

Tax on Profit on Ordinary Activities

Tax on profit on ordinary activities was a credit of €0.2 million in the twelve-month period ended December 31, 2007 as compared with a credit of €6.2 million in the twelve-month period ended December 31, 2006, a decrease of €6.0 million. The low level of tax charge reflects the availability of tax losses forward from prior years as well as the Ardagh policy of locating debt within the operating businesses to maximize interest relief.

Profit for the Year

Profit for the financial year was €4.6 million compared with a loss in 2006 of €16.7 million, an improvement of €21.3 million as a result of the items explained above.

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 Amended and Restated Anglo Irish Senior Secured Credit Facility, the GE Commercial Finance Facility and the HVB (Bayerische Hypo- und Vereinsbank) Working Capital and Performance Guarantee Credit Lines. These and other sources of external financing are described further under "Description of Other Indebtedness".

Historical Development

The following table sets forth certain information 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,
	2008	**2007**	**2006**	**2009**	**2008**	**2009**
				(€ millions)		
EBITDA[1]	262.1	180.2	52.1	172.2	200.0	234.3
(Increase)/decrease in working capital[2]	(50.9)	2.6	6.2	(8.7)	(72.7)	13.1
Taxation paid	(18.2)	(5.3)	(1.1)	(8.6)	(13.6)	(13.1)
Cash generated from operations	193.0	177.5	57.2	154.9	113.7	234.3
Gross purchase of fixed assets[3]	(128.8)	(99.4)	(32.6)	(75.8)	(93.5)	(111.1)
Cash generated from operations after capital expenditures	64.2	78.1	24.6	79.1	20.2	123.2

(1) EBITDA is operating profit before depreciation, amortization, other income and expenses and non cash items. EBITDA margin is calculated as EBITDA divided by Group 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 container 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 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 out 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 €8.7 million from December 31, 2008 to September 30, 2009. This movement was primarily a result of, a decrease of €33.3 million* due to inventory reductions, offset by an increase in receivables of €37.3 million as a result of the cyclical sales mix. The balance of the movement relates to an increase of payables. In the same period in 2008, working capital increased by €72.7 million. Inventories accounted for €23.6 million* of the increase, receivables accounted for €55.1 million of the increase, with the balance due to the movement on payables.

Working capital of Ardagh at December 31, 2008 was €281.1 million, compared to €230.2 million at 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.

* Due to different foreign exchange rates between the balance sheet and the cashflow the movement on working capital in the balance sheet differs to the movement on working capital in the cash flow. In the nine months ended September 30, 2009 the foreign exchange difference was €6.3 million, while the cashflow movement was €39.6 million. In the same period in 2008, the foreign exchange difference was €4.6 million, while the movement was €28.2 million in the cashflow.

Working capital at December 31, 2006 was €105.1 million, and at December 31, 2007 it amounted to €230.2 million, representing an increase of €125.1 million during the twelve-month period ended December 31, 2007. As a result of the Rexam Acquisition, an additional €127.7 million of working capital was taken on which accounts for the large year-on-year movement.

Taxation Paid

During the first nine months of 2009, Ardagh paid €8.6 million of corporation tax compared to €13.6 million in the same period in 2008. This decrease is in line with lower taxable profits in 2009 compared to 2008 which have been significantly influenced by the level of other expenses (non-recurring costs) incurred in 2009 compared with 2008.

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

During 2007, €5.3 million of corporation tax was paid spread across the Group compared to €1.1 million during 2006.

Capital Expenditures

During the first nine months of 2009, Ardagh invested €75.8 million in fixed asset additions compared to €93.5 million in the same period in 2008. Excluding the new furnace at Moerdijk, the investment in fixed asset additions for the nine-month period ended September 30, 2009 was €43.1 million, a decrease of €50.4 million on the same period in 2008.

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

During 2007, €99.4 million was invested in fixed asset additions compared to €32.6 million in 2006.

Based on existing operations and current conditions, Ardagh estimates to have incurred aggregated capital expenditures during the period from January 1, 2009 through December 31, 2009 of approximately €105.0 million. 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.

External Financings

The following table outlines our principal financing arrangements as at September 30, 2009.

Indebtedness	Currency	Maximum amount issuable Local currency (millions)	Final maturity date	Type	Amount outstanding as at September 30, 2009 Local currency (millions)	Amount outstanding as at September 30, 2009 € (millions)	Available Amount € (millions)
9.250% Senior Secured Notes due 2016	EUR	300.0	July 1, 2016	Bullet	294.6	294.6	—
7.125% Senior Notes due 2017	EUR	310.0	June 15, 2017	Bullet	310.0	310.0	—
8⅞% Senior Notes due 2013	EUR	175.0	July 1, 2013	Bullet	175.0	175.0	—
Anglo Irish Senior Secured Facility— Acquisition	EUR	115.9	June 30, 2014	Amortizing/Bullet	115.9	115.9	—
Anglo Irish Senior Secured Facility—Capex & Restructuring	EUR	50.0	June 30, 2014	Bullet	22.5	22.5	27.5
Anglo Irish Senior Secured Facility—Revolving Credit Facility	EUR	150.0	June 30, 2014	Revolving	—	—	150.0
Anglo Irish Senior Secured Credit Facility	GBP	65.9	June 30, 2014	Amortizing/Bullet	65.9	71.9	—
GE Commercial Finance Facility	GBP	35.0	October 1, 2011	Revolving	0.6	0.7	37.4
HVB Heye International Working Capital and Performance Guarantee Credit Lines	EUR	1.0	July 31, 2010	Revolving	—	—	1.0
Finance lease arrangements	EUR/PLN			Amortizing	—	0.2	—
Total borrowings/Undrawn facilities						**990.8**	**215.9**
Deferred financing costs						(31.6)	—
Cash at bank and in hand						(84.8)	84.8
Net borrowings/Available liquidity						**874.4**	**300.7**

The terms of the senior debt facilities require Ardagh to maintain certain financial ratios. For the period ended September 30, 2009, these financial ratios were maintained in accordance with the debt covenants.

As a result of the issuance of the Senior Notes and the application of the proceeds therefrom towards the redemption of our 2003 Notes, our total borrowings shown in the table above will increase by €8.0 million.

The Euro bank borrowings bear interest based on EURIBOR and British pound bank loans based on LIBOR. At September 30, 2009, Ardagh had €200.0 million of interest rate swaps in place in relation to its euro borrowings, which mature in September 2012 and a £13.0 million interest rate swap in place in relation to its British pound borrowings, which matures in May 2010.

As at September 30, 2009, the Group had undrawn credit lines of up to €215.9 million at its disposal together with cash resources of €84.8 million, giving rise to available liquidity of €300.7 million. We expect to be able to fund our cash requirements relating to our operations from existing sources of cash, including our committed credit facilities, for at least the next twelve months.

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 will be obliged to make in 2010 and 2011. This table assumes that the minimum net principal repayment will be made as provided for under each credit facility. It further assumes that the revolving credit lines will be renewed or replaced with similar facilities as they mature.

Indebtedness	Currency	Maximum amount issuable Local Currency	Final maturity date	Type	Minimum net repayment 2010	Minimum net repayment 2011
		(millions)			(€ millions)	(€ millions)
9.250% 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	—	—
8⅞% Senior Notes due 2013*	EUR	175.0	July 1, 2013	Bullet	—	—
Anglo Irish Senior Secured Facility—Acquisition	EUR	115.9	June 30, 2014	Amortizing/Bullet	11.1	11.1
Anglo Irish Senior Secured Facility—Capex & Restructuring	EUR	50.0	June 30, 2014	Bullet	—	—
Anglo Irish Senior Secured Facility—Revolving Credit Facility	EUR	150.0	June 30, 2014	Revolving	—	—
Anglo Irish Senior Secured Credit Facility	GBP	65.9	June 30, 2014	Amortizing/Bullet	8.9	8.9
GE Commercial Finance Facility	GBP	35.0	October 1, 2011	Revolving	—	—
HVB Heye International Working Capital and Performance Guarantee Credit Lines	EUR	1.0	July 31, 2010	Revolving	—	—
Finance lease arrangements	EUR/PLN			Amortizing	0.2	0.2
Minimum net repayment					**20.2**	**20.2**

* Following the issuance of the Senior Notes and the application of the proceeds therefrom towards the redemption of the 2003 Notes, the 2003 Notes will be redeemed in full.

Off-Balance Sheet Items

Ardagh does not engage in off-balance sheet financing activities and does not have any off-balance sheet finance obligations.

Quantitative and Qualitative Disclosures About Market Risk

Ardagh's exposure to market risk primarily consists of:

- interest rate risk associated with its variable rate debt;
- foreign currency exchange rate risk primarily associated with its operations in the United Kingdom, Poland and the Nordic Region, its euro-denominated debt under the 2007 Notes and the 2009 Notes and the issuance of the Senior Notes offered hereby; and
- commodity price risk associated with natural gas.

Derivative transactions are only undertaken for the purposes of managing interest rate risk and currency risk. Ardagh does not trade in financial instruments. Ardagh reviews and agrees objectives and treasury policies for managing each of these risks and they are summarized below.

Interest Rate Risk

Ardagh periodically utilizes interest rate swap agreements to manage and mitigate its exposure to changes in interest rates.

As at September 30, 2009, Ardagh had €0.7 million of debt bearing interest at variable rates. The amount of Ardagh's variable rate debt may fluctuate significantly as a result of changes in the amount of debt outstanding under its credit facilities from time to time. As of September 30, 2009, we had €61.6 million of interest rate swaps in excess of the underlying EURIBOR-based variable rate debt. For additional information concerning the terms of Ardagh's variable rate debt, see Note 14 to Ardagh's audited financial statements located elsewhere in this Offering Memorandum.

Currency Exchange Risk

Ardagh's results of operations are affected by changes in currency exchange rates, principally between the British pound, Polish zloty, Swedish kroner, Danish kroner and the euro. The functional currency of Ardagh's U.K. operations is the pound, the functional currency of Ardagh's Polish operations is the zloty, and the functional currencies of Ardagh's Danish and Swedish operations are the kroner and kronor, respectively, while Ardagh's reporting currency is the euro. Fluctuations in the value of the pound, zloty, kroner and kronor with respect to the euro have had, and may continue to have, a significant impact on Ardagh's financial condition and results of operations as reported in euro.

We currently estimate that Ardagh has approximately €136.0 million aggregate principal amount of borrowings that will be mismatched by non-euro assets. Ardagh intends to actively manage this exposure through the deployment of assets and liabilities throughout the Group and, when necessary and economically justified, by entering into hedging arrangements that will substantially protect Ardagh from income and balance sheet exposure due to fluctuations in the exchange rate between the euro and other currencies.

Commodity Price Risk

Ardagh is exposed to movements in the price of natural gas. Ardagh purchases its natural gas requirements in the United Kingdom under a contract pursuant to which the pricing is derived from the International Petroleum Exchange (the "IPE"). The contract allows Ardagh to choose how the pricing will be set. Pricing can be set based on the IPE closing spot price for the day, the day ahead price, balance of month or any future price quoted for entire months. Ardagh tries to ensure that natural gas prices are fixed for future periods but does not always do so because the future prices can be far in excess of the spot price.

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. If the spot price of natural gas rises unexpectedly and Ardagh has not fixed the price of natural gas in advance of its usage requirements, its earnings and cash flows could be adversely affected.

BUSINESS

Overview

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

Revenues and EBITDA for Ardagh for the year ended December 31, 2008 were €1,357.2 million and €262.1 million, respectively, and for the nine months ended September 30, 2009 were €935.2 million and €172.2 million, respectively. Although our revenues for the nine months ended September 30, 2009 have decreased from the corresponding period in the prior year, Ardagh was able to implement price increases which helped to offset volume declines. In addition, negative translation effects from currency fluctuations had a significant impact. Revenues and EBITDA for Ardagh for the twelve months ended September 30, 2009 were €1,264.4 million and €234.3 million, respectively.

Ardagh operates 20 glass plants with 40 glass furnaces and 101 production lines in seven countries. In 2009, the aggregate production of Ardagh's glass container businesses was approximately 2.9 million tonnes. For the year ended December 31, 2009, Ardagh 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.

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

Country/Region	Market Position of Ardagh on the Basis of 2009 Glass Container Production Volumes
Germany	#1
United Kingdom	#1
Poland	#2
Benelux	#2
The Nordic Region	#1
Europe	#3

Source: Ardagh management estimate.

Germany. Ardagh's operations in Germany consist of eight manufacturing sites with 13 glass furnaces. Ardagh produces a broad range of glass containers in the German beer, wine, spirits, dairy, food, non-alcoholic beverage and pharmaceutical sectors, with the leading market position in food and beer in Germany. Ardagh's German operations supply leading global customers such as AB InBev, Bacardi, Heineken, Kraft, MEK and Merck, as well as regional leaders such as DEK, Göbber and Stute.

United Kingdom. In the United Kingdom, Ardagh operates four manufacturing sites with 12 glass furnaces. Ardagh produces and markets an extensive range of glass containers in a variety of shapes, sizes, colors and weights for the U.K. food, beer, spirits, premium packaged spirits, soft drinks, wine, dairy and cider sectors. Ardagh accounted for approximately 66%, 52% and 29% of glass containers produced in the United Kingdom in 2009 in the food, beer and spirits sectors, respectively. Ardagh's U.K. operations supply a broad range of glass containers to some of the leading European and global food and beverage manufacturers such as AB InBev, Bacardi, Carlsberg, Coca-Cola Schweppes

Beverages, Diageo, and Nestlé. Ardagh also has the largest secondary glass container decoration facility in Europe, known as the Brand Enhancement Centre, located at our Barnsley site.

Poland. Ardagh's operations in Poland consist of three manufacturing sites with six glass furnaces. Ardagh produces a broad range of glass containers for the Polish beer, wine, spirits, food and NAB sectors. Ardagh's Polish operations supply leading global customers such as Carlsberg, SAB Miller and Heineken, and regional leaders such as Malex, Maspex and Dawtona.

Benelux. Ardagh operates two manufacturing sites with four glass furnaces in The Netherlands. Ardagh produces a broad range of glass containers for the Benelux beer, food and NAB sectors. Ardagh's Dutch operations supply leading global customers such as AB InBev, Heineken and PepsiCo. Ardagh's Moerdijk manufacturing site is dedicated exclusively to the production of beer bottles for Heineken.

Nordic Region. Ardagh operates one manufacturing site with two glass furnaces in Denmark and one manufacturing site with two glass furnaces in Sweden, with an additional nine added value lines for decorating, coating and etching. Ardagh produces a broad range of glass containers in the Danish and Swedish beer, wine, spirits, food, NAB and pharmaceutical sectors. Ardagh has a leading market position in each of these segments (including the leading market position in the food and beer segments), with particular concentration in the spirits segment consistent with the local customer base, including Vin & Sprit (now owned by Pernod Ricard), whose major brand is Absolut vodka.

Italy. Ardagh has operated in Italy since July 2002. It operates one manufacturing site with a single glass furnace. It produces a range of glass beer bottles which it sells to SAB Miller and Heineken.

Ardagh Glass Engineering Group. Ardagh Glass Engineering Group was established in late 2008 and brings together our German technology business, Heye International and a number of mould manufacturing and repair activities within the Group. The nature of these activities is different from the nature of glass container operations and, consequently, their development can be better catered for by having a separate, focused management team. In 2009, these activities represented approximately 5% of our revenues. Through Heye International, with headquarters in Germany and operating internationally, Ardagh 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. Heye International is one of only a few companies worldwide providing comprehensive turnkey glass container operations and technology services to the global glass container manufacturing industry. In recent years, it has provided support to worldwide businesses, such as AB InBev, Amcor, Femsa and Heineken, and has undertaken the design and supply of six major glass manufacturing facilities.

Acquisition History

Over the past several years, Ardagh has grown significantly through strategic acquisitions.

Our acquisitions have included Rockware Glass from O-I in 1999, an Italian glass container manufacturer in 2002, Heye Holding in Germany in 2003, a Polish glass container manufacturer in 2004, Redfearn from Rexam plc in 2005 and the Rexam Acquisition in 2007.

For further information, see "—History and Development of the Ardagh Glass Group" and "—The Rexam Acquisition".

The Rexam Acquisition

On March 11, 2007, Ardagh Glass Group plc, our then ultimate parent company, entered into a Share Purchase Agreement with Rexam plc for the acquisition by wholly owned subsidiaries of Ardagh

Glass Holdings Limited of the share capital of various wholly owned subsidiaries of Rexam plc, which operated the glass container manufacturing division of Rexam plc. The Rexam Acquisition was consummated on June 21, 2007 and the acquired business has now been fully integrated into our business.

The Rexam Acquisition had a material effect on our business, approximately doubling Ardagh's size based on sales volume and resulting in a significant expansion of its operations in Germany and Poland and entry into new markets in the Nordic and Benelux regions. The primary focus of Ardagh's management following the acquisition of the glass division of Rexam plc has been to successfully integrate the acquired business with the pre-existing Ardagh operations and to realize the anticipated synergies quickly and efficiently. During 2008, this process was successfully completed. Ardagh now operates as an integrated business with a unified management team focused on profitably serving its customers' needs on a regional and multinational basis.

Competitive Strengths

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

- ***Leading Market Position in Its Principal Market—Northern Europe.*** We believe Ardagh 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. We believe Ardagh is one of the market leaders in Germany, the U.K. and the Nordic region, with strong market positions in the food, beer and spirits sectors. Ardagh has achieved this by pursuing strategic opportunities, such as the expansion of operations through the Rexam Acquisition, while maintaining profitability, rather than pursuing market share gains at the expense of operating margins. Ardagh's leading Northern European market position provides it with significant economies of scale. Furthermore, the cash flow generated from its operations allows for ongoing reinvestment in its business.
- ***Customer Relationships.*** Ardagh has strong and long-standing relationships with its customers which include some of the leading European and global food and beverage manufacturers such as AB InBev, Bacardi, Carlsberg, Coca-Cola Schweppes Beverages, Diageo, Heineken, Kraft, MEK, Nestlé, Pernod Ricard, Premier Foods, SABMiller and Vin & Sprit. The average tenure of Ardagh's relationships with its top five customers is more than nine years, and for certain customers, such as Vin & Sprit, the relationship dates back several decades. Ardagh also has very strong relationships with a number of regional leaders such as DEK, Dutch Glory/Hak, Gobber, Maspex, Orkla, Royal Unibrew and Stute. Ardagh's customers rely heavily on manufacturers to provide quality products on time and in specified quantities, as failure to do so would disrupt their production lines and may have a significant adverse impact on their business. As a result, Ardagh's customers typically undertake a rigorous selection process prior to choosing a manufacturer. We believe that Ardagh's customers identify Ardagh as being reliable and capable of delivering high quality, technologically advanced products, which is a key purchasing consideration.
- ***Technical Leadership and Innovation.*** Ardagh has superior technology and manufacturing capabilities including a high standard of product and process development and extensive knowledge of the industry which is supported through its division Ardagh Glass Engineering. Ardagh 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 capabilities, range of machine configurations and high degree of flexibility, they are able to meet the diverse design needs of customers and to face ongoing industry challenges. Ardagh

has consistently focused on decreasing total costs through staffing reductions, machine line rationalization and investments in advanced technology.

- ***Proven Ability to Execute Strategic Acquisitions and Integrate Acquired Businesses.*** Ardagh's strategy of careful evaluation and pursuit of strategic opportunities has resulted in its successful growth through acquisitions. Recently, the Rexam Acquisition resulted in approximately doubling Ardagh's size based on sales volume, in significantly expanding its operations in Germany and Poland and in entering into new markets in the Nordic and Benelux regions. Ardagh previously acquired and efficiently integrated companies such as Heye Holding, HSU and Redfearn. These acquisitions resulted in Ardagh's expansion into new and existing markets and generated significant cost savings and revenue growth.

- ***Experienced and Highly Focused Management Team with a Proven Track Record.*** Ardagh's management team is highly experienced with strong backgrounds in the glass container industry in Northern Europe, Australia and Southeast Asia. Ardagh's senior team have demonstrated their ability to manage costs, adapt to changing market conditions and acquire and successfully integrate new businesses, including our significant expansion and the nearly doubling of our size as a result of the Rexam Acquisition. Ardagh's directors and senior management are incentivized through share ownership in our ultimate holding company Ardagh Glass Group S.A. As of December 31, 2009, Ardagh's directors and senior management (including directors of Ardagh Glass Group S.A., other than Paul Coulson) collectively owned directly approximately 22% of the total share capital of Ardagh Glass Group S.A.

Business Strategy

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

- ***Maintain a Disciplined Earnings and Cash Flow Orientated Approach.*** Ardagh carefully assesses 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 seek to improve our efficiency, control costs and preserve cash flows. In response to the present economic environment, we have taken and 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.*** Ardagh's goal is to be the most profitable glass container producer in the markets in which it operates, with a low cost base, highly efficient machinery, strong technological expertise and a highly motivated workforce. Through the technology and manufacturing business of Heye International, which designs, manufactures and commissions glass container plants, and through its technology and licensing agreement with O-I in the United Kingdom, and the deployment of the best technology available globally, Ardagh intends to increase productivity through the continuing development and transfer of expertise and best practices across its operations.

- ***Focus on High Growth Glass Intensive Segments.*** Ardagh focuses its marketing efforts and production capacity on relatively high-growth glass segments in which it can maintain or achieve competitive pricing levels, such as the premium beer segment. Ardagh also focuses on segments that we believe have potential to substitute high-value added glass containers for alternative forms of packaging.

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

- ***Careful Evaluation and Pursuit of Strategic Opportunities in the Medium and Long Term.*** Ardagh will continue to consider acquiring businesses in the medium and long term in line with its strategic objectives which include the realization of attractive returns on investment and the generation of significant free cash flow. In addition, Ardagh may selectively explore business opportunities for establishing operations in new markets to meet the geographic and other needs of current and potential customers.

Glass Container 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 size 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 has 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.

The German Glass Container Market

In 2008, the market for glass containers in Germany is distributed among wine and sparkling wine 26.3%, food 26.0%, beer 23.2%, spirits 10.8%, soft drinks, including water and juice 4.0%, and others, including the pharmaceutical sector 9.6%.

The German domestic market is driven by large retailers, with sales influenced by the choice of stock of the retailer. Several German retailers are focusing on non-refillable glass for their beverage product offerings, presenting a further growth opportunity in the German market. In addition, the growth of private label sales is driving the growth of the food segment in Germany.

The following table shows certain production information relating to the German glass container market during the five-year period ended December 31, 2008.

	2004	2005	2006	2007	2008
Total revenue (in millions of €)	1,505	1,492	1,562	1,730	1,798
Total number of glass containers produced (in millions of units)	16,495	15,862	16,285	16,944	17,217
Total volume of glass containers produced (in thousands of tonnes)	4,105	3,895	3,919	4,080	4,142

Source: Fachvereinigung Behälterglasindustrie e.V.

Ardagh estimates that in 2009 it had a 30% market share of the German production of glass containers.

The U.K. Glass Container Market

The U.K. glass container market is generally a mature, low-growth and stable market. Food and beverage containers account for approximately 98% of all glass containers produced in the United Kingdom. There are certain growth areas such as premium lagers, ciders and on-trade soft drinks. The following table shows, during the five-year period ended December 31, 2008, total revenue of the U.K. glass container industry and the total number of units and volume in tonnes of glass containers produced in the United Kingdom.

	2004	2005	2006	2007	2008
Total revenue (in millions of £)	555	594	617	663	692
Total number of glass containers produced (in millions of units)	7,416	7,462	7,616	7,689	7,452
Total volume of glass containers produced (in thousands of tonnes)	2,069	2,081	2,157	2,244	2,162

Source: British Glass Manufacturers Confederation.

Ardagh estimates that in 2009 it had a 40% market share of the U.K. production of glass containers.

The Benelux Glass Container Market

The principal markets for glass containers in the Benelux region are the food, beer, spirits and NAB sectors. Although the Benelux market is largely refillable glass containers, the demand for non-refillable glass containers for export is a primary driver of production. Key customers such as AB InBev and Heineken are driving growth in the beer sector. The food sector is also significant in the Benelux region and principally serves the domestic market, rather than exports.

	2004	2005	2006	2007	2008
Total number of glass containers produced (in millions of units)	5,300	5,400	5,500	5,800	5,900
Total volume of glass containers produced (in thousands of tonnes)	1,312	1,337	1,361	1,436	1,461

Source: Ardagh management estimate.

Ardagh estimates that in 2009 it had a 27% market share of the Benelux production of glass containers.

The Polish Glass Container Market

The principal markets for glass containers in Poland are the food, beer, spirits, wine and NAB sectors. In 2005 and 2006, reasonable growth returned to all market segments in the Polish glass container industry. The following table shows the total volume of glass containers produced by the Polish glass container market during the five-year period ended December 31, 2008.

	2004	2005	2006	2007	2008
Total number of glass containers produced (in millions of units)	4,912	5,083	5,254	5,543	5,631
Total volume of glass containers produced (in thousands of tonnes)	1,041	1,088	1,119	1,230	1,332

Source: Forum Opakowan Szklanych.

Ardagh estimates that in 2009 it had a 20% market share of the Polish production of glass containers.

The Nordic Glass Container Market (including Finland)

The principal markets for glass containers in the Nordic region are the food, beer, spirits, NAB and pharmaceutical sectors. In this region, growth in the beer sector is largely driven by exports, but the spirits sector is the largest product segment by value, with exports by companies such as Vin & Sprit (now owned by Pernod Ricard) driving growth. The food sector is broadly stable and characterized by a high degree of product fragmentation.

	2004	2005	2006	2007	2008
Total number of glass containers produced (in millions of units)	1,354	1,331	1,374	1,401	1,544
Total volume of glass containers produced (in thousands of tonnes)	373	370	377	383	425

Source: Ardagh management estimate.

Ardagh estimates that in 2009 it had a 74% market share of the Nordic production of glass containers.

Italy

In Italy, Ardagh is a small market player, focused on beer bottles, with just over 2% market share of Italian production of glass containers.

Ardagh's Products

Glass Containers

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.

Ardagh Glass Engineering

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.

Ardagh's Customers

Ardagh serves a wide variety of customers in all sectors of the food and beverage industries, as well as some pharmaceuticals customers. In certain product groups (beer, wine, spirits, NAB), sales are concentrated among a few key customers with whom Ardagh has strong, ongoing relationships. Ardagh's top 10 customers accounted for approximately 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.

Glass Containers

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 10 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, Nestle, Pernod Ricard and Halewood.

In 2009, Ardagh's 10 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 Nordic Region

Customers of Ardagh's glass container businesses in the Nordic region include Pernod Ricard, Carlsberg, Orkla and Royal Unibrew. The 10 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.

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 10 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.

Poland

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 10 largest customers accounted for approximately 58% of Polish revenues in 2009.

Ardagh 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, CIS 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.

Ardagh's Competitors

Glass Containers

Ardagh competes directly with other manufacturers of glass packaging and with other forms of rigid packaging, principally plastic containers and metal cans but also with non-rigid packaging such as pouches and aseptic cartons. 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 competition from alternative packaging materials, often for reasons associated with consumer convenience and the specialized sales and consumption environments, e.g. glass is often substituted for alternative packaging formats at large outdoor events.

Key competitors by material type:

Plastic	Metal	Aseptic Cartons	Glass
Alpla	Ball Corporation	Tetra Pak	O-I
Graham Packaging	Crown Holdings	SIG	Saint-Gobain
La Seda	Impress		Vidrala
Rexam	Rexam		Vetropack
RPC Group			Quinn Glass
			Warta Glass Group
			Wiegand Glas

The degree of the glass container industry's market share of the total packaging industry varies on a country-by-country basis.

Germany

After the consolidation of recent years, the four main producers of glass containers in Germany are Ardagh, Saint-Gobain, O-I and Wiegand Glas.

United Kingdom

The glass container industry in the United Kingdom is very competitive and relatively concentrated, with three main producers: Ardagh, O-I and Quinn Glass. Other competitors in the U.K. glass container market include Allied Glass and Beatson Clark.

The Nordic Region

Our main competitor in the Nordic region is O-I with operations in Finland and Estonia.

The Benelux Region

Our main competitors in the Benelux region are O-I and Saint-Gobain.

Poland

Our main competitors in the Polish market are O-I, Warta Glass Group and Can Pack.

Ardagh 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 2009, the aggregate production of Ardagh's glass container businesses was approximately 11.4 billion containers and 2.9 million tonnes.

Breakdown by operational region of manufacturing facilities and output:

Country	Production facilities
Germany	8
United Kingdom	4
The Netherlands	2
Poland	3
Sweden	1
Denmark	1
Italy	1
TOTAL	20

Geographically, Ardagh's manufacturing facilities are strategically positioned to take full advantage of all forms of transport including road, rail and water where suitable. In many cases, this offers Ardagh a competitive advantage. Ardagh is also, where appropriate, using Heye International's oxy-fuel furnace technology which results in more efficient energy consumption and lower exhaust emissions. Ardagh is capable of producing containers in a wide variety of colors, shapes and sizes to satisfy the needs of all market sectors and service the consistently evolving market driven requirements of its customers for glass packaging.

Ardagh is at the forefront of technologically advanced production techniques and has access to all major technologies available globally. Heye International technology is deployed extensively throughout the Group; however, Ardagh also uses other technologies where it is believed to be appropriate to the needs of the particular plant and expected to deliver competitive advantage. In the United Kingdom, Ardagh has a non-exclusive technology licensing agreement with O-I. In addition, Emhart technology is widely deployed throughout the business.

Germany

Ardagh operates 13 furnaces at eight facilities in Germany. These facilities produced a total of 4.5 billion glass containers and 1.15 million tonnes of glass in 2009.

Ardagh's facilities are located in key industrial areas and are well-located for rail, road and water transport, allowing Ardagh to cost-efficiently serve existing customers and reach its potential customer base. We believe our proximity to transport, favorable locations and customer base give Ardagh a competitive advantage in the market sectors in which we operate.

United Kingdom

Ardagh operates four manufacturing facilities with 12 glass furnaces. In 2009, these facilities provided a total of 2.9 billion glass containers and 795,000 tonnes of glass.

Ardagh's four manufacturing facilities provide it with significant capacity, flexibility and the ability to optimize its production program. Ardagh's U.K. facilities are specialized by the end-market sectors they serve. The site at Barnsley has increased Ardagh's flexibility to meet customers' production needs and is also the largest secondary decoration facility in Europe. Known as the "Brand Enhancement Centre", this facility allows Ardagh to add value in terms of secondary decoration and is a competitive advantage.

Under a technology and licensing agreement, O-I provides Ardagh's U.K. business with certain technical information solely for use in the United Kingdom for the manufacture of glass containers. Ardagh pays a royalty fee based on the net sales price of each container it manufactures and sells. A new Limited License Agreement was put in place, effective April 1, 2009, that will run for a five-year period. This agreement supersedes and replaces any previous agreements. Beyond April 1, 2014, Ardagh has the option to extend this license agreement for a further three one-year periods.

The Nordic Region

Ardagh's glass container business in the Nordic region has two manufacturing facilities with four glass furnaces. These facilities produced a total of 0.9 billion glass containers and 243,000 tonnes of glass in 2009. The Limmared facility is situated in the town of Limmared in Sweden, located south of Gothenburg, and produces flint and amber glass for the spirits, food and pharmaceutical sectors. The Holmegaard facility is situated in the town of Holmegaard in Denmark, located near Copenhagen, and produces flint, olive green and HT green glass primarily for the beer and food sectors.

The Benelux Region

Ardagh's glass container business in the Benelux region has two manufacturing facilities with four glass furnaces. These facilities produced a total of 1.9 billion glass containers and 395,000 tonnes of glass in 2009. The Moerdijk facility is situated in the town of Moerdijk, located near Rotterdam, and produces glass containers for Heineken exclusively. It uses oxy-fuel technology designed by Heye International. The Dongen facility is situated in the town of Dongen, located near Breda.

Poland

Ardagh's Polish glass container business has three manufacturing facilities with six glass furnaces. These facilities produced a total of 0.9 billion glass containers and 262,000 tonnes of glass in 2009. The Ujście facility is situated in the town of Ujście, located about 90 kilometers north of Poznan. The Gostyn facility is situated in the town of Gostyn, located south of Poznan in Western Poland. The Wyszków facility is situated in the town of Wyszków, located near Warsaw.

Italy

Ardagh's Italian glass container business has one manufacturing facility with a single furnace which was re-built in early 2009. This facility produced a total of 306 million glass containers and 68,000 tonnes of glass in 2009. The facility is strategically located in the industrial area of Montorio Al Vomano, approximately 150 kilometers east of Rome.

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 59% of its energy for 2010 and 8% for 2011.

Ardagh expects energy costs over the next several years to increase 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.

In 2008, the prices paid for soda ash and cullet experienced increases due to changes in the structure of the underlying market, such as cullet supply in Germany, which has had knock-on impacts throughout continental Europe, or changes in the global supply versus demand balance, as has happened in the case of soda ash. We are now seeing a softening in pricing, which we expect will continue until there is an improvement in general economic conditions.

Sales and Marketing

The sales teams throughout the Group are controlled by the central management team, which is based in Dublin, Ireland. 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 central marketing team based in Dublin. Following the successful rebranding of all the constituent elements of the glass container business in 2007 Ardagh now trades as Ardagh Glass. The "one brand, one vision" ethos is now a fundamental driver across all aspects of the glass container business. This is indispensable in supporting Ardagh's biggest customers, many of which are supplied on a pan-European 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 drinks businesses in Europe. 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 packaging and aids strategic and commercial decision making.

Demand for glass packaging in certain sectors can be seasonal or can be affected by other determining environmental factors, such as the summer months and the period leading up to Christmas, unusual weather conditions over a sustained period, and major sporting events, including the football World Cup and the Olympics.

Distribution

Ardagh uses various freight and haulage contactors 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 customer's filling operations.

Intellectual Property

Glass Containers

Ardagh Glass 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.

Ardagh 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

Research and development constitutes an important part of Ardagh's activities. 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 which 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 material and energy consumption and increasing capacity, and thereby reducing emissions into the environment.

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.

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 the glass production process; 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, European Union, 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 on Integrated Pollution Prevention and Control ("IPPC Directive"). 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, prevention of accidents, and restoration of the site upon closure. Installations are required to hold a permit, which sets emission limit values which are based on Best Available Techniques ("BAT"), set out in BAT Reference Documents. All of Ardagh's glass manufacturing plants hold the required permits under the relevant IPPC legislation.

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 EU ETS from January 1, 2005 to control the emission of greenhouse gases. The first phase ran from 2005-2007 and the second phase will run from 2008-2012 to coincide with the first commitment period under the Kyoto Protocol. The scheme works on a cap and trade basis. European Union Member State governments 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 non-compliance 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.

Further, the European Union 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 European Union 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.

Prior to the acquisition of the various facilities that make up the Ardagh business, independent environmental studies were commissioned by Ardagh as acquirer or by the various vendors from which the facilities were acquired. While the reports resulting from these studies highlight some actual or potential issues, no material environmental issues were reported. These studies identified that asbestos is present, or may be present, at a number of sites which may require remediation. The reports came to the conclusion that at certain German sites there are indications of soil or groundwater contamination which may require investigation and/or remediation. Possible soil and groundwater contamination issues were also identified at the sites in The Netherlands, the materiality of which was not established. There is significant potential for contamination to be present at the Gostyn site and potential contamination at the Wyszków site in Poland. Therefore, the possibility of future remediation costs cannot be excluded. There is known contamination at the site in Sweden and Denmark. Hydrocarbon contamination was discovered in 1997 at the Swedish site and the authorities were informed, although no requests for further actions have been made. The remediation of the site in Denmark is on-going.

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 may affect the price of such substances.

A European Union 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 out 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 obliged to develop waste prevention programmes. Measures to strengthen Member State implementation of the requirements of the Directive can also be expected. European Union and national legislation sets out specific, onerous rules concerning waste management, including transport, recovery and disposal. 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 glass recycling programmes as increased success in 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 European Union and individual Member State requirements.

Sustainable Development

Ardagh Glass is committed to reducing its environmental impact by investing in efficient processes and management systems.

It makes good environmental, as well as good business sense to maximize the amount of recycled glass used to manufacture new glass containers. Using the highest possible levels of cullet not only limits the amount of natural resources used in the manufacturing process but it also greatly reduces energy consumption and CO2 emissions. Depending on the specific requirement of the container being produced and material availability up to 90% cullet can be used to produce new glass containers. High levels of cullet use can realize significant energy savings and prolong furnace life.

Ardagh owns in its own right or through joint ventures partially owns and operates glass recycling assets which facilitate the production of high quality cullet which is used in the production of new glass containers. Ardagh also has long-term agreements with glass recycling businesses which achieve the same objectives. For example, Ardagh owns and operates a cullet pulverization facility at the Obernkirchen plant in Germany; another cullet pulverization facility is operated at the Germersheim plant by a joint venture partner; in Sweden it has a minority holding on two glass recycling companies. In the United Kingdom, Poland and Sweden, Ardagh also has long-term agreements with established glass recycling businesses who have built state-of-the art facilities on its sites or nearby.

Ardagh is also committed to using technology to improve its environmental credentials, installing, where possible, and in line with its investment programme, energy efficient oxy-fuel furnaces with low exhaust emissions. In compliance with environmental regulations and to minimize detrimental impacts on the environment. Ardagh has installed bag filters or electrostatic precipitators on many of its furnaces.

Legal Proceedings

There are no material legal proceedings currently outstanding.

Organizational Structure

Hereunder is an abridged organizational structure showing only the material trading companies in the Group grouped by business and geographic segment.

Ardagh Glass

	Geographic Segment		
Business Segment	**Eurozone**	**United Kingdom**	**Other**
Glass Manufacturing	Ardagh Glass GmbH (Germany) Ardagh Glass S.r.l. (Italy) Ardagh Glass Sales Ltd (Ireland) Ardagh Glass Dongen B.V. (Netherlands) Ardagh Glass Moerdijk B.V. (Netherlands)	Ardagh Glass Ltd	Ardagh Glass Limmared AB (Sweden) Ardagh Glass Holmegaard A.S. (Denmark) Ardagh Glass Moss AS (Norway) Ardagh Glass Ujście S.A. (Poland) Ardagh Glass Gostyn 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)

Property, Plant and Equipment

Ardagh's glass container manufacturing operations are and will be located principally in Germany, the United Kingdom, the Nordic region, The Netherlands, Poland and Italy. 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 on premises leased from third parties. The following table provides information about Ardagh's facilities.

Location	Building Area (square meters)	No. of Furnaces
Germany		
Nienburg	97,588	3
Bad Münder	48,533	1
Obernkirchen	69,369	2
Lünen	36,481	2
Wahlstedt	49,072	1
Neuenhagen	41,357	1
Drebkau	31,776	1
Germersheim	43,881	1
Obernkirchen (Heye International)	18,673	—
Obernkirchen	56,807	—
United Kingdom		
Barnsley	107,000	4
Knottingley	55,000	3
Doncaster (Wheatley)	50,000	3
Portland	33,000	2
Doncaster (Wheatley)(1)	20,000	—
Poland		
Ujście	20,000	3
Gostyn	43,116	3
Wyszków	16,493	1
External Warehouse(1)	11,900	—
The Benelux Region		
Dongen	100,930	2
Moerdijk	39,990	2
The Nordic Region		
Limmared (Sweden)	65,500	2
Holmegaard (Denmark)	70,000	2
Italy		
Montorio al Vomano	8,000	1

(1) Warehouse leased from third party.

Employees

As at December 31, 2009, Ardagh 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. Ardagh's German glass container business and German glass technology and manufacturing business had 2,031 employees and 280 employees, respectively. Ardagh'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.

Ardagh's employees are represented by various trade unions and workers' councils in the countries in which we operate. Ardagh's management believes that, overall, its current relations with its employees are good.

History and Development of the Ardagh Glass Group

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 was 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 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 Ardagh Glass Group plc. In February 2005, Ardagh Glass Group 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 Glass Holdings Limited acquired all of the share capital of Ardagh Glass Limited and through this acquisition became the new parent guarantor for the 2003 Notes. 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 and 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 moulds for glass container operations and is a key supplier of moulds to Ardagh companies.

New Corporate Structure. 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 AGG plc in exchange for the issue of shares to the AGG plc shareholders in the same proportions as they had held shares in AGG plc.

MANAGEMENT

Issuer

The Issuer is a public limited company, incorporated under the laws of Ireland on March 1, 2007 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	57	Director
Houghton Fry	64	Director
John Riordan	51	Director
Niall Wall	47	Director
Brían J. Butterly	64	Director

Each of the Issuer's existing directors (other than Brían J. Butterly) is also a member of the board of directors of 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	57	Director
Niall Wall	47	Director
John Riordan	51	Director
Brendan Dowling	62	Director
Houghton Fry	64	Director
Brían J. Butterly	64	Director

Ardagh Glass Group S.A.

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 Glass Group S.A. as of the date hereof. In this section, "Group" refers to Ardagh Glass Group S.A. and its predecessors.

Name	Age	Position
Paul Coulson	57	Chairman
Niall Wall	47	Chief Executive
John Riordan	51	Finance Director
Brendan Dowling	62	Corporate Development Director
Houghton Fry	64	Director
Wolfgang Baertz	69	Non-Executive Director
Sir Frank Davies	78	Non-Executive Director
Edward Kilty	61	Non-Executive Director
Herman Troskie	39	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 December 31, 2009, Paul Coulson owned approximately 21% of the share capital of Ardagh Glass 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 Glass 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 Glass Group S.A. as of December 31, 2009.

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 member of the Irish Chartered Accountants Regulatory Board and 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.

Sir Frank Davies has been a director of the Group since 1985. He is a former Chief Executive of Ardagh Glass Ltd (formerly Rockware Glass) and is a former President of the European Glass Industry Body. He is a director of a number of private United Kingdom companies.

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% of the share capital of Ardagh Glass Group S.A. as of December 31, 2009.

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 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 (64) 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 (51) 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 Glass and PLM.

Johan Gorter (50) 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 Glass and PLM.

David Wall (40) was appointed CEO of the Ardagh Glass Engineering Group in November 2008. 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.

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 Glass Group plc, which is comprised of Messrs. Coulson, Wall, Riordan, Dowling and Fry.

Board Committees

The board of directors of Ardagh Glass 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, Davies and Dowling.

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 for senior management. The Remuneration Committee is comprised of Messrs. Coulson, Davies and Baertz. 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 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 twelve-month period ended December 31, 2008, payable to all our directors and senior management, was €7.3 million. The aggregate annual fees for the same twelve-month period payable to our non-executive directors was €75,000.

Share Ownership

As of December 31, 2009, our directors and senior management held directly the following shares of Ardagh Glass Group S.A.:

Name	Number of Shares[1]	Aggregate Percentage Ownership
Paul Coulson[2]	4,407,662	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
Sir Frank Davies	8,408	0.04
Edward Kilty	725,234	3.45
David Currie	209,866	1.00
Brían J. Butterly	129,124	0.61
Total	8,940,366	42.6

(1) The issued share capital of Ardagh Glass Group S.A., as at the date of this Offering Memorandum, is divided into shares of five separate classes from A to E (inclusive) each ranking *pari passu*. The same number of shares is issued in each class and all five 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 Glass Group S.A.

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 Glass Holdings Limited (holding 38,094 ordinary shares) and Ardagh Glass Group plc, Ardagh Glass Group Holdings Limited, Ardagh Corporate Services Limited, Paul Coulson, Houghton Fry and Brían J. Butterly, each holding one ordinary share on behalf of Ardagh Glass Holdings Limited.

Ardagh Glass Holdings Limited

Ardagh Glass Holdings Limited is an indirect, wholly owned subsidiary of Ardagh Glass Group S.A.

As of December 31, 2009, Ardagh's directors and senior management (including directors of Ardagh Glass Group S.A., other than Paul Coulson) collectively owned directly approximately 22% of the total share capital of Ardagh Glass Group S.A. In addition, Paul Coulson, the current Chairman of the board of directors of Ardagh Glass Group S.A., individually owned approximately 21% of the issued share capital of Ardagh Glass 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 Glass Group S.A. A further approximately 9.5% of such shares was owned by Niall Wall, our Chief Executive. Directors of Ardagh Glass Group S.A. and members of Ardagh's senior management team other than Paul Coulson and Niall Wall owned approximately 12.1% of the issued share capital of Ardagh Glass Group S.A.[1]

Related Party Transactions

Common Directorships

Four of the Ardagh Glass 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 Glass Group S.A.

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(1) 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 AGG plc in exchange for the issue of shares to the AGG plc shareholders in the same proportions as they had held shares in AGG plc.

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 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 Notes".

2009 Notes

In June 2009, the Issuer issued the 2009 Notes in an offering that was not subject to the registration requirements of the U.S. Securities Act. The 2009 Notes are governed by an indenture entered into by the Issuer, Law Debenture Trust Company of New York, as trustee for the holders, the Parent Guarantor, and certain of the Parent Guarantor's wholly owned subsidiaries, as subsidiary guarantors.

The 2009 Notes are general obligations of the Issuer 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 2009 Notes and are senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the 2009 Notes. At any time prior to July 1, 2013, the Issuer may redeem any or all of the 2009 Notes at 100% of their principal amount plus accrued and unpaid interest, if any, plus a redemption premium. On or after July 1, 2013, the Issuer may redeem any or all of the 2009 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 the Issuer occurs, then the Issuer or the Parent Guarantor must make an offer to repurchase the 2009 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 Notes are also subject to certain customary covenants and events of default.

The 2009 Notes are guaranteed on a senior basis by the Parent Guarantor and on a senior secured basis by certain wholly owned subsidiaries of Ardagh Glass Holdings Limited. The guarantee of the 2009 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, are 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 Notes are secured by liens on the same assets that secure the Issuer's obligations under the Amended and Restated Anglo Irish Senior Secured Credit Facility.

2007 Notes

In June 2007, the Issuer 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 the Issuer, The Bank of New York Mellon (previously named The Bank of New York), as trustee for the holders, the Parent Guarantor, and certain of the Parent Guarantor's wholly owned subsidiaries, as subsidiary guarantors.

The 2007 Notes are general unsecured obligations of the Issuer and rank senior in right of payment to all unsecured debt of the Issuer that is subordinated in right of payment to the 2007 Notes; rank equally in right of payment to all unsecured debt of the Issuer 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, the Issuer 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, the Issuer 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 the Issuer occurs, then the Issuer or the Parent Guarantor 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 the Parent Guarantor and on a senior subordinated basis by certain wholly owned subsidiaries of Ardagh Glass Holdings Limited. The guarantees by each such subsidiaries are subordinated in right of payment to any existing or future senior indebtedness of such subsidiaries, including their obligations under the Amended and Restated Anglo Irish Senior Secured Credit Facility and the 2009 Notes.

Intercreditor Agreement

In June 2009, the Parent Guarantor and certain of its subsidiaries, including the Issuer, the issuer of the 2003 Notes, the guarantors of the 2003 Notes, the 2007 Notes and the 2009 Notes and the Subsidiary Guarantors, entered into an amended and restated intercreditor agreement (the "Intercreditor Agreement") with, among others, Anglo Irish Bank Corporation Limited, GE Commercial Finance Limited, Law Debenture Trust Company of New York, in its capacity as trustee for the 2009 Notes and The Bank of New York Mellon, in its capacity as trustee for the 2007 Notes and for the 2003 Notes, which became effective on June 26, 2009. The Intercreditor Agreement amended and restated in its entirety the intercreditor agreement dated June 18, 2007 which we entered into in connection with the issuance of the 2007 Notes. The Intercreditor Agreement constitutes a Senior Finance Document under the Amended and Restated Anglo Irish Senior Secured Credit Facility and the GE Commercial Finance Facility and a breach of its terms by us may give rise to an event of default under those facilities.

The Intercreditor Agreement establishes the ranking among certain of our senior debt obligations, including the Amended and Restated Anglo Irish Senior Secured Credit Facility, the GE Commercial Finance Facility and the HVB Working Capital and Performance Guarantee Credit Lines. These senior debt obligations are described below. 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 Amended and Restated Anglo Irish Senior Secured Credit Facility and the holders of the 2009 Notes.

Subject to certain exceptions, proceeds for the enforcement of the liens in the collateral securing the Amended and Restated Anglo Irish Senior Secured Credit Facility and the 2009 Notes (the "2009 Notes Collateral") are to be distributed between the lenders under the Amended and Restated Anglo Irish Senior Secured Credit Facility and the holders of the 2009 Notes on a *pari passu* basis according to the principal amount of debt under the Amended and Restated Anglo Irish Senior Secured Credit Facility and the 2009 Notes outstanding at that time. 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 2007 Notes and the Senior Notes and the respective guarantees thereof.

Under the Intercreditor Agreement, lenders under the Amended and Restated Anglo Irish Senior Secured Credit Facility (for so long as €150.0 million is drawn and/or capable of being drawn thereunder at the time of enforcement), can control decisions in relation to any Enforcement Action (as defined in the Intercreditor Agreement, meaning, inter alia, identifying a receiver or insolvency officer and disposal strategies following enforcement of the 2009 Notes Collateral). The Intercreditor Agreement, however, does not preclude the holders of the 2009 Notes, on the occurrence of an event of default under 2009 Notes from (a) calling an Event of Default and/or (b) instructing Anglo Irish Bank Corporation Limited as security agent on their behalf to enforce the 2009 Notes Collateral comprised in the security interests in favor of the holders of the 2009 Notes.

If the amount drawn and/or capable of being drawn under the Amended and Restated Anglo Irish Senior Secured Credit Facility at the time of enforcement is less than €150.0 million, the security agent shall determine the nature, management, timing and control of such Enforcement Action acting on the instructions of the lenders under the Amended and Restated Anglo Irish Senior Secured Credit Facility and the holders of the 2009 Notes who, in the aggregate, hold more than 50% of the amounts under the Amended and Restated Anglo Irish Senior Secured Credit Facility and the Secured Notes then outstanding.

Amended and Restated Anglo Irish Senior Secured Credit Facility

Ardagh Glass Holdings Limited and other subsidiaries entered into a facility agreement dated March 9, 2007 (as amended and restated on June 18, 2007) (the "Original Anglo Facility Agreement") with Anglo Irish Bank Corporation Limited, as the original lender, arranger, agent and security agent, providing for borrowings in an aggregate principal amount of up to €495.0 million. The Original Anglo Facility Agreement provided for:

- a €295.0 million senior secured term loan facility to be used to finance a portion of the total purchase price for the Rexam Acquisition ("Tranche A1");
- a €50.0 million senior secured term loan facility to be used for capital expenditure and restructuring and reconstruction costs of the Group ("Tranche B"); and
- a €150.0 million senior secured revolving credit facility for general corporate and working capital requirements of the Group, of which up to €50.0 million was available in connection with the Rexam Acquisition ("Tranche C").

Ardagh Glass Holdings Limited and other subsidiaries entered into an amended and restated facility agreement on June 12, 2009 amending and restating the Original Anglo Facility Agreement, which became effective on June 26, 2009 (the "Amended and Restated Anglo Irish Senior Secured Credit Facility"). The Amended and Restated Anglo Irish Senior Secured Credit Facility provides for a £70 million senior secured term loan facility ("Tranche A2") to finance general corporate and working capital requirements of the Group.

The final maturity date for all four tranches is June 30, 2014. Interest on Tranche A1, Tranche B and Tranche C advances is payable at a rate per annum equal to EURIBOR plus an agreed margin and any applicable Associated Costs Rate (as defined in that facility agreement) to compensate the lenders for costs arising due to reserve ratios or similar bank regulatory requirements.

Tranche A1 is an amortizing term loan facility and was originally available to Ardagh Glass Holdings Limited and its nominated subsidiaries for a single drawdown on June 21, 2007, the closing date of the Rexam Acquisition. Principal in respect of Tranche A1 is repayable in equal quarterly instalments of €2.8 million, which commenced on June 30, 2007.

Tranche A2 was available to Ardagh Glass Holdings Limited and its subsidiaries. Principal in respect of Tranche A2 is repayable in equal quarterly instalments of £2,050,000.

Tranche B is a non-amortizing term loan facility and any amounts drawn under it will become due for repayment on June 30, 2014.

Interest on Tranche A1, Tranche A2 and Tranche B borrowings is payable on a one-, three or six-month basis at the option of Ardagh. The Amended and Restated Anglo Irish Senior Secured Credit Facility provides a 2.50% margin over EURIBOR on Tranche A1 and Tranche B advances and over LIBOR on Tranche A2 advances. Borrowings under Tranches A1, A2 or B which have been repaid or prepaid may not be redrawn.

The Tranche C revolving facility is subject to certain agreed availability limits based on the amount of certain consolidated receivables and inventory of the Group at the time of the relevant drawdown request. Any amount originally drawn under the Tranche C revolving facility to finance a portion of the purchase price for the Rexam Acquisition was available for reborrowing as part of the revolving credit facility. All principal outstanding under the Tranche C revolving facility falls due for repayment on June 30, 2014. Interest on Tranche C borrowings are payable every month. The margin over EURIBOR on Tranche C advances is 2.25%.

Subject to certain conditions, including the giving of at least ten business days' notice, the Amended and Restated Anglo Irish Senior Secured Credit Facility provides for the voluntary prepayment of borrowings under it. Prepayment amounts are applied first in prepayment of Tranche A1 and once Tranche A1 has been prepaid in full, in prepayment of Tranche A2 and once Tranche A2 is prepaid in full, in prepayment of Tranche B. 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 Notes—Purchase of Notes upon a Change of Control"). In addition, this facility agreement requires the net proceeds from certain asset disposals that are not applied within 12 months towards the purchase of a replacement asset or fixed asset, the reinstatement or repair of an asset, or the payment of a liability related to the asset in respect of which the disposal proceeds arose to be applied in prepayment of amounts drawn under the facility.

This facility is guaranteed by each Guarantor and is secured by the security interests securing the 2009 Notes. In that facility agreement, the Parent Guarantor 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 the agreed security principles, shall grant security over its assets provided that same security is provided equally and ratably to the holders of the 2009 Notes and shall accede to the Intercreditor Agreement. In the Amended and Restated Anglo Irish Senior Secured Credit Facility Agreement, "material subsidiary" is defined as any subsidiary which has EBITDA or total assets representing 5% or more of the consolidated EBITDA or total assets of the Group.

The Amended and Restated Anglo Irish Senior Secured Credit Facility contains customary representations and warranties. It also contains financial covenants usual to this type of agreement, including covenants to maintain certain minimum levels of consolidated EBITDA to consolidated senior debt, consolidated EBITDA to consolidated total debt, consolidated EBITDA to consolidated total senior debt interest payable, and consolidated EBITDA to consolidated total cash interest payable, minimum tangible net worth and a maximum capital expenditure (as such metrics are defined in the facility agreement).

The Amended and Restated Anglo Irish Senior Secured Credit Facility also contains a cash sweep covenant.

In addition, certain negative covenants restrict the ability of each member of the Group, without the prior consent of the agent and subject to specified exceptions, to, among other things:

- create, agree to create or permit to subsist any encumbrance on its present or future assets or any part of them;
- incur or permit to subsist borrowings;
- sell or dispose of its undertaking, business or assets;
- provide loans, credit, financial guarantees, bonds or indemnities or assume any liability or give any assurance in respect of any person;
- make any material change to the nature of its business or discontinue any material part of the Group's business as a whole; and
- in the case of the Parent Guarantor only, redeem or purchase any of its shares or otherwise reduce its share capital or declare or pay any dividends or make payments or distributions of capital or income or issue any further shares.

The Amended and Restated Anglo Irish Senior 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 unless the relevant underlying circumstances are remedied within 30 days;
- breach of certain negative or financial covenants;
- failure to comply with any other provision of the facility agreement or related documents and such default remains unremedied for 30 days;
- 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 in respect of any material subsidiary;
- the unlawfulness or invalidity of that facility agreement or related documents or the obligations thereunder;
- the occurrence of a Material Adverse Effect (as defined in that facility agreement); and
- the failure by any obligor to comply with its obligations in or the provisions of the Intercreditor Agreement which would have a Material Adverse Effect (as defined in that facility agreement).

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, without demand or other notice.

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 (Bayerische Hypo- und Vereinsbank) Working Capital and Performance Guarantee Credit Lines

Heye International supports its business activities with two open lines of credit from Bayerische Hypo und Vereinsbank. 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.

DESCRIPTION OF THE NOTES

The definitions of certain terms used in this description are set forth under the subheading "—Certain Definitions". In this "Description of the Notes", the word "Issuer" refers only to Ardagh Glass Finance plc and the words "Parent Guarantor" refer only to 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. For a list of Restricted Subsidiaries that will provide a Guarantee, see "Unaudited Supplemental Information on the Subsidiary Guarantors". Each of the Issuer and each Subsidiary Guarantor is a wholly owned direct or indirect Restricted Subsidiary. The word "Notes" refers also to "book-entry interests" in the Notes, as defined herein.

The Issuer will issue and the Guarantors will guarantee €180.0 million aggregate principal amount of senior notes due 2020 (the "Notes") under an indenture (the "Indenture") among the Issuer, the Guarantors, The Bank of New York Mellon, as trustee (in such capacity, the "Trustee") and certain other agents party thereto. Except as set forth herein, the terms of the Notes include those set forth in the Indenture. The 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 Indenture. The 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 Indenture. It does not, however, restate the Indenture in its entirety, and where reference is made to particular provisions of the 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 Indenture. You should read the 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 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 Notes

The Notes will:

(a) be the Issuer's general unsecured obligations;

(b) mature on February 1, 2020; and

(c) be guaranteed on a senior basis by the Parent Guarantor and on a senior subordinated basis by the Subsidiary Guarantors.

The Guarantees

The Guarantors will jointly and severally guarantee 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 each Subsidiary Guarantor under its Guarantee will be 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 will be 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 Associated with the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees".

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 Indenture" or if all obligations under the Indenture are discharged in accordance with the terms of the Indenture, in each case in accordance with the terms and conditions in the 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 will:

(a) be 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) be 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 Guarantee

The Parent Guarantee will:

(a) be the Parent Guarantor's general unsecured obligation;

(b) rank 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) rank 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) be 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) be structurally subordinated in right of payment to all existing and future indebtedness of the Parent Guarantor's subsidiaries; and

(f) not be subject to the restrictions on enforcement described below applicable to each Subsidiary Guarantee.

The Subsidiary Guarantees

Each Subsidiary Guarantee will:

(a) be such Guarantor's general unsecured obligation;

(b) be subordinated in right of payment to any and all of such Subsidiary Guarantor's existing and future Senior Debt;

(c) rank 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) rank 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) be subject to the restrictions on enforcement described below.

At September 30, 2009, the Parent Guarantor would have had on a consolidated basis, after giving pro forma effect to the issuance and sale of the Notes and the application of the proceeds thereof as described under "Use of Proceeds", and after excluding intercompany balances and intercompany guarantees:

(a) total debt, including secured debt (before deducting deferred financing costs), of the Subsidiary Guarantors of €995.8 million of which €490.0 million would rank equally in right of payment to the Subsidiary Guarantees;

(b) total debt of the Subsidiary Guarantors that is senior in right of payment to the Senior Debt of €505.6 million; and

(c) on a consolidated basis, the non-guarantor Restricted Subsidiaries would have had (i) no indebtedness and (ii) €14.8 million of trade payables and deferred taxes.

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 will be 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 will be "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 Indenture.

Although the Indenture will contain 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 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 Indenture will provide 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 Indenture will provide 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 Indenture").

Payment Blockage Provisions

The Indenture also will provide 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 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 Indenture") when:

(a) the payment is prohibited by the subordination provisions of the 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 Indenture, the Notes and the Guarantees will be subject to the terms of the Intercreditor Agreement and 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 Indenture described in this "—Ranking of the Notes and the Guarantees; Subordination" section. The Indenture will provide that such preceding subordination provisions shall constitute a continuing offer to all persons who become holders of or continue to hold Senior Debt, and such provisions are made for the benefit of the holders of Senior Debt and such holders will be obligees under the Indenture and any one or more of them may enforce such subordination provisions.

The subordination provisions may not be amended or modified without the written consent of the holders of all Senior Debt.

The Indenture will also provide that each holder of a Note, by accepting such Note, will be deemed to have:

(a) appointed and authorized the Trustee to give effect to such subordination provisions;

(b) authorized the Trustee to become a party to the Intercreditor Agreement and any future intercreditor arrangements as described above;

(c) agreed to be bound by such subordination provisions and the provisions of any future intercreditor arrangements as described above that do not materially adversely affect the rights of holders of the Notes; and

(d) irrevocably appointed the Trustee to act on its behalf to enter into and comply with such subordination provisions and the provisions of any future intercreditor arrangements as described above.

The Trustee will accede to the Intercreditor Agreement on the date of the Indenture. 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 will be 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 will be 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 Associated with the Guarantees—Corporate benefit, capital maintenance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees".

Danish Guarantees

The obligations of any Subsidiary Guarantor incorporated in Denmark in its capacity as Subsidiary Guarantor will be limited to an amount equivalent to the higher of (i) such Subsidiary Guarantor's equity at the date of the grant of the Guarantee calculated in accordance with generally accepted accounting principles in Denmark and (ii) the equity of such Subsidiary Guarantor from time to time calculated in accordance with generally accepted accounting principles in Denmark.

German Guarantees

The enforcement of the Guarantees granted by any Subsidiary Guarantor in the legal form of a GmbH (limited liability company) or a GmbH & Co. KG (limited partnership with a limited liability company as a general partner) incorporated in Germany will be limited if, and to the extent, payments under the Guarantee would cause the amount of such Subsidiary Guarantor's or, in the case of a GmbH & Co. KG, such Subsidiary Guarantor's general partner's net assets (i.e., assets minus liabilities and liability reserves) to fall below the amount of its stated share capital. In such event, the relevant Subsidiary Guarantor will be entitled to block enforcement of the Guarantee in full or in part, as the case may be, and any payments received under the Guarantee in violation thereof must be refunded to such Subsidiary Guarantor. Such enforcement limitations will not apply:

(i) if and for so long as the relevant Subsidiary Guarantor is a party to an affiliation agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*) as dominated and/or distributing entity; or

(ii) the relevant Subsidiary Guarantor has or would acquire any recourse claim (*Rückgriffsanspruch*) against a shareholder or another member of the Group (''Recourse Claim'') as a result of the enforcement of the Guarantee if and to the extent that such Recourse Claim is valuable (*werthaltig*).

Italian Guarantee

The obligations of the Subsidiary Guarantor incorporated in Italy in its capacity as Subsidiary Guarantor will be limited to an amount equivalent to the higher of:

(i) an amount equal to its current net worth as stated in its latest financial statements (*bilancio di esercizio*), duly approved by its shareholder meeting, at the date on which such Subsidiary Guarantor becomes a party to the Indenture as a Subsidiary Guarantor or, if higher, at any time thereafter; and

(ii) an amount equal to any intercompany loans, including accrued but unpaid interests (or other financial support in any form) advanced or made available to such Subsidiary Guarantor (or any of its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code) by the Issuer or any other Guarantor as from time to time resulting from its latest financial statements (*bilancio di esercizio*) duly approved by its shareholder meeting.

In any event, pursuant to article 1938 of the Italian Civil Code, the maximum amount such Subsidiary Guarantor may be required to pay, according to the above paragraphs (i) and (ii), in respect of its obligations as Subsidiary Guarantor under the Indenture will not exceed an amount equal to 100% of the aggregate amount of the Notes outstanding from time to time and within the maximum amount of €180 million.

Polish Guarantees

The obligations of any Subsidiary Guarantor incorporated in Poland in its capacity as Subsidiary Guarantor will be limited to an amount equivalent to such Subsidiary Guarantor's net assets calculated in accordance with generally accepted accounting principles in Poland.

Swedish Guarantees

The obligations of any Subsidiary Guarantor incorporated in Sweden in its capacity as Subsidiary Guarantor will be limited if (and only if) and to the extent required by the provisions of the Swedish Companies Act (*Sw. aktiebolagslagen* (2005:551)) in force from time to time regulating the purpose of a company's business, prohibited loans and guarantees and distribution of assets taking into account also any other security granted and/or guarantee given by such Subsidiary Guarantor (including profits and dividends and any other form of transfer of value (*Sw. värdeöverföring*) within the meaning of the Swedish Companies Act) and such obligations will only be valid to the extent and in such amount as is permitted by the above mentioned provisions of the Swedish Companies Act.

Principal, Maturity and Interest

The Notes will mature on February 1, 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 €180.0 million of 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 Indenture ("Additional Notes") from time to time; *provided* that, if the Additional Notes are not fungible with the original Notes for U.S. income tax purposes, the Additional Notes will have a separate CUSIP number, if applicable. The Notes and the Additional Notes that are actually issued will be treated as a single class for all purposes of the 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 Indenture and in this "Description of the Notes" include references to any Additional Notes that are actually issued.

Interest on the Notes will accrue at the rate of 8¾% per annum and will be payable semi-annually in arrears from the Issue Date 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 February 1 and August 1 of each year, commencing on August 1, 2010. 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 January 15 or July 15, 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 Notes will be issued on the Issue Date only in fully registered form without coupons and only in minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof.

The 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 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 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 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 The Bank of New York Mellon. The Issuer may change the paying agent 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 reasonably requested by the Trustee or any holder, the Issuer and any Guarantors will cooperate in determining the amount of any withholding taxes attributable to any particular holder(s).

Whenever the Indenture or this "Description of the 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 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

Euro is the sole currency of account and payment for all sums payable under the Notes, the Guarantees and the Indenture. Any amount received or recovered in respect of the Notes or the Guarantees in a currency other than euro (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 euro amount 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 euro on that date, on the first date on which it is possible to do so). If the euro amount to be recovered is less than the euro amount 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 euro 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 euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro 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 February 1, 2013 upon Public Equity Offering

At any time prior to February 1, 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 Notes at a redemption price of 108.750% of their principal amount, 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 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 February 1, 2015

At any time prior to February 1, 2015, upon not less than 30 nor more than 60 days' notice, the Issuer may also redeem all or part of the Notes, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Redemption Premium and accrued and unpaid interest to the redemption date.

"Applicable Redemption Premium" means, with respect to any Note on any redemption date, the greater of:

(a) 1.0% of the principal amount of the Note; and

(b) the excess of:

   (i) the present value at such redemption date of (x) the redemption price of such Note at February 1, 2015 (such redemption price being set forth in the table appearing below under the caption "—Optional Redemption on or after February 1, 2015"), 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 February 1, 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

   (ii) the outstanding principal amount of the Note.

Optional Redemption on or after February 1, 2015

At any time on or after February 1, 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 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 February 1 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
2015	104.375%
2016	102.916%
2017	101.459%
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 Indenture; or

(b) any change which becomes effective after the date of the 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 in "—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 Indenture described 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 Notes that have not been redeemed in connection with any optional redemption. If fewer than all the Notes are to be redeemed at any time, the Trustee will select the 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 Notes are listed at such time or, if the 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 Note not redeemed to less than €50,000. 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 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 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 Indenture. A Default under the 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 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 Indenture are applicable. Except as described above with respect to a Change of Control, the provisions of the 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 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 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 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, or 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 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 Indenture will contain, 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, Additional Notes and the Senior Secured Notes (including additional Senior Secured Notes) in an aggregate principal amount at any one time outstanding not to exceed an amount equal to €555,000,000;

(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) €150,000,000 and (ii) an amount equal to (I) 85% of Total Receivables *plus* 60% of Total Inventories *less* (II) €150,000,000;

(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 Indenture, (ii) the 2007 Notes and (iii) the Notes;

(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 €50 million and 3.75% 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 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; and

(o) the incurrence of Debt by the Parent Guarantor or any Restricted Subsidiary (other than and in addition to Debt permitted under clauses (a) through (n) above) in an aggregate principal amount at any one time outstanding not to exceed €50 million.

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 the "Limitation on Debt" covenant.

(4) For purposes of determining any particular amount of Debt under the "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 the "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 the "Limitation on Debt" covenant at any time.

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 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 Indenture does not exceed the sum of:

(i) 50% of aggregate Consolidated Adjusted Net Income on a cumulative basis during the period beginning on April 1, 2010 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 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 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 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 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 (j) 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 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 €5.0 million 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;

(i) the making of any Restricted Payment contemplated in footnote 2 to the table set forth under "Capitalization" in this Offering Memorandum; and

(j) any other Restricted Payment, *provided* that the total aggregate amount of Restricted Payments made under this clause (j) does not exceed €30 million.

The actions described in clauses (a), (f) and (j) 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 Issuances and Sales of Capital Stock of Restricted Subsidiaries

The Parent Guarantor will not sell, pledge or otherwise dispose of, and will not permit any Restricted Subsidiary (other than as permitted under the "Limitation on Liens" covenant), directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock). The foregoing sentence, however, will not apply to:

(a) any issuance or sale of shares of Capital Stock of a Restricted Subsidiary to the Parent Guarantor or a Restricted Subsidiary;

(b) any issuance or sale to directors of directors' qualifying shares or issuances or sales of shares of Capital Stock of Restricted Subsidiaries to be held by third parties, in each case to the extent required by applicable law;

(c) any issuance or sale of shares of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the "Limitation on Restricted Payments" covenant if made on the date of such issuance or sale;

(d) any issuance of shares of Capital Stock of a Restricted Subsidiary, if after giving effect to such issuance, such Restricted Subsidiary remains a Restricted Subsidiary; and

(e) Capital Stock issued by a Person prior to the time:

  (i) such Person becomes a Restricted Subsidiary,

  (ii) such Person consolidates or merges with or into a Restricted Subsidiary, or

  (iii) a Restricted Subsidiary consolidates or merges with or into such Person,

  but only if such Capital Stock was not issued or incurred by such Person in anticipation of it becoming a Restricted Subsidiary.

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 €10 million, 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 €10 million, 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 €20 million, 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 fair to the Parent Guarantor or such Restricted Subsidiary from a financial point of view.

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 therefor, *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 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 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 €10 million, 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 Indenture; and

(viii) transactions between or among the Parent Guarantor and the Restricted Subsidiaries or between or among Restricted Subsidiaries.

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 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 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; or (v) a combination of the consideration specified in clauses (i) to (iv); 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. 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 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 €25 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 Indenture or the agreements governing any such Pari passu Debt, the maximum principal amount (expressed as a multiple of €1,000) 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 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 integral multiples of €1,000, 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 Notes of €50,000 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.

Limitation on Sale and Leaseback Transactions

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, enter into any sale and leaseback transaction with respect to any property or assets (whether now owned or hereafter acquired), unless:

(a) the sale or transfer of such property or assets to be leased is treated as an Asset Sale and the Parent Guarantor and the Restricted Subsidiaries comply with the "Limitation on Sale of Certain Assets" covenant, including the provisions concerning the application of Net Cash Proceeds (treating all of the consideration received in such sale and leaseback transaction as Net Cash Proceeds for the purposes of such covenant);

(b) the Parent Guarantor or such Restricted Subsidiary, as applicable, would be permitted to incur Debt under the "Limitation on Debt" covenant in the amount of the Attributable Debt incurred in respect of such sale and leaseback transaction; and

(c) the Parent Guarantor or such Restricted Subsidiary, as applicable, would be permitted to grant a Lien to secure Debt under the "Limitation on Liens" covenant in the amount of the Attributable Debt in respect of such sale and leaseback transaction.

Notwithstanding the foregoing, nothing shall prevent the Parent Guarantor or any Restricted Subsidiary from engaging in a sale and leaseback transaction solely between the Parent Guarantor and any Restricted Subsidiary or solely between or among Restricted Subsidiaries.

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 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 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 Indenture); or

(b) (with respect to any Guarantee created after the date of the 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".

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 Existing Ardagh Bonds, the Indenture, the 2007 Indenture, the 2009 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 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 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 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; or

(n) 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 (m); *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 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;

(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 Facilities Agreement;

(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 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 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 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 Indenture and the Notes and the 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 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 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 Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the 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 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 Indenture will prevent (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 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 will be an "Event of Default" under the 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 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 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 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 €20 million 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 €20 million 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 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 €20 million, 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 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 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 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 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 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 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 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 Indenture

The Indenture will provide 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 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 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 euro, European Government Obligations, or a combination thereof, 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 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 Legal 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 tax purposes in the United Kingdom as a result of such Legal Defeasance and will be subject to tax in the United Kingdom 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;

(d) 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;

(e) 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 tax purposes in the United Kingdom as a result of such Covenant Defeasance and will be subject to tax in the United Kingdom 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;

(f) 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;

(g) such Legal Defeasance or Covenant Defeasance shall not cause the Trustee for the Notes to have a conflicting interest as defined in the Indenture and for purposes of the Trust Indenture Act with respect to any of the Issuer's securities;

(h) 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 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;

(i) 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;

(j) 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;

(k) 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;

(l) 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

(m) 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 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 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 euro or European Government Obligations 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 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 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 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 Indenture relating to the satisfaction and discharge of the 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 Indenture or any other agreement or instrument to which the Issuer or any Subsidiary is a party or by which the Issuer or any Subsidiary is bound.

Amendments and Waivers

The Indenture will contain 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 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 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 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 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 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 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 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 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 Indenture, in the Notes or in any Guarantees;

(iii) to cure any ambiguity, or to correct or supplement any provision in the Indenture, the Notes or any Guarantees that may be defective or inconsistent with any other provision in the

Indenture, the Notes or any Guarantees or make any other provisions with respect to matters or questions arising under the 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 Indenture and to add a Subsidiary Guarantor or other guarantor under the Indenture;

(v) to evidence and provide the acceptance of the appointment of a successor Trustee under the 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 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 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 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 Indenture or any supplement thereto. The Issuer will also publish a notice of any such material amendment in accordance with the provisions of the Indenture described immediately below under "—Notices".

Notices

Notices regarding the Notes will be:

(a) (i) published through the newswire service of Bloomberg or, if Bloomberg does not then operate, any similar agency, and (ii) 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 for so long as the Notes are represented by Global Notes, notice to holders shall also be given by delivery of the relevant notice to Euroclear and Clearstream.

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 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 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 Indenture will contain 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 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 Indenture, the Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York, and will provide for the submission of the parties to the jurisdiction of the courts in the State of New York.

Certain Definitions

"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 Senior Secured 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 of assets from any Person.

"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" and "controlled" have meanings correlative to the foregoing.

"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 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 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 €5 million;

(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

(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.

"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.

"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 February 1, 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 February 1, 2015; *provided* that if the period from such redemption date to February 1, 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 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 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 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 Indenture; and

(m) any charge or expense recorded for non-cash or capitalized interest on Deeply Subordinated Funding.

"Consolidated EBITDA" means, for any period, an amount equal to the sum referred to in clause (a) of the definition of Consolidated Fixed Charge Coverage Ratio, as calculated in accordance with the provisos in such definition.

"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;

(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 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 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 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 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 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 Indenture the principal amount of which is €20 million 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 plc or any successor or holding company thereof or such member's serving on the board of directors of Ardagh Glass Group plc or any successor or holding company thereof.

"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 2007 Notes and (ii) the Senior Secured 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 Indenture and the Notes by the Parent Guarantor, any Restricted Subsidiary or any other Person in accordance with the provisions of the Indenture, including the Guarantees by the Guarantors dated as of the date of the 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 dated June 18, 2007 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, Law Debenture Trust Company of New York as trustee for the Senior Secured Notes, Anglo Irish Bank Corporation Limited, The Bank of New York Mellon as trustee for the 2007 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 January 20, 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 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), 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 Officer's 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.

"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 and the Existing Ardagh Bonds;

(g) Investments existing at the date of the 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 €1.0 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 €5.0 million;

(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, 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 greater of €25.0 million and 2% of Total Assets in the aggregate outstanding at any one time;

(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; and

(q) (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 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 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 Senior 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 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 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; and

(u) Liens incurred in the ordinary course of business of the Parent Guarantor or any Restricted Subsidiary with respect to obligations that do not exceed €20 million 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 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 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 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".

"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.

"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 Senior Facilities Agreement 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 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 Indenture or the terms of the Notes, as the case may be; or

(iii) any trade payables.

"Senior Facilities Agreement" means the Facility Agreement dated March 9, 2007 among the Parent Guarantor and Anglo Irish Bank Corporation Limited, as amended and restated on June 12, 2009 among the Parent Guarantor, certain Subsidiary Guarantors and Anglo Irish Bank Corporation Limited as amended or supplemented from time to time.

"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 €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.

"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 2007 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 the companies listed as "Subsidiary Guarantors" under "Unaudited Supplemental Information on the Subsidiary Guarantors".

"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.

"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 a global note 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 under the U.S. Securities Act will be represented by a global note 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 ("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 that have accounts with Euroclear and/or Clearstream Banking, or persons that 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 the 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 €50,000 principal amount or less 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 Notes—Additional Amounts". If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Notes—Additional Amounts" above, 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 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 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 Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

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; or
- if the owner of a Book-Entry Interest requests such an exchange in writing delivered through either 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 €50,000 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 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 indenture. We may require a holder to pay any taxes and fees required by law and permitted by the 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 Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such 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 Ireland 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 Senior Notes are advised to consult their own tax advisors as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of Senior Notes including, without limitation, the consequences of receipt of interest and premium, if any, on and sale of redemption of, the Senior Notes or any interest therein.

References in this discussion to 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 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 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. Holders of the Senior Notes are advised to consult their own tax advisors regarding the taxation implications of acquiring, owning and disposing of the 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 are listed on a recognized stock exchange such as the Global Exchange Market of the Irish Stock Exchange, the Senior Notes carry a right to interest, and are held in the Euroclear or Clearstream Banking clearing systems, the 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 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 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 EU 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. The holder of the 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 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 Senior Notes does not apply if the interest is paid in Ireland to a person who subscribed for the Senior Notes and is carrying on a bona fide banking business in Ireland.

Fourthly, Irish withholding tax on interest in respect of the 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 TCA 1997.

Fifthly, Irish withholding tax on interest in respect of the 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) 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 Senior Notes.

Charge to Irish Tax

Persons tax resident in Ireland are generally liable to Irish income or corporation tax on their worldwide income, including any income from the Senior Notes. The standard rate of tax applying to the trading profits of companies is 12.5%. The rate of corporation tax applying to non-trading income is 25%.

Persons who are not tax resident in Ireland are generally liable to Irish tax only in respect of Irish source income, and in respect of income of a trade carried on in Ireland through a branch or agency. Accordingly, non-Irish tax resident persons whose connection with Ireland is limited to holding the Senior Notes, will be liable to Irish income tax on income (including interest and discounts realized) from the Senior Notes (as it is Irish source) unless such income is exempt from Irish tax under the terms of a double taxation agreement or under a specific provision of Irish tax law.

There is no liability to Irish income tax in respect of certain interest payments made to a person tax resident in another EU Member State or in a country with which Ireland has a double tax treaty (such as the United States), provided the interest is not received in the course of a trade carried on by that person through a branch or agency in Ireland. The interest payments to which this exemption applies include interest paid on quoted Eurobonds (such as the Senior Notes). See "—Withholding Tax on Interest" above.

Where interest is paid to or income gains or discounts realized by a person tax resident outside the EU and outside a country with which Ireland has a double taxation agreement, under long standing practice no action will be taken by the Irish tax authorities to pursue any liability to such Irish tax in respect of persons who are regarded as not being tax resident in Ireland, provided the interest is not received in the course of a trade carried on by that person through a branch or agency in Ireland.

There is a statutory obligation to account for Irish tax, where it applies, on a self-assessment basis and there is no requirement for the Irish tax authorities to issue or raise an assessment.

Payments under 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 where the amount received is not connected with a trade carried on in Ireland by the recipient through a branch or agency. The same analysis applies to such payments as would apply to the taxation of interest as set out in the "—Charge to Irish Tax" section above.

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 Senior Notes, or non-Irish residents tax who hold Notes and who had not completed the requisite non-resident declaration forms.

Deposit Interest Retention Tax ("DIRT")

The interest on the Senior Notes will not be liable to DIRT 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 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 will not be liable to Irish capital gains tax on the disposal or redemption unless the 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 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 at the date of the gift/inheritance, or if the 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 ("VAT")

There is no Irish VAT payable in respect of payments in consideration for the issue of the Senior Notes or for the transfer of a Senior Note.

Stamp Duty

Issuance of Instruments

No stamp duty arises on the issuance of the Senior Notes.

Transfer of Senior Notes

No stamp duty is chargeable on a transfer of the Senior Notes as they meet the following conditions for exemption under Irish tax legislation:

1. 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;
2. 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;
3. They are issued for a price which is not less than 90% of the nominal value; and

4. 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

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments Member States are required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to or for an individual in that other Member State. "Similar income" for this purpose includes payments on redemption of Senior Notes representing any discount on the issue of the Senior Notes or any premium payable on redemption. However, for a transitional period, Austria and Luxembourg will instead (unless during such period they elect otherwise) apply a withholding tax system in relation to such payments. The transitional period will end after agreement on exchange of information is reached between the European Union and certain non-European states. No withholding will be required where the holder of the Senior Notes authorizes the person making the payment to report the payment or presents a certificate from the relevant authority establishing exemption from withholding.

The European Commission has published proposals for amendments to the Directive, which, if implemented, may amend or broaden the scope of the requirements above.

Under Irish tax legislation, this directive has been implemented to require information relating to the identity and tax residence of new customers must be collected where such customers are individuals or "residual entities". "Residual entity" includes certain persons or undertakings to which an interest payment is made or for which an interest payment is secured for the benefit of an individual. The type of information to be reported includes details of the beneficial owner of the interest and the amount of interest paid in each period.

Under Irish domestic legislation it is also necessary to disclose details of the recipient of interest payments during the period in the payor's tax return. These details include name, address, tax reference number and country of tax residence of the recipient of the interest together with the amount of interest paid in the period to that recipient.

Reports under these procedures must include:

- the paying agent's own name, address (registered office if a company) and tax reference number;
- details of the interest payments made to or secured for the immediate benefit of beneficial owners or residual entities resident in another EU territory; and
- details regarding the beneficial owners of the interest.

United Kingdom Taxation

The following is a general description of certain U.K. tax consequences relating to the Senior Notes and is based on current U.K. tax law and HM Revenue & Customs ("HMRC") published practice, both of which may be subject to change, possibly with retrospective effect. It does not purport to be a complete analysis of all U.K. tax considerations relating to the Senior Notes, relates only to persons who are the absolute beneficial owners of Senior Notes and who hold Notes as a capital investment, and does not deal with certain classes of persons (such as brokers or dealers in securities and persons connected with the Issuer) to whom special rules may apply.

If you are subject to tax in any jurisdiction other than the United Kingdom or if you are in any doubt as to your tax position, you should consult an appropriate professional adviser.

Interest on the Senior Notes

Payment of Interest on the Senior Notes

On the basis that the interest payable on the Senior Notes does not have a U.K. source, that interest will be payable without any withholding or deduction for or on account of U.K. income tax.

However, even if it were to be considered to have a U.K. source, interest on the Senior Notes would still be payable without withholding or deduction for or on account of U.K. income tax provided the Senior Notes are and remain listed on a "recognized stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "ITA"). The Global Exchange Market of the Irish Stock Exchange is a recognized stock exchange for these purposes. Securities such as the Senior Notes will be treated as listed on the Global Exchange Market of the Irish Stock Exchange if they are admitted to the Official List of the Irish Stock Exchange and are admitted to trading on the Global Exchange Market of the Irish Stock Exchange.

Noteholders who are individuals may wish to note that HMRC has power to obtain information (including, in certain cases, the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays certain amounts in respect of the Senior Notes to, or receives certain amounts in respect of the Senior Notes for the benefit of, an individual. Such information may, in certain circumstances, be exchanged by HMRC with the tax authorities of other jurisdictions.

Further U.K. Tax Issues

Interest on the Senior Notes may be subject to U.K. tax by direct assessment even where paid without withholding or deduction.

However, interest that is received without withholding or deduction for or on account of U.K. tax will not be chargeable to U.K. tax in the hands of a noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless (a) that noteholder is a company which carries on a trade in the United Kingdom through a permanent establishment in the United Kingdom or, if not such a company, carries on a trade, profession or vocation in the United Kingdom through a branch or agency, and (b) the interest is received in connection with, or the Senior Notes are attributable to, that permanent establishment, branch or agency. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such noteholders.

U.K. Corporation Tax Payers

In general, noteholders which are within the charge to U.K. corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Senior Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

Other U.K. Tax Payers

Taxation of Chargeable Gains

A disposal of Senior Notes by an individual noteholder who is resident or ordinarily resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Senior Notes are attributable may give rise to a chargeable gain or allowable loss for the purposes of the U.K. taxation of chargeable gains. Special rules may apply to individuals who have ceased to be resident or ordinarily resident in the United Kingdom and who dispose of their Notes before becoming once again resident or ordinarily resident in the United Kingdom.

Accrued Income Profits

On a disposal of Senior Notes by a noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules relating to accrued income profits as set out in Part 12 of the ITA if that noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Senior Notes are attributable. These provisions will not apply if the Senior Notes are deemed to be "deeply discounted securities" (as to which see below).

Taxation of Discount

Dependent, amongst other things, on the discount (if any) at which the Senior Notes are issued, the Senior Notes may be deemed to constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. Therefore, individual noteholders who are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Senior Notes are attributable generally will be liable to U.K. income tax on any gain made on the sale or other disposal (including redemption) of the Senior Notes. Holders of Senior Notes are advised to consult their own professional advisers if they require any advice or further information relating to "deeply discounted securities".

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

On the basis that the Senior Notes are only registered on a register outside the United Kingdom, and provided that no instrument of transfer either is executed in the United Kingdom or relates to any matter or thing done or to be done in the United Kingdom, there will be no U.K. stamp duty or SDRT payable on the issue or transfer of the Senior Notes.

United States 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 advisor.

The following summary describes certain U.S. federal income tax consequences that may be relevant with respect to the acquisition, ownership and disposition of Senior Notes by U.S. Holders (as defined below) who purchase Senior Notes in this offering at their "issue price" (i.e., the first price at which a substantial amount of 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 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 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 that will hold 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 that have a "functional currency" other than the U.S. dollar; (vii) regulated investment companies; and (viii) persons that have ceased to be U.S. citizens or lawful permanent residents of the U.S. 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 a 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 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. Holders that are a partner in or owner of a partnership or other pass-through entity that is considering holding Senior Notes should consult their own tax advisors.

Each prospective investor should consult its own tax advisor with respect to the U.S. federal (including income, estate and gift), state, local and foreign tax consequences of acquiring, owning and disposing of Senior Notes. U.S. Holders should also review the discussion under "—Ireland Taxation" and "—United Kingdom Taxation" for the Irish and United Kingdom tax consequences to a U.S. Holder of the ownership of Senior Notes.

Payments of Stated Interest

Stated interest paid on a Senior Note will 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.

A U.S. Holder who uses the cash method of accounting and who receives a payment of stated interest (including a payment attributable to accrued but unpaid stated interest upon the sale, exchange, redemption, retirement or other disposition of a 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 euros received.

A U.S. Holder who uses the accrual method of accounting will accrue 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 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 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 advisors regarding the availability of foreign tax credits in their particular circumstances.

Original Issue Discount

If the Senior Notes are issued at an issue price less than their stated principal amount they will be considered to have been issued with original issue discount ("OID") for U.S. federal income tax purposes unless the OID is less than a de minimis threshold (generally ¼ of 1% of the Senior Notes' stated principal amount multiplied by the number of complete years to maturity from its issue date).

Payments of stated interest will be taxable as described above under "—Payments of Stated Interest".

A U.S. Holder of a Senior Note treated as issued with OID must include the OID in income as ordinary income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. In general, the amount of OID included in income by the U.S. Holder of a Senior Note is the sum of the daily portions of OID with respect to such Senior Note for each day during the taxable year (or portion of the taxable year) on which the U.S. Holder held the Senior Note. The daily portion of OID on any Senior Note is determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. An accrual period may be of any length and the accrual periods may vary in length over the term of the Senior Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day or final day of an accrual period. The amount of OID allocable to each accrual period is generally equal to the difference between (i) the product of the Senior Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The adjusted issue price of a Senior Note at the beginning of any accrual period is the sum of the issue price of the Senior Note plus the amount of OID allocable to all prior accrual periods. Under these rules, U.S. Holders generally will have to include in taxable income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder of Senior Notes treated as issued with OID must (i) determine OID allocable to each accrual period in euro using the constant yield method described above, and (ii) translate the amount of OID into U.S. dollars and recognize foreign currency gain or loss in the same manner as described above for stated interest accrued by an accrual basis U.S. Holder. U.S. Holders should note that because the cash payment in respect of accrued OID on a Senior Note will not be made until maturity or other disposition of the Senior Note, a greater possibility exists for fluctuations in foreign currency exchange rates (and the required recognition of exchange gain or loss) than is the case for foreign currency instruments issued without OID. U.S. Holders are urged to consult their tax advisors regarding the interplay between the application of the OID and foreign currency exchange gain or loss rules.

If Senior Notes are issued with OID, U.S. Holders may obtain information regarding the amount of OID, the issue price, the issue date and the yield to maturity relating to a Senior Note by contacting the chief financial officer at 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland.

The rules governing OID instruments are complex and, accordingly, prospective investors should consult their own tax advisors concerning the application of such rules to the Notes.

Disposition of a Senior Note

Upon the sale, exchange, redemption, retirement or other taxable disposition of a 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 interest, which is taxable as described under "—Payments of Stated Interest" above) and the U.S. Holder's adjusted tax basis in the Senior Note. A U.S. Holder's adjusted tax basis will generally be the U.S. dollar value of the euro paid for the Senior Note, determined on the date of purchase, increased by any OID previously included in income. If the 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 the euro amount paid for the Senior Note on the settlement date of the purchase. The amount realized on the sale, exchange, redemption, retirement or other disposition of a 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 Senior Note is disposed of; *provided*, *however*, that if the 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 either of the elections 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 a Senior Note is not traded on an established securities market (or, if a 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 a Senior Note will be U.S. source capital gain or loss and will be treated as long-term capital gain or loss if the Senior Note has been held for more than one year at the time of the disposition of the 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 a Senior Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which 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 Senior Note, determined on the date the Senior Note is retired or disposed of, and (ii) the U.S. dollar value of your purchase price for the Senior Note, determined on the date you acquired the Note (or, in each case, determined on the settlement date if the 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. In addition, as discussed above, if Senior Notes are treated as issued with OID, a U.S. Holder may recognize foreign currency gain or loss with respect to amounts of previously accrued OID based on the difference between the rate of exchange at which the OID was included in income in each accrual period while the note is held by the holder and the applicable rate of exchange at which the holder is required to translate foreign currency at the time the note matures or is otherwise disposed of. The foreign currency gain or loss 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 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 the euros received as interest on or on the sale or other disposition of a Senior Note will be the U.S. dollar value of such euros at the spot rate in effect on the date of receipt of the euros. Any gain or loss recognized by a U.S. Holder on a sale, exchange or other disposition of the euros 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 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 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 Senior Notes or the disposition of euros, 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 Senior Notes and to the proceeds of a sale, exchange or other disposition (including a retirement or redemption) of a 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.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES

Set out below is a summary of certain limitations on the enforceability of the Guarantees in each of the jurisdictions in which the Guarantors are organized (except Guernsey). It is a summary only, and proceedings of bankruptcy, insolvency or a similar event, could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Senior Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Senior Notes and the Guarantees.

The following is a brief description of certain aspects of insolvency law in Ireland, Germany, England and Wales, Denmark, Sweden, The Netherlands, Poland and Italy. In the event that any one or more of the Issuer, the Guarantors or any other of the Parent Guarantor'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.

Ireland

Difference in Insolvency Law

The Issuer, the Parent Guarantor, and Ardagh Treasury Limited, Ardagh Glass Sales Limited and Ardagh Corporate Services Limited, each a Subsidiary Guarantor, are incorporated under the laws of Ireland. Any insolvency proceedings applicable to any of them will be likely to be governed by Irish insolvency laws. Irish insolvency laws differ from the insolvency laws of the United States and may make it more difficult for holders of the Senior Notes to recover the amount in respect of the Senior Notes or of the Parent Guarantor's or an Irish Subsidiary Guarantor's Guarantee of the Senior Notes than they would have recovered in a liquidation or bankruptcy proceeding in the United States.

Priority of Secured Creditors

Irish insolvency laws generally recognize the priority of secured creditors over unsecured creditors. The lenders under the Amended and Restated Anglo Irish Senior Secured Credit Facility, the holders of the 2009 Notes and the lenders under various other secured facilities have, or will have, liens on certain of the assets of the Issuer and the material operating subsidiaries of the Parent Guarantor. The priority attaching to those security interests is governed by the Intercreditor Agreement.

Preferential Creditors

Under Section 285 of the Irish Companies Act, 1963 (as amended) (the "1963 Act"), in a winding-up of an Irish company preferential debts are required to be paid in priority to all other debts other than those secured by a fixed charge.

The preferential debts will comprise, among other things, any amounts owed in respect of local rates and certain amounts owed to the Irish Revenue Commissioners for income/corporation/capital gains tax, VAT, PAYE, social security and pension scheme contributions and remuneration, salary and wages of employees and certain contractors and the expenses of liquidations and examinership (should either occur) of the Irish company.

Fraudulent Preference

Under Irish insolvency law, if an Irish company goes into liquidation, a liquidator may apply to the court to have certain transactions disclaimed if the related contract amounted to a fraudulent preference. Section 286 of the 1963 Act provides that any conveyance, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against an Irish company, which is unable to pay its debts as they become due in favor of any creditor or any person on trust for any creditor, with a view of giving such creditor (or any guarantor for the debt due to such creditor) a preference over the other creditors within six months (or in the case of a connected person, two years) of the commencement of a winding up of the Irish company, shall be invalid. Case law relevant to Section 286 indicates that a dominant intent on the part of the entity concerned to prefer a creditor over its other creditors is necessary in order for Section 286 to apply. Section 286 is only applicable if, at the time of the conveyance, mortgage or other relevant act, the Irish company was unable to pay its debts as they became due.

Disclaimer of Onerous Contracts

Section 290 of the 1963 Act confers power on a liquidator, with leave of the court, at any time within 12 months after the commencement of the winding up or such extended period as may be allowed by the court, to disclaim any property of the Irish company being wound up which consists of, amongst other things, (i) unprofitable contracts or (ii) any property which is unsaleable or not readily saleable by reason of its binding the possessor to the performance of any onerous act or to the payment of money. The liquidator's hand may be forced, in that any person interested in the property may require him to decide whether or not he will disclaim and if the liquidator wishes to disclaim in such circumstances, he must give notice within 28 days or such further period as may be allowed by the courts that he intends to apply to court to disclaim.

A liquidator must disclaim the whole of the property, he may not keep part and disclaim part. A disclaimer terminates as and from the date of the disclaimer the rights, interest and liabilities of the company in the contract or the property, but, the disclaimer does not affect the rights or liabilities of any other person, except so far as necessary for the purpose of releasing the company from liability. Any person damaged by the operation of a disclaimer shall be deemed a creditor of the company to the amount of the damages, and may prove that amount as a debt in the winding up.

The meaning given to an unprofitable contract is one that would involve the liquidator in some liability. There must be some "burden" associated with the contract; the mere fact that the insolvent company's estate would be better off by disclaimer is not enough.

Examinership

In addition, a court protection procedure, known as examination, is available under the Companies (Amended) Act 1990 (as amended) (the "1990 Amendment Act") Amendment Act to facilitate the survival of a company and the whole or any part of its undertaking through the appointment of an examiner and the formulation by the examiner of proposals for a compromise or scheme of arrangement. Provided a company can demonstrate viability, and can satisfy certain tests, the High Court appoints an independent examiner whose function is to supervise the restructuring process. During the protection period he will formulate, in conjunction with the existing stakeholders and potential investors, proposals for a scheme of arrangement, which are presented to statutory meetings of all members and creditors and ultimately to the High Court for confirmation. The scheme will provide for the treatment of creditors claims in the restructuring, the adjustment of the rights of shareholders, and a structure for the investment underpinning the restructuring. Once confirmed by the High Court the scheme is binding on the company and all its members and creditors. During the protection period the day-to-day business of the company remains under the control of the directors of the company, subject to certain rights of the examiner to apply to the High Court.

If the Issuer or any Irish Guarantor is placed in examinership, you may not be able to enforce your rights under the Senior Notes or any Guarantee of the Senior Notes.

Effect of Appointment of Examiner

The effect of the appointment of an examiner is to suspend the rights of a secured creditor for the protection period. For as long as a company is under the protection of the High Court, no attachment, sequestration, distress or execution shall be put into force against the property or effects of the relevant company except with the consent of the examiner. Section 5 of the 1990 Amendment Act provides:

(a) where any claim against the company is secured by a mortgage, charge, lien or other encumbrance or a pledge of, on or affecting the whole or any part of the property, effects or income of the company, no action may be taken to realize the whole or any part of such security except with the consent of the examiner;

(b) no receiver over any part of the property or undertaking of the company shall be appointed; and

(c) no proceedings for the winding up of the company may be commenced or resolution for winding-up passed in relation to the company in examination and any resolution so passed shall have no effect.

No other proceedings in relation to the company may be commenced except by leave of the court and subject to such terms as it may impose.

In addition, no payment may be made by a company during the period when it is under protection of the court by way of satisfaction or discharge of the whole or any part of a liability incurred by the company before the date of presentation of the petition for the appointment of the examiner, unless the report of the independent accountant contains a recommendation to that effect, or unless the court, on application being made by the examiner or any interested party, shall so authorize it, if the court is satisfied that a failure to do so would considerably reduce the prospects of the company or the whole or any part of its undertaking surviving as a going concern.

Liability of Guarantors

The 1990 Amendment Act provides, inter alia, that no proceedings of any sort may be commenced against a guarantor in respect of the debts of the Irish company in examinership.

Priority of Examiner Payments

The 1990 Amendment Act allows for the remuneration, costs and expenses of the examiner to be paid prior to any other claims including secured claims. Section 10 of the 1990 Amendment Act provides that any liabilities incurred by a company in examinership which are certified by the examiner have been incurred in circumstances where, in the opinion of the examiner, the survival of the company under court protection as a going concern during the period would otherwise be seriously prejudiced, shall be treated as expenses properly incurred for the purposes of Section 29 but will rank behind the claims of creditors secured by a mortgage, charge, lien or other encumbrance of a fixed nature or a pledge. Nonetheless, if the court sanctions borrowings by an examiner as part of the expenses of the examiner pursuant to Section 29, such borrowings will rank ahead of the claims of both unsecured and secured creditors of the company under court protection.

Improper Transfers

Under Section 139 of the 1990 Amendment Act, if it can be shown on the application of a liquidator, creditor or contributory of a company which is being wound up, to the satisfaction of the High Court that any property of such company was disposed of (which would include by way of transfer, mortgage or security) and the effect of such a disposal was to perpetrate a fraud on the company, its creditors or members, the High Court may, if it deems it just and equitable, order any person who appears to have use, control or possession of such property or the proceeds of the sale or development thereof to deliver it or pay a sum in respect of it to the liquidator on such terms as the High Court sees fit. The ability to use Section 139 to challenge the transfer of assets has been extended to receivers and examiners.

Enforcement Process

We believe that in the case of the Guarantees given by the Irish Guarantors, these will be given in good faith for the purposes of carrying on each of their businesses and that there were reasonable grounds for believing that they would benefit each such Irish Guarantor. There can be no assurance, however, that the provision of the Guarantees by the Irish Guarantors will not be challenged by a liquidator or that a court would support this analysis.

Germany

Insolvency

A number of Subsidiary Guarantors are incorporated in Germany. Consequently, in the event of an insolvency of any such Subsidiary Guarantor, insolvency proceedings may be initiated in Germany. Such proceedings would then be governed by German law.

Under German law, insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) or illiquidity (*Zahlungsunfähigkeit*) of the debtor. The debtor is over-indebted if its liabilities exceed the value of its assets (according to temporary legislation being in force until end of 2013, the debtor is in any case not over-indebted if its continuation as a going concern is likely). The debtor is illiquid if it is unable to pay its debts as and when they fall due. In addition, the debtor can file for insolvency proceedings if it is imminently at risk to be unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*). The insolvency proceedings are court controlled and the court opens the insolvency proceedings if certain formal requirements are met and if there are sufficient assets to cover at least the costs of the proceedings. If insolvency proceedings are open, the court appoints an insolvency administrator who has full power to dispose of the debtor's assets, whereas the debtor is no longer entitled to dispose of its assets.

All creditors, whether secured or unsecured, who wish to assert claims against the debtor need to participate in the insolvency proceedings. Any individual enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have been opened. Secured creditors are generally not entitled to enforce their security interests outside the insolvency proceedings. However, secured creditors have certain preferential rights. The enforcement proceeds minus certain contributory charges for (i) assessing the value of the secured assets and (ii) realizing the secured assets are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. Remaining amounts are distributed among the unsecured creditors. If the German Subsidiary Guarantors grant security to other creditors over their assets, such security may result in a preferred treatment of creditors secured by such security. The proceeds resulting from such collateral may not be sufficient to satisfy the holders of the Senior Notes under the Guarantees granted by the German Subsidiary Guarantors after such secured creditors have been satisfied. A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and requires the consent of the debtor as well as the consent of each class of creditors in accordance with specific majority rules.

Limitation on Enforcement

Certain Subsidiary Guarantors are incorporated or established in Germany in the form of either a GmbH (*Limited Liability Company*) or a GmbH & Co. KG (*Limited Partnership with a Limited*

Liability Company as General Partner). Consequently, the grant of guarantees by these companies is subject to certain provisions of the GmbH-Gesetz (*Limited Liability Company Act*).

Sections 30 and 31 of the GmbH-Gesetz (“Sections 30 and 31”) prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH’s net assets (i.e., assets minus liabilities and liability reserves) is or would fall below the amount of its stated share capital. Guarantees issued by a GmbH (and under certain conditions by a GmbH & Co. KG) in order to guarantee liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to guarantee liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for guarantees to contain so-called “limitation language” in relation to subsidiaries in the legal form of a GmbH or a GmbH & Co. KG incorporated or established in Germany. Pursuant to such limitation language, the beneficiaries of the guarantees agree to enforce the guarantees against the German subsidiary only to the extent that such enforcement does not result in the subsidiary’s net assets falling below its stated share capital or, in case of a GmbH & Co. KG, the stated share capital of its general partner. Accordingly, the documentation in relation to the Guarantees, to the extent they concern the German Subsidiary Guarantors, contain such limitation language and such Guarantees are limited in the manner described.

Hardening Periods and Fraudulent Transfer

In the event that insolvency proceedings with respect to a German Subsidiary Guarantor, which would most likely be based on and governed by the insolvency laws of Germany, the Guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

Based on these rules, an insolvency administrator may challenge transactions that are deemed detrimental to insolvency creditors and were effected prior to the commencement of insolvency proceedings. Such transactions can include the payment of any amounts to the holders of the Senior Notes as well as granting them any security interest or guarantee. The administrator’s right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the filing of the petition for commencement of insolvency proceedings. In the event such a transaction is successfully avoided, the holders of the Senior Notes would be under an obligation to repay the amounts received or to waive the Guarantee.

In particular, an act (*Rechtshandlung*) or a transaction (*Rechtsgeschäft*) (which term includes the issuance of guarantees as well as the repayment of debt) may be avoided in the following cases:

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction (i) if such act was performed during the last three months prior to the filing of the petition for the commencement of the insolvency proceedings and the debtor was illiquid (*zahlungsunfähig*) at the time when such act was taken and the creditor had knowledge of such illiquidity at such time, or (ii) if such act was performed after the filing of the petition for the commencement of the insolvency proceedings and the creditor had knowledge of the illiquidity of the debtor or the filing of such petition;
- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction to which such creditor was not entitled or which was granted or obtained in a form or at a time to which or at which such creditor was not entitled to such security or satisfaction if (i) such act was performed during the last month prior to the filing of the petition for the commencement of the insolvency proceedings or after such filing, (ii) such act was performed during the second or third month prior to the filing of the petition and the debtor was illiquid at such time, or (iii) such act was performed during the second or third month prior to the filing of

the petition for the commencement of the insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors;

- any transaction by the debtor that is directly detrimental to the insolvency creditors if (i) it was entered into during the three months prior to the filing of the petition of the commencement of the insolvency proceedings, the debtor was illiquid at the time of such transaction and the counterparty to such transaction had knowledge of the illiquidity at such time or (ii) it was entered into after such filing and the counterparty to such transaction had knowledge of either the debtor's illiquidity or such filing at the time of the transaction;
- any act performed by the debtor during the ten years prior to the filing of the petition for the commencement of insolvency proceedings with the intent to prejudice the insolvency creditors and the other party knew of such intention at the time of such act; and
- any act that provides security or satisfaction for a shareholder loan made to the debtor or a similar claim if (i) in the case of the provision of security, the act occurred during the ten years prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition, or (ii), in the case of satisfaction, the act occurred during the last year prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition.

If any of the Guarantees given by any of the German Subsidiary Guarantors were avoided or held unenforceable for any reason, you would cease to have any claim in respect thereof. Any amounts received from a transaction that has been avoided would have to be repaid to the relevant insolvent estate.

Furthermore, even in the absence of an insolvency proceeding, a third party creditor who has obtained an enforcement order but has failed to obtain satisfaction or its enforceable claims by a levy of execution, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the issuance of guarantees pursuant to the German Code on Avoidance (*Anfechtungsgesetz*).

England and Wales

A number of the Subsidiary Guarantors are companies incorporated under English law. As a general rule, insolvency proceedings with respect to an English company should be based on English insolvency laws. However, pursuant to the EC Regulation No. 1346/2000 on Insolvency Proceedings ("EC Regulation on Insolvency Proceedings"), where an English company conducts business in more than one member state of the European Union, the jurisdiction of the English courts may be limited if the company's "center of main interests" is found to be in a member state other than the United Kingdom. There are a number of factors that are taken into account to ascertain the center of main interests, which should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened. Similarly, the U.K. Cross Border Insolvency Regulations 2006, which implement the UNCITRAL Model law on cross border insolvency in the United Kingdom, provide that a foreign (i.e., non-European) court may have jurisdiction where any English company has a centre of its main interests in such foreign jurisdiction, or where it has a place of operations in such foreign jurisdiction and carries out non-transitory economic activities with human means and assets or services.

Administration

The relevant English insolvency statutes empower English courts to make an administration order in respect of an English company in certain circumstances. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointor. During the administration, in general no proceedings or other legal process may be commenced or continued against the debtor, except with leave of the court or consent of the administrator. If an English Subsidiary Guarantor were to enter into administration proceedings, it is possible that the guarantee granted by it may not be enforced while it was in administration. In addition, no administrative receiver or receiver can be appointed by a secured creditor, and any already appointed must resign.

There are circumstances under English insolvency law in which the granting by an English company of guarantees can be challenged. In most cases this will only arise if the company is placed into administration or liquidation within a specified period of the granting of the guarantee. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, he may challenge the validity of the guarantee given by the company.

The following potential grounds for challenge may apply to guarantees:

Transaction at an Undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a Guarantee if such liquidator or administrator believed that the creation of such Guarantee constituted a transaction at an undervalue. It will only be a transaction at an undervalue if at the time of the transaction or as a result of the transaction, the English company is insolvent (as defined in the U.K. Insolvency Act 1986, as amended). The transaction can be challenged if the English company enters into liquidation or administration within a period of two years from the date the English company grants the Guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if it involved a gift by a company, if a company received no consideration or if a company received consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court generally will not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business, and that at the time it did so there were reasonable grounds for believing the transaction would benefit it. If the court determines that the transaction was a transaction at an undervalue the court can make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent unless a beneficiary of the transaction was a connected person (as defined in the U.K. Insolvency Act 1986, as amended), in which case the connected person must demonstrate the solvency of the English company in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a Guarantee if such liquidator or administrator believed that the creation of such Guarantee constituted a preference. It will only be a preference if at the time of the transaction or as a result of the transaction the English company is insolvent. The transaction can be challenged if the English company enters into liquidation or administration within a period of six months (if the beneficiary of the guarantee is not a connected person) or two years (if the beneficiary is a connected person) from the date the English company grants the Guarantee. A transaction may constitute a preference if it has the effect of putting a creditor, guarantor or surety of the English company in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction was a preference the court can make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction. However, for the court to determine a preference, it must be shown that the

English company was influenced by a desire to produce that result. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent and that there was such influence unless a beneficiary of the transaction was a connected person, in which case the connected person must demonstrate in such proceedings that there was no such influence.

Transaction Defrauding Creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim, which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction and is not therefore limited to liquidators or administrators. There is no statutory time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of the transaction.

Denmark

Certain of the Subsidiary Guarantors are companies incorporated under Danish law. Accordingly, insolvency proceedings with respect to these companies would likely proceed under and be governed by Danish insolvency law. Bankruptcy is the principal form of proceeding in the Danish insolvency system. In bankruptcy, the debtor's assets are liquidated and the proceeds are distributed to the creditors based on a priority of claims. A bankruptcy may be preceded by a suspension of payment. A debtor who finds itself unable to satisfy its debts may suspend payment of its debt. The power to suspend payment rests exclusively with the debtor. A suspension of payments is based on the debtor's assessment of its (temporary) inability to meet its debts as they fall due.

As a general rule, the insolvent company or any creditor of such company may present a petition for bankruptcy. A bankruptcy requires the bankruptcy court to be satisfied that the debtor is insolvent based on an assessment of the debtor's liquidity status. A bankruptcy petition by a creditor is barred if the creditor is adequately protected in the event of the debtor's insolvency by means of good and valid security. The Danish bankruptcy scheme is based on the fundamental principle of *pari passu* satisfaction of the debtor's creditors. The principle is, however, to some extent modified by the rules governing priority of debts in bankruptcy. Some claims—preferential claims and privileged claims—rank before ordinary claims and some—the deferred claims—rank below ordinary claims. The status of a claim is dependent upon express statutory authority (except for subordinated loans). Preferential claims primarily include costs and expenses involved in the administration of the bankruptcy estate and debts approved by a supervisor during a suspension period. Privileged claims are mainly salary claims, including salary income taxes (excluding salary claims from the top management). It should be noted that almost all tax claims are not per se preferential or privileged claims. Interest accrued on ordinary claims will rank as ordinary claims up to the date of the bankruptcy adjudication, after which date the accrued interest will rank as a deferred claim.

Danish bankruptcy law contains several provisions enabling the bankruptcy trustee to initiate proceedings to have certain transactions prior to the bankruptcy avoided. Most avoidance provisions contain time limits, which are generally three months, but are in some cases up to two years. Payments made by unusual means, including payments made before they are due or in amounts that have had a distinctly impairing effect on the debtor's ability to pay its debts, are typically subject to invalidation unless the creditor's claim was secured in full by a good and valid security. In addition, all types of charges, mortgages and other types of security that were not granted to the creditor at the time the debt was incurred or that were not protected against legal process without undue delay will be invalidated. A creditor who wishes to contest a claim for invalidation may do so through the bankruptcy trustee, who must litigate the matter under the jurisdiction of the ordinary courts (not the bankruptcy court). As a general rule, such legal proceedings must be initiated within 12 months after the declaration of the bankruptcy adjudication. In the event of bankruptcy, claims in foreign currencies will be converted into Danish kroner using the Danish National Bank's (*Nationalbanken*) official exchange rate for the relevant currency against Danish kroner as of the date of declaration of bankruptcy by the Danish Insolvency Court.

Sweden

Difference in Insolvency Law

Certain Subsidiary Guarantors are incorporated under the laws of Sweden and as such any insolvency proceedings applicable to such Subsidiary Guarantors may be governed by Swedish insolvency law.

Priority of Certain Creditors

As a general principle, under Swedish insolvency law competing claims have equal right to payment in relation to the size of the amount claimed from the debtor's assets. However, some preferential and secured creditors, where such preference or security may arise as a consequence of law, have the benefit of payment before other creditors. There are two types of preferential rights: specific and general preferential rights. Specific preferential rights apply to certain specific property and give the creditor a right to payment from such property. General preferential rights cover all property belonging to the insolvent company's estate in bankruptcy, which is not covered by specific preferential rights, and give the creditor a right to payment from such property. Claims that do not carry any of the above mentioned preferential rights or exceed the value of the security provided for such claim (to the extent of such excess), are non-preferential and are of equal standing as against each other.

Limitations on the Value of a Guarantee

To the extent that a guarantee by a Swedish limited liability company for the obligations of a parent or sister company exceeds the distributable reserves of the relevant guarantor at the time when the guarantee is given, the validity of such guarantee is subject to the condition that the guarantor receives consideration on market terms for its undertakings or that otherwise sufficient corporate benefit accrues. It should also be noted that laws relating to financial assistance in Sweden prohibit limited liability companies incorporated in Sweden from providing guarantees or granting security or other credit support for debt financing relating to the direct or indirect acquisition of shares in these companies, or limit the enforceability of such guarantees and securities, and the Guarantees provided by Swedish Subsidiary Guarantors will be limited accordingly to ensure compliance with applicable law.

Limitations on the Validity of Certain Transactions

In bankruptcy and company reorganization proceedings, transactions can (in certain circumstances and subject to a time limit) be reversed and the goods or monies can then be returned to the bankruptcy estate or the company subject to company reorganization. Broadly, these transactions include, amongst others, situations where the debtor has conveyed property fraudulently or preferentially to one creditor to the detriment of its other creditors before the initiation of the relevant insolvency proceedings, created a new security interest, granting a guarantee or security that was either not stipulated at the time when the secured obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary, or paid a debt that is not due or that is considerable compared to the value of the debtor's assets or if the payment is made by using unusual means of payment. In the majority of situations, a claim for recovery can be made concerning actions that were made during the three months preceding the commencement of the relevant insolvency proceedings. In certain situations, longer time limits apply and in others there are no time limits. These include, amongst others, situations where the other party to an agreement or other arrangement is deemed to be a closely related party to the debtor such as a subsidiary or parent company.

Limitations on Enforceability due to the Swedish Reorganization Act

The Reorganization Act (*Sw. Lag om Företagsrekonstruktion*) provides companies facing economic difficulty with an opportunity to resolve these without being declared bankrupt. Corporate reorganization proceedings shall, as a main rule, terminate within three months from commencement but may under certain conditions be extended for up to one year.

An administrator is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors. However, the debtor remains in full possession of the business except that, for important decisions such as paying a debt that has fallen due prior to the order of reorganization, granting security for a debt that arose prior to the order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the business, the consent of the administrator is required.

The making of an order under the Reorganization Act does not have the effect of terminating contracts with the debtor and, during the reorganization procedure, the debtor's business activities continue in the normal way. However, the procedure includes a suspension of payments to creditors and the debtor cannot pay a debt that fell due prior to the order without the consent of the administrator and such consent may only be granted should there be exceptional reasons for doing so and any petition for bankruptcy in respect of the debtor will be stayed. A moratorium also applies to execution in respect of a claim or enforcement of security during corporate reorganization proceedings unless the security assets are in the physical possession of the secured creditor or any agent acting on behalf of such creditor.

The debtor may apply to the court requesting public composition proceedings (*Sw. offentligt ackord*) which means that the amount of a creditor's claim may be reduced. The proposal for a public composition must meet certain requirements such as that a sufficient proportion of the creditors which are allowed to vote, in respect of a sufficient proportion of the outstanding claims vote in favor of such public composition. Creditors with set-off rights and secured creditors will not participate in the composition unless they wholly or partly waive their set-off rights or priority rights. Should the security not cover a secured creditor's full claim, the remaining claim will, however, be part of a composition. A creditors' meeting is convened to vote on the proposed composition. The public composition is binding for all known and unknown creditors that had a right to participate in the public composition proceedings.

Enforcement Process

In the event of bankruptcy the court will appoint a receiver in bankruptcy who will work in the interest of all creditors with the objective of selling the debtor's assets and distribute the proceeds among the creditors.

The purpose of bankruptcy proceedings is to wind up the company in such a way that the company's creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is best for all creditors. In general, the receiver in bankruptcy is required to sell the assets of the debtor as soon as possible and to distribute the proceeds. In the interim, the receiver will take over the management and control of the company and the company's directors and/or managing director will no longer be entitled to represent the company or dispose of the company's assets.

When distributing the proceeds, the receiver must follow the mandatory provisions of the Swedish Rights of Priority Act (*Sw. Förmånsrättslagen*), as amended from time to time, that states the order in which creditors have a right to be paid. As a general principle, in bankruptcy proceedings competing claims have equal right to payment in relation to the size of the amount claimed from the debtor's assets. However, preferential or secured creditors have the benefit of payment before other creditors.

In case of enforcement outside bankruptcy, an enforcement process is initiated by the creditor obtaining an enforcement order from the Swedish Enforcement Authority or the court. Upon obtaining an enforcement order against a debtor, a creditor may apply to the Enforcement Authority for enforcement of its claim. If agreed upon between a pledgor and a secured creditor and the secured creditor or its agent is in physical possession of the security assets, the agent may under certain circumstances enforce the pledge without the involvement of the Enforcement Authority or a court. A provision granting the secured party or its agent such right of enforcement is typically included in any pledge agreement between the pledgor and the secured party or its agent.

The Netherlands

Insolvency Proceedings

Certain of the Subsidiary Guarantors are incorporated under the laws of The Netherlands. Any insolvency proceedings applicable to such Subsidiary Guarantors may be governed by Dutch insolvency laws. There are three corporate insolvency regimes under Dutch law: (a) emergency measures (*noodregeling*), which relate to exempt credit institutions and insurance companies under The Netherlands Financial Supervision Act (*Wet op het financieel toezicht*); (b) moratorium of payment (*surseance van betaling*), both of which are intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern; and (c) bankruptcy (*faillissement*), which is primarily designed to liquidate and distribute the assets of a debtor to its creditors. In practice a moratorium of payment nearly always results in the bankruptcy of the debtor.

Unlike Chapter 11 proceedings under U.S. bankruptcy law where both secured and unsecured creditors are generally barred from seeking to recover on their claims, Dutch emergency measures and moratorium of payment proceedings allow certain secured creditors (including the senior lenders as secured creditors under the senior credit facilities) and preferential creditors to satisfy their claims by proceeding against the assets that secure their claims or to which they have preferential rights. Therefore, a recovery under Dutch law could involve a sale of the assets of the Dutch Subsidiary Guarantors in a manner that does not reflect their respective going concern value. Consequently, Dutch insolvency laws could preclude or inhibit a restructuring and could reduce any recovery obtainable in an insolvency proceeding.

In connection with Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on the basis of the relative priority of the claims of those creditors and, to the extent claims of certain creditors have equal priority, in proportion to the amount of such claims. Certain parties, such as secured creditors (including senior lenders as secured creditors under senior credit facilities), will benefit from special rights. For example, secured creditors such as pledgees and mortgagees may enforce their rights separately from bankruptcy. Furthermore, the enforcement and recognition of the security interest would be subject to: (a) a statutory stay of execution of up to two months extendable by another period of up to two months imposed by court order pursuant to Sections 63(a) and 241(a) of The Netherlands Bankruptcy Act (*Faillissementswet*); (b) a receiver (*curator*) can force a secured party to foreclose its security interest within a reasonable time (as determined by the receiver pursuant to Section 58(1) of The Netherlands Bankruptcy Act), failing which the bankruptcy trustee will be entitled to sell the relevant rights or assets and distribute the proceeds to the secured party; and (c) excess proceeds of enforcement must be returned to the company's bankruptcy trustee; they may not be offset against an unsecured claim of the pledgee against the company. In addition, any claims may be limited depending on the date they become due and payable. All unsecured, pre-bankruptcy claims are submitted to a receiver (curator) for verification, and the receiver makes a determination as to the existence, ranking and value of the claim and whether and to what extent it should be admitted in the bankruptcy proceedings.

Creditors that wish to dispute the verification of their claims by the receiver will need to commence a court proceeding.

Although no interest is payable in respect of unsecured claims as of the date of a bankruptcy, if the net present value of a claim of a holder needs to be determined, such determination will be made by taking into account the agreed payment date and interest rate.

Guarantees

Under Dutch law, receipt of any payment under a guarantee may be affected by (a) the standards of reasonableness and fairness (*maatstaven van redelijkheid en billijkheid*); (b) force majeure (*niet-toerekenbare tekortkoming*) and unforeseen circumstances (*onvoorziene omstandigheden*); and (c) the other general defenses available to debtors under Dutch law in respect of the validity, binding effect and enforceability of such guarantee. Other general defenses include claims that a guarantee should be avoided because it was entered into through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), duress (*bedreiging*) or error (*dwaling*).

The validity and enforceability of a guarantee may also be successfully contested by a Dutch guarantor (or its receiver in bankruptcy) on the basis of an *ultra vires* claim. Such a claim will be successful if both (i) the granting of a guarantee does not fall within the scope of the objects clause as set out in the articles of association of the Dutch guarantor (*doeloverschrijding*) and (ii) the counterparty of such Dutch guarantor under the relevant guarantee knew or ought to have known (without enquiry) of this fact. In determining whether the granting of a guarantee is in furtherance of the objects and purposes of a Dutch guarantor, a court will consider (i) the text of the objects clause in the articles of association of such company; (ii) whether the granting of such guarantee is in the company's corporate interests (*vennootschappelijk belang*) and to its benefit; and (iii) whether or not the subsistence of such company is jeopardized by the granting of such guarantee. The mere fact that a certain legal act (*rechtshandeling*) is explicitly mentioned in a Dutch company's objects clause, may not be conclusive evidence to state that such legal act is not *ultra vires*. Rather, a transaction must be in the corporate interest of a Dutch company in order to withstand a challenge that it is *ultra vires*.

The validity and enforceability of the obligations of a Dutch guarantor under a guarantee may also be successfully contested by any creditor, or by the guarantor's receiver in bankruptcy when the guarantor is in bankruptcy proceedings, if such obligation is prejudicial to the interests of any other creditor (and the other requirements for voidable preference that apply on the basis of article 3:45 et seq. of the Dutch Civil Code (*Burgerlijk Wetboek*) or article 42 et seq. of The Netherlands Bankruptcy Act (*Faillissementswet*), respectively, are met). Such a voidable preference action will only be successful if, at the time of the granting of the guarantee, both the guarantor and its counterparty with whom it acted knew or ought to have known that the granting of the guarantee would be prejudicial to the rights of recourse of one or more of the Dutch guarantor's creditors.

Poland

Effects of Insolvency

A number of Subsidiary Guarantors are incorporated in Poland. As a general rule, insolvency proceedings by or against any Subsidiary Guarantor with its registered office in Poland, would be based on Polish bankruptcy law. However, pursuant to the EC Regulation on Insolvency Proceedings, where a Polish company conducts business in more than one member state of the European Union, the jurisdiction of the Polish courts may be limited if the company's "centre of main interests" is found to be in a member state other than Poland. There are a number of factors that are taken into account to ascertain the center of main interests, which should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened.

Under Polish bankruptcy law, the liability of a Guarantor in respect of the Senior Notes may be paid only after certain debts of the Guarantor that are entitled to priority under Polish law have been satisfied. Such preferential debts include, among other things, money owed to the State Treasury of Poland in respect of taxes or social security contributions, remuneration owed to employees and claims of secured creditors. Also, Polish law does not require a bankruptcy administrator (*zarzadca*), court supervisor (*nadzorca sadowy*) and/or a court receiver (*syndyk*) (unless otherwise specifically stated, hereinafter, bankruptcy administrator shall include each of *zarzadca, nadzorca sadowy and syndyk*) to give effect to intercreditor arrangements such as subordination agreements. Although the law does not preclude creditors from attempting to enforce such rights in separate proceedings based on their entitlements arising from respective contracts, such proceedings are conducted outside of and following bankruptcy proceedings. Therefore, the claims of all unsecured creditors may be paid on a *pari passu* basis in a bankruptcy proceeding.

Under Polish law, after a Subsidiary Guarantor has been declared bankrupt, a bankruptcy administrator has a right to:

- declare certain legal act(s) of the Subsidiary Guarantor, including the Guarantees, ineffective towards the bankruptcy estate if such legal act was executed within one year prior to filing of the motion to declare the Subsidiary Guarantor bankrupt and to the extent that under such legal act the Subsidiary Guarantor disposed of or encumbered its assets for no consideration or for a consideration where the value of Guarantor's performance was glaringly higher than the consideration received by the Subsidiary Guarantor or reserved for a third party;
- declare certain security established by the Subsidiary Guarantor or the payment by the Subsidiary Guarantor of a debt not yet due, ineffective towards the bankruptcy estate if the security was established or the payment was made within two months prior to the filing of the motion to declare the Subsidiary Guarantor bankrupt (and the holder of the respective security may escape the above sanction if it proves that it did not know that there were grounds for declaring the Subsidiary Guarantor's bankruptcy); and
- declare certain legal act(s) (even if for consideration) ineffective towards the bankruptcy estate if entered into within six months prior to the filing of the motion to declare the Subsidiary Guarantor bankrupt and to the extent they were entered into with: (i) the Subsidiary Guarantor's shareholders, their representatives and/or relatives, or (ii) affiliated companies, their shareholders, and/or representatives or relatives of such shareholders, and/or (iii) the Subsidiary Guarantor's subsidiary or holding companies.

The judge commissioner may, under a motion from the bankruptcy administrator, declare any encumbrances established over the assets of the Subsidiary Guarantor (such as mortgages, pledges, registered pledges, etc.) ineffective towards the bankruptcy estate, to the extent that the Subsidiary Guarantor was not the personal (original) obligor with respect to the underlying debt and if the encumbrance was established one year prior to the filing of the motion to declare the Subsidiary Guarantor bankrupt and the Subsidiary Guarantor received no consideration or the consideration received was glaringly low compared to the value of the encumbrance.

It is arguable whether Polish courts would have jurisdiction over a debtor's property located outside Poland. Such jurisdiction would not exist in respect of real estate or other property rights located abroad. Furthermore, courts outside Poland might not recognize the Polish Bankruptcy Court's jurisdiction.

Under Polish bankruptcy law, any debt payable in a currency other than Polish zloty (such as euro), if being put on the list of debts, must be converted into Polish zloty at the National Bank of Poland's average exchange rate prevailing on the date the bankruptcy court issues a decision on the debtor's bankruptcy (and regardless of whether the debt has fallen due or not). Accordingly, in the event of a bankruptcy of the company, holders of the Senior Notes may be subject to exchange rate risk between the date of bankruptcy and the date of receipt of any amounts following a bankruptcy proceeding.

It shall also be noted that under Polish law, provisions of any agreement that stipulate that a given legal relationship will be terminated and/or amended where bankruptcy is declared with respect to one of the parties are invalid. Also, provisions of an agreement to which the bankrupt company is a party that hinder or prevent the aims of the bankruptcy proceedings from being achieved will be deemed ineffective in relation to the bankruptcy estate. These specific provisions of Polish law are deemed to be forcing their jurisdiction with respect to provisions of the kind as referred to above also over contracts that are subject to laws other than the laws of Poland, as long as said provisions of such contract would apply to an entity that is subject to bankruptcy proceedings under Polish bankruptcy law.

In case of a bankruptcy proceeding that aims at liquidation of the assets of the bankrupt company, agreement on the security assignment of a thing, receivable or of another right is effective towards the bankruptcy estate if it was executed with so-called "certain date" (e.g., with notarized signatures). A creditor who benefits from such a security assignment may not request that the collateral be excluded from the bankrupty estate. It will have, however, priority in satisfying its claim from the proceeds of the liquidation of such assets.

If insolvency proceedings in the Republic of Poland are carried out with the possibility of reaching a composition (arrangement), the termination or modification of terms of the relevant contract is only possible pursuant to Polish bankruptcy laws.

Notwithstanding the above, under the Polish civil law code, a creditor may request that the relevant Polish court declare a given legal act (e.g., the granting of a guarantee) ineffective towards such creditor, and the court will do so if it finds that the Subsidiary Guarantor granted the Guarantee even though it was insolvent or even though it became insolvent as a result of granting such Guarantee, to the extent that the beneficiary of the Guarantee knew of the above or to the extent that the Guarantee was granted for no consideration.

In addition, if a Subsidiary Guarantor's entering into a given agreement made it wholly or partially impossible to satisfy a third party's claim, such third party may request that the court declare such an agreement ineffective towards that party, provided the Subsidiary Guarantor and the other party to the agreement knew of the third party's claim or if the agreement was for no consideration.

Application of Foreign Law

If any obligation is to be performed in a jurisdiction outside the Republic of Poland, it might not be enforceable in the Republic of Poland to the extent that such performance would be illegal or contrary to public policy under the laws of the other jurisdiction and a Polish court may take into account the law of the place of performance when evaluating the manner of performance and the steps to be taken in the event of defective performance.

No law of any other jurisdiction will apply in the Republic of Poland if its application would have an effect that is contrary to the basic principles of public order in the Republic of Poland (principles of social co-existence).

Italy

Ardagh Glass S.r.l., one of the Subsidiary Guarantors, is incorporated under the laws of Italy and may be subject to Italian laws governing creditors rights and bankruptcy and restructuring proceedings.

Bankruptcy Law—Insolvency

Italian creditors' rights and insolvency laws are generally considered to be more favorable to debtors than the regimes of certain other jurisdictions, such as the United States. In Italy, the courts play a central role in the insolvency process and out-of-court restructurings are possible under certain conditions but infrequent. The two primary aims of the Italian regime are first, to maintain employment, and second, to liquidate the debtor's assets for the satisfaction of creditors. These competing aims often have been balanced by the sale and/or lease of businesses as going concerns and ensuring that employees are transferred along with the businesses being sold and/or leased.

Under Italian law, the state of insolvency ("*insolvenza*") of a company must be determined and declared by a court. Insolvency occurs at a time when a debtor is no longer able to regularly meet its obligations as they fall due. This must be a permanent, and not a temporary, status.

Unlike jurisdictions like the United States, options in Italy to restructure outside the judicial process are possible under certain conditions but not frequently used. Restructuring generally takes place through the formal judicial process because of the more favorable conditions for the debtor and the fact that informal arrangements put in place as a result of a non-judicial restructuring are vulnerable to being reviewed by a court in the event of a subsequent insolvency and possibly challenged as voidable transactions.

Prior to, or upon the declaration of insolvency, a company has the option to seek an arrangement with its creditors ("*concordato preventivo*") under court supervision, in order to avoid a declaration of bankruptcy and the initiation of liquidation proceedings.

A request to declare a debtor bankrupt and to commence a bankruptcy proceeding ("*fallimento*") for the liquidation of a debtor can be made by the same debtor, one or more creditors and the Republic Attorney Office. The request must be approved by the bankruptcy court. Upon the commencement of a bankruptcy proceeding:

- subject to certain exceptions, all actions of creditors are stayed and creditors must file claims within a defined period;
- the administration of the debtor and the management of its assets pass from the debtor to the receiver; and
- any act (including payments) made by the debtor, other than those made through the receiver, after a declaration of bankruptcy with respect to the creditors is ineffective.

The bankruptcy proceeding is carried out and supervised by a court appointed receiver, a deputy judge and a creditors committee. The receiver is not a representative of the creditors and the creditors committee, as specifically provided for by law, has in some cases, an authorization power over the receiver and, in general, consultation functions over the latter and vigilance authority over the bankruptcy proceedings. The receiver is responsible for the liquidation of the assets of the debtor for the satisfaction of creditors. The proceeds from the liquidation are distributed in accordance with statutory priority. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real property. Italian law provides for priority to the payment of certain preferential creditors, including employees and the Italian judicial and social security authorities and treasury.

The statutory priority assigned to creditors under Italian law is different than priorities in the United States and certain other European jurisdictions. Under Italian law, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors ("*crediti prededucibili*"), which include the claims of the Italian judicial, tax and social security authorities and claims for employee wages (including severance pay). The next priority is secured creditors with privileges ("*crediti privilegiati*"; a preference in payment in most circumstances, but not exclusively, provided for by law), mortgages ("*crediti ipotecari*") and pledges ("*crediti pignoratizi*") and then unsecured creditors ("*crediti chirografari*").

Fraudulent Transfer Provisions Pending the Bankruptcy Proceedings

Upon the commencement of a bankruptcy, the following acts would be without effects ("*privi di effetto*" as provided for by articles 64 and 65 of Royal Decree March 16, 1942, n. 267 vis-à-vis the creditors:

- the acts (including guarantees, agreements and payments) entered into by the debtor, should they have been entered into in the two years preceding the declaration of bankruptcy and should they be deemed gratuitous acts (such as those, under certain circumstances, for the benefit of third parties); and
- the payments, which fall due on the day of the declaration of bankruptcy or thereafter, made in the two years preceding the declaration of bankruptcy.

In addition, upon the commencement of a bankruptcy, the following acts could be revoked (which consists of a declaration of ineffectiveness as to the bankruptcy; "*revocati*" as provided for by article 67 of the above referenced Royal Decree), unless the defendant in the related action proves that it was unaware of the state of insolvency of the debtor:

- the non-gratuitous acts (including guarantees, agreements and payments), made within the period of one year preceding the declaration of bankruptcy, if the value of the obligation performed or entered into by the debtor exceeds by more than ¼ of the value of what has been given or promised in exchange to it;
- the acts aimed to satisfy the requests of payment of creditors, made by the debtor within the period of one year preceding the declaration of bankruptcy, by non-ordinary means of payment;
- the pledges and voluntary mortgages established within the period of one year preceding the declaration of bankruptcy, for pre-existing and un-matured debts;
- the pledges and voluntary and judicial mortgages established within the period of six months preceding the declaration of bankruptcy, for past due debts.

Moreover, should the receiver prove that the defendant in the related action was aware of the state of insolvency of the debtor, the payment of debts past due and payable and non-gratuitous acts, herewith including those establishing a preference in the order of satisfaction of creditors, for debts, also of third parties, contextually arisen, made within the period of six months preceding the declaration of bankruptcy, could be revoked.

It is to be added that other hypotheses as well as exceptions could also apply pursuant to applicable law and that, in any case, the receiver—who is the individual deputed to bring the above actions—could always resort to the action described in the following paragraph (as provided for by article 66 of the above referenced Royal Decree).

Fraudulent Transfer Provisions of General Applicability Including During Bankruptcy

Under Italian law, in certain circumstances, also in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date in which the latter enters into a guarantee, an agreement and any other act by which it disposes of any of its assets, in order to seek the "*revocation*" (which consists of a declaration of ineffectiveness as to the acting creditor; "*azione revocatoria*" foreseen by art. 2901 of the Italian Civil Code) of the said guarantee, agreement and other act that is purported to be prejudicial to the acting creditor right of credit. An Italian Court could revoke the said guarantee, agreement and other act only if it, in addition to the ascertainment of the prejudice, was to make the two following findings:

- that the debtor was aware of the prejudice which the act would cause to the rights of the acting creditor, or, if such act was prior to the existence of the claim/credit, that the act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim/credit;
- that, in the case of non-gratuitous act, the third party involved was aware of said prejudice and, if the act was prior to the existence of the claim/credit, that the said third party participated in the fraudulent design.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the purchase agreement dated as of January 13, 2010, the initial purchasers named below have agreed to purchase, and we have agreed to sell to the initial purchasers, the principal amount of the Senior Notes as set forth below:

Initial Purchasers	Principal Amount of Senior Notes
Citigroup Global Markets Limited	€174,438,000
J&E Davy trading as Davy	5,562,000
Total	€180,000,000

The purchase agreement provides that the obligation of the initial purchasers to purchase the Senior Notes is subject to approval of legal matters by counsel and to other conditions. The initial purchasers must purchase all of the Senior Notes if they purchase any of the Senior Notes.

The 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".

We have been advised that the initial purchasers propose to resell the 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 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 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.

In each Relevant Member State, an offer to the public of any Senior Notes may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Senior Notes which has been approved by the competent authority in that Relevant Member State or where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any Senior Notes may be made at any time under the following exemptions under the Prospectus Directive, if the Prospectus Directive has been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of Citigroup Global Markets Limited for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Senior Notes shall result in a requirement for the publication by the Issuer, any Guarantor or the initial purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Senior Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Senior Notes to be offered so as to enable an investor to decide to purchase any Senior Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each 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 FSMA) received by it in connection with the issue 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

(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 Senior Notes in, from or otherwise involving the United Kingdom.

Delivery of the Senior Notes will be made against payment therefor on or about January 20, 2010 which will be the fifth business day following the date of pricing of the Senior Notes (such settlement being referred to as "T+5"). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, as amended (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. Accordingly, purchasers who wish to trade the Senior Notes on the day of pricing or the next succeeding business day will be required, by virtue of the fact that the Senior Notes will initially settle in T+5, to specify an alternate settlement cycle at the time of such trade to prevent failed settlement. Purchasers of the Senior Notes who wish to trade the Senior Notes on the day of pricing or the next succeeding business day should consult their own advisors.

The Senior Notes will constitute a new class of securities with no established trading market. Application has been made for the Senior Notes to be listed on the Global Exchange Market of the Irish Stock Exchange. However, 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 develop and continue after this offering. The initial purchasers have advised us that Citigroup Global Markets Limited 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 a liquid market will develop for the Senior Notes, that you will be able to sell your 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 purchasers are not acting for anyone other than us and will not be responsible to anyone other than us for providing the protections afforded to their clients nor for providing advice in relation to this offering.

Buyers of the Senior Notes sold by the initial purchasers 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 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 Senior Notes to be purchased by the initial purchasers in this offering (provided that, the aggregate principal amount of Senior Notes allotted does not exceed 105% of the aggregate principal amount of the Senior Notes that are the subject of this offer), which creates a short position for the initial purchasers. 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 relevant Senior Notes, whichever is the earlier. See "Stabilization".

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the U.S. Securities Act.

Citigroup Global Markets Limited, Davy and their respective affiliates perform various financial advisory, investment banking and commercial banking services from time to time for us and our affiliates.

NOTICE TO INVESTORS

The 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 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 Senior Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the initial purchasers 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 Senior Notes to it will be made in reliance on Rule 144A and the acquisition of Senior Notes will be for its own account or for the account of another QIB; or

(ii) purchasing the 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 purchasers, nor any person representing us or the initial purchasers, have made any representation to it with respect to the offering or sale of any 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 Senior Notes. It has had access to such financial and other information concerning us and the Senior Notes as it has deemed necessary in connection with its decision to purchase any of the Senior Notes.

(4) It is purchasing the 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 Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

(5) Each holder of Senior Notes issued in reliance on Rule 144A ("Rule 144A 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 Senior Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "Resale Restriction Termination Date") that is one year after the later of the date of the Issue Date and the last date on which the Issuer or any of its affiliates was the owner of such 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 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 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 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 REOFFERED, 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 THE 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 Senior Notes notice of any restrictions on transfer of such Notes.

(7) It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the 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 Senior Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with.

It acknowledges that we, the initial purchasers 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 Senior Notes are no longer accurate, it shall promptly notify the initial purchasers. If it is acquiring any 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 Senior Notes and the Guarantees are being passed upon for us by Shearman & Sterling LLP, U.S. and English counsel to the Issuer and the Guarantors; William Fry, Irish counsel to the Issuer and the Guarantors; Freshfields Bruckhaus Deringer LLP, German and Dutch counsel to the Issuer and the Guarantors; Wiercinski, Kwiecinski, Baehr, Polish counsel to the Issuer and the Guarantors; Advokatfirman Vinge KB, Swedish counsel to the Issuer and the Guarantors; Kromann Reumert, Danish counsel to the Issuer and the Guarantors; Carey Olsen, Guernsey counsel to the Issuer and the Guarantors and Studio Avvocati Zappalà, Italian counsel to the Issuer and the Guarantors. Certain legal matters with respect to the offering of the Senior Notes will be passed upon for the initial purchasers by Cahill Gordon & Reindel LLP, U.S. counsel to the initial purchasers and McCann FitzGerald, Irish counsel to the initial purchasers.

INDEPENDENT ACCOUNTANTS

The audited non-statutory consolidated financial statements of Ardagh Glass Holdings Limited and its subsidiaries for each year in the three-year period ended December 31, 2008 and as at December 31, 2008, 2007 and 2006 included in this Offering Memorandum have been audited by PricewaterhouseCoopers, 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 Subsidiary Guarantors are incorporated in Ireland, The Netherlands, Germany, Italy, the United Kingdom, Poland, Guernsey, Sweden and Denmark. All of the directors and executive officers of the Issuer, the Parent Guarantor and the Subsidiary Guarantors reside outside the United States. In addition, all of the assets of the Issuer, the Parent Guarantor and the Subsidiary 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 the Issuer, the Parent Guarantor, any of the Subsidiary Guarantors 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, any directors or executive officers, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for Ireland, The Netherlands, Germany, Italy, the United Kingdom, Poland, Sweden and Denmark, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

The following discussion with respect to the enforceability of certain U.S. court judgments in Ireland is based upon advice provided to us by our Irish legal advisers, William Fry. Ireland and the United States currently do not have a treaty providing for reciprocal recognition and enforcement of judgments.

A judgment obtained in the courts of any of the States in the United States or of any federal court in the United States would not automatically be enforced by the courts of Ireland. In order to enforce such a judgment in Ireland, legal process must be initiated before a court of competent jurisdiction in Ireland. An Irish court will normally recognize and enforce judgment without retrial or examination of the merits of the case *provided* that:

(i) judgment was not obtained or alleged to have been obtained by fraud;

(ii) the process and decision of the court in the United States were not contrary to natural or constitutional justice under the laws of Ireland and the enforcement of that judgment was not contrary to public policy as understood by the Irish courts and did not constitute the enforcement of a judgment of a penal or taxation nature;

(iii) that judgment was final and conclusive and was for a debt or a definite sum of money;

(iv) the jurisdiction of the court in the United States had been exercised in circumstances which, as a matter of Irish law, an Irish court would recognize as justifying enforcement of that judgment;

(v) the procedural rules of the U.S. court in relation to the obtaining of that judgment had been observed; and

(vi) the judgment was not inconsistent with a judgment of an Irish court in respect of the same matter.

The following discussion with respect to the enforceability of certain U.S. court judgments in The Netherlands is based upon advice provided to us by our Dutch legal advisers, Freshfields Bruckhaus Deringer LLP. The United States of America and The Netherlands currently do not have a treaty with respect to the mutual recognition and enforcement of civil judgments and therefore a judgment obtained against a Dutch company in the courts of the United States of America in a dispute with respect to which the parties have validly agreed that such courts are to have jurisdiction, will not be directly enforced by the courts in The Netherlands.

In order to obtain a judgment which is enforceable in The Netherlands, the claim must be relitigated before a competent court of The Netherlands; the relevant Netherlands court has discretion to attach such weight to a judgment of the courts of the United States as it deems appropriate; based on case law, the courts of The Netherlands may be expected to recognize the binding effect of a final, conclusive and enforceable money judgment of a court of competent jurisdiction in the United States without re-examination or re-litigation of the substantive matters adjudicated thereby, provided that (i) the relevant court in the United States had jurisdiction in the matter in accordance with standards which are generally accepted internationally; (ii) the proceedings before such court complied with principles of proper procedure; and (iii) such judgment does not conflict with the public policy of The Netherlands.

It is uncertain whether this practice extends to default judgments as well.

The following discussion with respect to the enforceability of certain U.S. court judgments in Germany is based upon advice provided to us by our German legal advisors, Freshfields Bruckhaus Deringer LLP. The United States and Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. The convention on choice of court agreements between, *inter alia*, the member states of the European Community and the United States, which among other things governs the recognition and enforcement of judgments given by a U.S. court designated in an exclusive choice of court agreement, has not yet been ratified by the United States. Once in force, this convention will make the recognition and enforcement of judgments given by a U.S. court in Germany easier. Until then, the following applies:

A final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would generally be recognized by a German court upon all of the following:

(a) U.S. courts could take jurisdiction of the case in accordance with the principles on jurisdictional competence according to German law;

(b) the document introducing the proceedings was duly made known to the defendant in a timely manner that allowed for adequate defense;

(c) the judgment is not contrary to (i) any prior judgment which became *res judicata* rendered by a German court or (ii) any prior judgment which became *res judicata* rendered by a foreign court which is to be recognized in Germany and the procedure leading to the respective judgment is not in contradiction to any such prior judgment;

(d) the effects of its recognition will not be in conflict with material principles of German law, including without limitation, fundamental rights under the constitution of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany. They are regarded to be in conflict with material principles of German law;

(e) the reciprocity of enforcement of judgments is guaranteed; and

(f) the judgment became *res judicata* in accordance with the law of the place where it was pronounced.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an enforcement decision from a competent German court in accordance with the above principles. Subject to the foregoing, investors may be able to enforce judgments in Germany in civil and commercial matters obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be enforceable. In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

The following discussion with respect to the enforceability of certain U.S. court judgments in Italy is based upon advice provided to us by our Italian legal advisors, Studio Avvocati Zappalà. The United States and Italy currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters.

Notwithstanding, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would be recognized by an Italian court subject to the following conditions:

(a) that the U.S. court could take cognizance of the case in accordance with the principles on jurisdictional competence according to the Italian system;

(b) that the document introducing the proceedings was made known to the defendant in conformity with the provisions of U.S. law and the essential rights of defense were not infringed;

(c) that the parties entered appearances in the proceedings in accordance with U.S. law or their failure to appear was declared in conformity with that law;

(d) that the judgment became *res judicata* in accordance with U.S. law;

(e) that the judgment is not contrary to another judgment rendered by an Italian judge and which became *res judicata*;

(f) that no proceedings are pending before an Italian judge for the same matter and between the same parties, which were initiated prior to the proceedings before the U.S. Court; and

(g) that its provisions do not produce effects contrary to Italian public policy.

In cases of non-compliance with or objection to the recognition of a U.S. judgment, or when it is necessary to proceed with forceful execution, any person in interest may apply to the court of appeals of the location of implementation for a determination of the existence of the pre-requisites above for recognition. The U.S. judgment, jointly with the decision allowing the application referred to above, constitutes entitlement to the implementation and forceful execution. If the objection to the U.S. judgment is raised in the content of other proceedings pending in Italy, the decision on the objection is made by the Italian judge with effect limited to those proceedings only.

The enforcement and, more in general, the use in Court of guarantees ("*fideiussioni*"), which have been executed unilaterally by the guarantor or abroad, is currently subject to Italian registration tax (governed by Presidential Decree—D.P.R. April 26, 1986, n. 131) at the rate of the 0.50% of the guaranteed amount, unless such tax has already been previously paid.

In addition to the foregoing, the enforcement in Italy of a judgment issued by a foreign court, similarly to judgments rendered by Italian Courts, are currently subject to Italian registration tax at the following rates:

- 3% in case of judgments which contain the condemnation to the payment of sums or to the delivery of assets not subject to Value Added Tax;
- 1% in case of judgments which ascertain rights having an economical value; and
- fixed fee of €168.00 in case of judgments different from those above indicated or which contain the declaration of nullity or the voidance of any deed and other cases.

The following summary with respect to the enforceability of certain U.S. court judgments in England is based upon advice provided to us by U.S. and English legal advisors. The United States and England currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England. In order to enforce any such U.S. judgment in England, proceedings must first be initiated before a court of competent jurisdiction in England. In such an action, the English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is said below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defence to it). Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (amongst other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to English conflicts of laws principles;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a debt for a definite sum of money;
- the U.S. judgment not contravening English public policy;
- the U.S. judgment not being for a sum payable in respect of tax, or other charges of a like nature in respect of a penalty or fine;
- the U.S. judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the Protection of Trading Interests Act 1980;
- the U.S. judgment not having been obtained by fraud or in breach of English principles of natural justice;

- there not having been a prior inconsistent decision of an English court between the same parties; and
- the English enforcement proceedings being commenced within six years from the date of the U.S. judgment.

Subject to the foregoing, investors may be able to enforce in England judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in England. In addition, it is questionable whether an English court would accept jurisdiction and impose civil liability if the original action was commenced in England, instead of the United States, and predicated solely upon U.S. federal securities laws.

We have been advised by our Polish counsel, Wiercinski, Kwiecinski, Baehr sp.k. ("WKB"), that in Poland enforceability of judgments of foreign courts subject to enforcement (which generally represent judgments for the payment of money or specific performance) may be applied for: (i) under the provisions of respective EU laws if the judgment was issued in a member state of the European Union, or (ii) under international agreements, if a relevant bilateral/multilateral treaty provides for such enforcement or (iii) on the basis of the rules of the Polish Code of Civil Procedure if none of the above two options applies. We have been advised by our Polish counsel, WKB, that there is no treaty between the United States and Poland providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) rendered in civil and commercial matters. Therefore, in such a case, the rules of the Polish Code of Civil Procedure shall apply. Under that procedure, any final and conclusive judgment against given Subsidiary Guarantor with its registered office in Poland obtained in a court of the United States and arising out of or in relation to the obligations of the Subsidiary Guarantor under the Guarantee, would be recognizable and enforceable in Poland, *provided* that:

(i) given judgment is valid, final, conclusive and (if applicable) enforceable under the relevant laws of the United States;

(ii) given case was not subject to the sole jurisdiction of the Polish courts in accordance with the laws of Poland or with any International Agreements that Poland is a party to;

(iii) given party was not deprived of the ability to defend itself;

(iv) relevant proceedings were not commenced before a Polish court competent to hear such a case between given parties prior to such proceedings being commenced in the U.S.;

(v) the judgment is not contrary to previously issued valid, final and conclusive judgment of Polish court, or of a previously issued judgment of a court of a foreign state if such judgment satisfies the conditions for being recognised in the Republic of Poland; and

(vi) the judgment is not contrary to basic principles of the legal order of the Republic of Poland.

Enforceability of any final and conclusive judgment against given Subsidiary Guarantor with its registered office in Poland obtained in a court of the United States and arising out of or in relation to the obligations of the Subsidiary Guarantor under the Guarantee, further requires that a Polish court issues a decision confirming that given judgment of the U.S. court is enforceable (which decision will be issued provided that given judgment is enforceable in the U.S. and all the conditions referred to under sections (i) through to (vi) above are met).

We have been advised by our Swedish counsel, Advokatfirman Vinge KB, that a judgment entered against the Issuer, the Parent Guarantor, or any Subsidiary Guarantor in the courts of a state which is not, under the terms of the Brussels Regulation (the Council Regulation (EC) No. 44/2001 of December 22, 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters) or the Lugano Conventions (1988 and 2007 Lugano Conventions on the

Recognition of Judgments in Civil and Commercial Matters, a Member State (as defined in the Brussels Regulation) or a Contracting State (as defined in the Lugano Conventions), would not be recognized or enforceable in the Kingdom of Sweden as a matter of right without a retrial on its merits (but will be of persuasive authority as a matter of evidence before the courts of law, administrative tribunals or executive or other public authorities of the Kingdom of Sweden). However, there is Swedish case law to indicate that such judgments:

(a) that are based on contracts which expressly exclude the jurisdiction of the courts of the Kingdom of Sweden;

(b) that were rendered under observance of due process of law;

(c) against which there lies no further right to appeal; and

(d) the recognition of which would not manifestly contravene fundamental principles of the legal order or the public policy of the Kingdom of Sweden,

should be acknowledged without retrial on its merits.

The following discussion with respect to the enforceability of certain U.S. court judgments in Denmark is based upon advice provided to us by our Danish counsel, Kromann Reumert. A final judgment properly obtained by a state or federal court of the United States in respect of any suit, action or proceeding arising out of or relating to the Senior Notes will neither be recognized nor enforced by the Danish courts without re-examination of the substantive matters thereby adjudicated. In connection with any such re-examination, the judgment will normally be accepted as material evidence, but the parties must provide the Danish courts with satisfactory information about the contents of United States law and, if they fail to do so, the Danish courts may apply Danish law instead.

The statute of limitations applicable to payment of interest and repayment of principal under New York law is 6 years.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Senior Notes from the initial purchasers 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 purchasers or any person affiliated with the initial purchasers 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 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 purchasers.

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 purchasers) 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 Glass 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 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 Senior Notes to the Global Exchange Market of the Irish Stock Exchange is expected to be granted on or about January 21, 2010.

3. This Offering Memorandum incorporates by reference the audited statutory financial statements published by the Issuer for the years ended December 31, 2008 and 2007.

4. 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:

   - the organizational documents of the Issuer and the Guarantors;
   - the audited non-statutory consolidated financial statements published by the Guarantors for the years ended December 31, 2008, 2007 and 2006;
   - the audited statutory financial statement published by the Issuer for the years ended December 31, 2008 and 2007; and
   - the Indenture (which includes the Guarantees and the form of the Senior Notes).

5. 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.

6. The audited non-statutory consolidated financial statements of Ardagh Glass Holdings Limited will be available for inspection at the registered office of Ardagh Glass Holdings Limited.

7. The Irish Listing Agent is J&E Davy trading as Davy and the address of its registered office is 49 Dawson Street, Dublin 2, Ireland.

8. The Trustee for the Senior Notes is The Bank of New York Mellon and its address is One Canada Square, London E14 5AL, 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.

9. The Issuer, Ardagh Glass Finance plc, was incorporated in Ireland as an Irish public limited company on March 1, 2007 as a wholly owned subsidiary of Ardagh Glass Holdings Limited. Its corporate seat is in Dublin, Ireland and it is governed by the Irish Companies Act 1963 to 2009. Its registered office is at 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland, and its registration number is 435614. 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 Glass Holdings Limited was incorporated in Ireland as a private limited company on August 5, 2005 as a wholly owned subsidiary of Ardagh Glass Group Holdings Limited. Its corporate seat is in Dublin, Ireland and it is governed by the Irish Companies Act 1963 to 2009.

Its registered office is at 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland, and its registration number is 406237. Ardagh Glass 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.

10. The auditors of Ardagh Glass Finance plc and Ardagh Glass 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.

11. The Rule 144A Notes have been accepted for clearance through Euroclear and Clearstream Banking under the Common Code 048019765 and the Regulation S Notes have been accepted for clearance through Euroclear and Clearstream under the Common Code 048021964. The ISIN for the Rule 144A Notes is XS0480197655 and the ISIN for the Regulation S Notes is XS0480219640.

12. The amount of the expenses of the offering, including underwriting commissions and discounts of the initial purchasers, is expected to be approximately €5.0 million. The net proceeds of the offering are estimated to be approximately €175.0 million.

13. The estimated amount of total expenses related to the admission of the Senior Notes to the Global Exchange Market of the Irish Stock Exchange is approximately €13,500.

14. The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuer and are or may be material:

    (a) a purchase agreement, dated June 1, 2007, among the Issuer, the Parent Guarantor and the initial purchasers, pursuant to which the Issuer will sell to the initial purchasers the 2007 Notes;

    (b) the indenture, entered into in June 2007, by Ardagh Glass Finance plc, as issuer, The Bank of New York Mellon, as trustee for the holders, Ardagh Glass Holdings Limited, as parent guarantor, and certain of Ardagh Glass Holdings Limited's wholly owned subsidiaries, as subsidiary guarantors, governing the 2007 Notes;

    (c) an accession letter dated June 21, 2007 between the Issuer and Anglo Irish Bank Corporation Limited whereby the Issuer acceded as a guarantor to the Amended and Restated Anglo Irish Senior Secured Credit Facility;

    (d) a composite debenture dated June 21, 2007 between, *inter alios*, the Issuer and Anglo Irish Bank Corporation Limited securing the obligations under the Amended and Restated Anglo Irish Senior Secured Credit Facility;

    (e) a purchase agreement, dated June 19, 2009, among the Issuer, the Parent Guarantor and the initial purchasers, pursuant to which the Issuer sold the 2009 Notes to the initial purchasers;

    (f) an amended and restated intercreditor agreement, dated June 26, 2009, as amended, restated or replaced from time to time, by and among the Issuer, the Parent Guarantor, the Subsidiary Guarantors party thereto, Anglo Irish Bank Corporation Limited, Law Debenture Trust Company of New York as trustee for the 2009 Notes, The Bank of New York Mellon as trustee for the 2007 Notes and others; and

    (g) the indenture, entered into on June 26, 2009, by Ardagh Glass Finance plc, as issuer, Law Debenture Trust Company of New York, as trustee for the holders, Ardagh Glass Holdings Limited, as parent guarantor, and certain of Ardagh Glass Holdings Limited's wholly owned subsidiaries, as subsidiary guarantors, governing the 2009 Notes.

15. The consolidated non-statutory financial statements of Ardagh Glass Holdings Limited and its subsidiaries, each for the years ended December 31, 2008, 2007 and 2006 are presented in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the European Union. The unaudited consolidated interim financial information for the nine-month periods ended September 30, 2009 and 2008 are prepared in accordance with the accounting policies of Ardagh Glass Holdings Limited as at December 31, 2008.

16. 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 issue of the 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 issue of the Senior Notes by the Issuer was authorized pursuant to a resolution of its board of directors on January 13, 2010 and the Guarantee by Ardagh Glass Holdings Limited was authorized pursuant to a resolution of its board of directors on January 13, 2010. The Subsidiary Guarantees will be authorized by resolutions of the board of directors of each Subsidiary Guarantor passed on or about January 14, 2010 (except the Guarantees granted by the Subsidiary Guarantors incorporated in Ireland, which were authorized on January 13, 2010).

17. There has been no significant change in the financial position or prospects of Ardagh Glass Holdings Limited, the Subsidiary Guarantors and Ardagh Glass Finance plc and no significant change in their financial position or trading position since December 31, 2008, except as may otherwise be indicated in this Offering Memorandum.

18. There has been no significant change in the financial position or trading position of Ardagh Glass Holdings Limited since September 30, 2009, except as may otherwise be indicated in this Offering Memorandum. Except as it may otherwise be indicated in this Offering Memorandum, neither Ardagh Glass Finance plc nor Ardagh Glass Holdings Limited nor the Subsidiary Guarantors has been involved in any litigation, governmental or arbitration proceedings during the 12 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.

19. Set forth below is certain information with respect to the Subsidiary Guarantors. For information relating to the Parent Guarantor, please see paragraph 9 above. The principal activities of the Subsidiary Guarantors are (1) the manufacture or sale of glass containers, (2) the manufacture of equipment or moulds for the glass container industry, or (3) acting as a holding, finance or real estate company for other group companies.

Name and Registered Office	Place of Registration and Registration Number	Date of Incorporation	Domicile and Legal Form	Country and Legislation of Incorporation	Principal Activity	Officers and Management	Secretary	Business Address
Ardagh Treasury Limited 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland +35316052400	Ireland 148774	August 24, 1989	Ireland—Private Company	Ireland, incorporated under the Companies Acts 1963 to 2009	Provision of Financial Services, Funding, Consultation and Management	Paul Coulson, Niall Wall, John Riordan, Brían J. Butterly	Brían J. Butterly	4 Richview Office Park, Clonskeagh, Dublin 14, Ireland
Ardagh Corporate Services Limited 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland +35316052400	Ireland 376434	October 2, 2003	Ireland—Private Company	Ireland, incorporated under the Companies Acts 1963 to 2009	Provision of Management, Administration, Financing and General Services	Paul Coulson, Niall Wall, Houghton Fry, Brendan Dowling, John Riordan, Brían J. Butterly	Brían J. Butterly	4 Richview Office Park, Clonskeagh, Dublin 14, Ireland
Ardagh Glass Sales Limited 4 Richview Office Park, Clonskeagh, Dublin 14, Ireland +35316052400	Ireland 375159	August 29, 2003	Ireland—Private Company	Ireland, incorporated under the Companies Acts 1963 to 2009	Sales Company	Paul Coulson, Brían J. Butterly, John Riordan, Niall Wall	Brían J. Butterly	4 Richview Office Park, Clonskeagh, Dublin 14, Ireland
Ardagh Glass (UK) Limited Headlands Lane, Knottingley, West Yorkshire WF11 OHP +441977674111	England 3691714	March 3, 1999	United Kingdom—Private Company	United Kingdom, Companies Acts 1985 to 2006	U.K. Group Holding Company	Paul Coulson, Niall Wall, Brendan Dowling, John Riordan, Mark Rozmus, Keith Swindell, Brían J. Butterly	Brían J. Butterly	Headlands Lane, Knottingley, West Yorkshire WF11 OHP, United Kingdom
Ardagh Holdings (UK) Limited Headlands Lane, Knottingley, West Yorkshire WF11 OHP +441977674111	England 161642	August 27, 1993	United Kingdom—Private Company	United Kingdom, Companies Acts 1985 to 2006	Manufacturer of Glass Containers and Licencee of Technology & Equipment	Niall Wall, David Currie, Alex Robertson, John Riordan, Mark Rozmus, Keith Swindell, Brían J. Butterly	Brían J. Butterly	Headlands Lane, Knottingley, West Yorkshire WF11 OHP, United Kingdom
Ardagh Glass Limited Headlands Lane, Knottingley, West Yorkshire WF11 OHP +441977674111	England 567801	June 20, 1956	United Kingdom—Private Company	United Kingdom, Companies Acts 1985 to 2006	Manufacture, Import, and Distribute Glass Containers	Niall Wall, David Currie, Alex Robertson, John Riordan, Mark Rozmus, Keith Swindell, Brían J. Butterly	Brían J. Butterly	Headlands Lane, Knottingley, West Yorkshire WF11 OHP, United Kingdom
Ardagh Glass Holding GmbH Große Drakenburger Str. 132, 31582 Nienburg +49502185124	Germany HRB 201358	August 4, 2004	Germany—Private Company	Germany, incorporated under the Limited Liability Companies Code § 7 (GmbHG)	Holding Company, Borrowing, Lending, Providing Financial Services & Management	Niall Wall, John Riordan, Michael Kennedy, Reiner Brand, Brían J. Butterly Reinhard Wilhelm	N/A	Große Drakenburger Str. 132, 31582 Nienburg, Germany

Name and Registered Office	Place of Registration and Registration Number	Date of Incorporation	Domicile and Legal Form	Country and Legislation of Incorporation	Principal Activity	Officers and Management	Secretary	Business Address
Ardagh Glass GmbH Große Drakenburger Str. 132, 31582 Nienburg, Germany +49502185124	Germany HRB 30704	November 26, 2002	Germany—Private Company	Germany, incorporated under the Limited Liability Companies Code § 7 (GmbHG)	Manufacturing Glass Containers, Sales and Distribution	**Management:** Reiner Brand, Michael Kennedy, Johannes Gorter, Reinhard Wilhelm **Supervisory:** Niall Wall, David Currie, John Riordan, Wolfgang Baertz, Patrick Eamon King, Jens Preuss, Hans Diekmann, Dieter Schmidt, Gerhardt Enninga, Andreas Strassburg, Gunther Brocker, Martin Petersson	N/A	Große Drakenburger Str. 132, 31582 Nienburg, Germany
Heye International GmbH Lohplatz 1, D 31683, Obernkirchen, Germany +49572426452	Germany HRB 2047	May 29, 2001	Germany—Private Company	Germany, incorporated under the Limited Liability Companies Code § 7 (GmbHG)	Manufacturing of Equipment for the Glass Container Industry	Dirk Portner, David Wall, Patrick Eamon King, Brían J. Butterly	N/A	Lohplatz 1, D 31683, Obernkirchen, Germany
Schaumburger Formenbau GmbH Lohplatz 1, D 31683, Obernkirchen, Germany +495724260	Germany HRB 2147	November 13, 1997	Germany—Private Company	Germany, incorporated under the Limited Liability Companies Code § 7 (GmbHG)	Management and Leasing of Property Mould Manufacturing and Engineering	Thomas Becker, David Wall, Brían J. Butterly	N/A	Lohplatz 1, D 31683 Obernkirchen, Germany
Heye Beteiligungs GmbH & Co. KG Lohplatz 1, D 31683, Obernkirchen, Germany +49572426452	Germany HRB 200011	October 14, 2005	Germany—Private Company	Germany, incorporated under the Commercial Code § 161 (HGB)	Holding Company	OGB Obernkirchener Grundstucksbeteiligungs GmbH	N/A	Lohplatz 1, D 31683 Obernkirchen, Germany
Ardagh Glass SrL Zona Industriale s.s. Trinita, 1 − 64046 Montorio al Vomano, Italy +39086159511	Italy 00924450679	February 22, 1996	Italy—Private Company	Italy, regulated by Article 2462 of the Italian Civil Code approved by Royal Decree on March 16, 1962	Production and Sale of Glass Containers	Niall Wall, David Currie, John Riordan, Martin Petersson, Patrick Eamon King, Brían J. Butterly	N/A	Zona Industriale s.s. Trinita 1 - 64046 Montorio al Vomano, Italy
Ardagh Glass Limmared AB 514 83 Limmared, Sweden +4640209300	Sweden 556049-8833	April 16, 1947	Sweden—Private Company	Sweden, under the Companies Act (SW.AKTIEBOLAGSLAGEN 2005: 551)	Manufacturing and Distribution of Glass Containers and Related Activities	Niall Wall, John Riordan, Martin Petersson, Bo Lennart Nilsson, Patrick Eamon King, Olle Jideborn, Leif Patrick Johanson, Brían J. Butterly	N/A	514 83 Limmared, Sweden

Name and Registered Office	Place of Registration and Registration Number	Date of Incorporation	Domicile and Legal Form	Country and Legislation of Incorporation	Principal Activity	Officers and Management	Secretary	Business Address
Ardagh Glass Denmark ApS Glasvaerksvej Sz Fensmart 4684 Holmegaard, Denmark +4555532181	Denmark 30355229	April 25, 2007	Denmark—Private Company	Denmark, Danish Private Companies Act No. 650 at 15 June 2006	Holding Company and Provider of Funding	Paul Coulson, Niall Wall, John Riordan, Martin Petersson, Brían J. Butterly	N/A	Glasvaerksvet SZ Fensmart 684, Holmegaard, Denmark
Ardagh Glass Holmegaard AS Glasvaerksvej Sz Fensmart 4684 Holmegaard, Denmark +4555532181	Denmark 18445042	March 28, 1995	Denmark—Private Company	Denmark, Danish Private Companies Act No. 650 at 15 June 2006	Glass Container Manufacturing, Distribution and Related Activities	Niall Wall, John Riordan, Johan Gorter, Michael Kennedy, Kim Holmberg Hansen, Patrick Eamon King, Martin Petersson, Brían J. Butterly	N/A	Glasvaerksvej Sz Fensmart 4684 Holmegaard, Denmark
Ardagh Glass Netherlands B.V. Eindsestraat 133, 5105 NA Dongen, The Netherlands +31135792911	Netherlands 1428636	April 16, 2007	Netherlands—Private Company	Netherlands, incorporated according to Boek Twee van Het Burgerlijk Wetboek 2 Titel 5	Holding Company and Provider of Capital and Advice	Niall Wall, Johan Gorter, Brían J. Butterly, John van Gils, John Riordan, John Vissers	N/A	Eindsestraat 133, 5105 NA Dongen, The Netherlands
Ardagh Glass Netherlands Finance B.V. Eindsestraat 133, 5105 NA Dongen, The Netherlands +31135792911	Netherlands 1428642	April 16, 2007	Netherlands—Private Company	Netherlands, incorporated according to Boek Twee van Het Burgerlijk Wetboek 2 Titel 5	Provider of Finance and Administration Services	Niall Wall, John Riordan, John van Gils, John Vissers, Brían J. Butterly, Johan Gorter	N/A	Eindsestraat 133, 5105 NA Dongen, The Netherlands
Ardagh Glass Finance BV Eindsestraat 133, 5105 NA Dongen, The Netherlands +31135792911	Netherlands 33226415	June 25, 2003	Netherlands—Private Company	Netherlands, incorporated according to Boek Twee van Het Burgerlijk Wetboek 2 Titel 5	Provider of Finance and Management Services	John Vissers, John van Gils	N/A	Eindsestraat 133, 5105 NA Dongen, The Netherlands
Ardagh Glass Dongen B.V. Eindsestraat 133, 5105 NA Dongen, The Netherlands +31135792911	Netherlands 18110358	November 17, 1961	Netherlands—Private Company	Netherlands, incorporated according to Boek Twee van Het Burgerlijk Wetboek 2 Titel 5	Manufacturing and Distribution of Glass Containers and Related Activities	Brendan Gorey, Johan Gorter, Michael Kennedy, John Vissers	N/A	Eindsestraat 133, 5105 NA Dongen, The Netherlands
Ardagh Glass Moerdijk B.V. Eindsestraat 133, 5105 NA Dongen, The Netherlands +31135792911	Netherlands 33178991	October 18, 1946	Netherlands—Private Company	Netherlands, incorporated according to Boek Twee van Het Burgerlijk Wetboek 2 Titel 5	Provider of Finance and Administration Services	Brendan Gorey, Johan Gorter, Michael Kennedy, John Vissers	N/A	Eindsestraat 133, 5105 NA Dongen, The Netherlands

Name and Registered Office	Place of Registration and Registration Number	Date of Incorporation	Domicile and Legal Form	Country and Legislation of Incorporation	Principal Activity	Officers and Management	Secretary	Business Address
Ardagh Glass Ujscie SA ul Huty Szkla 2, 64 850 Ujście, Poland +48672109115	Poland 00000602236	September 6, 1997	Poland—Private Company	Poland, incorporated under the Companies Act of 1934 and replaced by the 2000 Act.	Manufacturing and Distribution of Glass Containers and Related Activities	Niall Wall, John Riordan, Michael Kennedy, Patrick Eamon King, Ryszard Piotrowski, Johan Gorter, Ben Roche, Brían J. Butterly	N/A	ul Huty Szkla 2, 64 - 850 Ujście, Poland
Ardagh Glass Gostyn SA ul Starogostynska 9, 63 800 Gostyn, Poland +48655728505	Poland 0000064606	November 14, 1996	Poland—Private Company	Poland, incorporated under the Companies Act of 1934 and replaced by the 2000 Act.	Manufacturing and Distribution of Glass Containers and Related Activities	Niall Wall, John Riordan, Johan Gorter, Patrick Eamon King, Ryszard Piotrowski, Ben Roche, Brían J. Butterly	N/A	ul Starogostynska 9, 63 - 800 Gostyn, Poland
Ardagh Glass Wyszkow SA ul Zakolejowa 23, 07 200 Wyszków, Poland +4829743510	Poland 0000006323	April 14, 1998	Poland—Private Company	Poland, incorporated under the Companies Act of 1934 and replaced by the 2000 Act.	Manufacturing and Distribution of Glass Containers and Related Activities	Niall Wall, John Riordan, Johan Gorter, Patrick Eamon King, Ryszard Piotrowski	N/A	ul Zakolejowa 23, 07 200 Wyszków, Poland
Ardagh Glass Sweden AB 514 83 Limmared Sweden +4640209300	Sweden 556723-5683	February 13, 2007	Sweden—Private Company	Sweden, under the Companies Act (SW.AKTIEBOLAGSLAGEN 2005: 551)	Holding Company	Paul Coulson, Niall Wall, John Riordan, Martin Petersson, Brían J. Butterly	N/A	514 83 Limmared, Malmo, Sweden
Ardagh Glass Sweden Finance AB 514 83 Limmared, Sweden +4640209300	Sweden 556717-7059	December 14, 2006	Sweden—Private Company	Sweden, under the Companies Act (SW.AKTIEBOLAGSLAGEN 2005: 551)	Holding Company and Provider of Finance	Paul Coulson, Niall Wall, John Riordan, Martin Petersson, Brían J. Butterly	N/A	514 83 Limmared, Malmo, Sweden
Enville Limited Elizabeth House, 1st & 2nd Floors, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW	Guernsey 43174	May 20, 2005	Guernsey—Private Company	Guernsey, under the Companies (Guernsey) Law, 2008, as amended	Property	C.L. Directors Limited	N/A	Elizabeth House, 1st & 2nd Floors, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW

ARDAGH GLASS HOLDINGS LIMITED

INDEX TO THE FINANCIAL STATEMENTS

CONSOLIDATED NON-STATUTORY FINANCIAL STATEMENTS OF ARDAGH GLASS HOLDINGS LTD 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 out 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 out 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 at 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 consolidated non-statutory 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 at 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.

BASIS OF PREPARATION (Continued)

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 moulds	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.

MOULDS

Moulds are classified into long-life moulds, which are included in property, plant and equipment and depreciated over 2 or 3 years, and short-life moulds, 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 at 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 AT 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 CASH FLOW STATEMENT
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.

NOTES TO THE CONSOLIDATED 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 moulds	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 moulds	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 Zloty. 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 CO_2 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 out 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 at 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 at 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 at 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 (Bayerische Hypo- und Vereinsbank) 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 follow:

	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 at 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 €'000	2007 €'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 at 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 at 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 at 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	2007
	€'000	€'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	2007
	€'000	€'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 out 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 at 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 at 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 Gostyn 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 Wyszkow 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

CONSOLIDATED NON-STATUTORY FINANCIAL STATEMENTS OF ARDAGH GLASS HOLDINGS LTD FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007 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 out 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 out 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 at 31 December 2007 and of the profit and cash flows of the group for the year then ended.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin, Ireland

25 March 2008

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

These consolidated non-statutory financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRS) and IFRIC interpretations.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.

The consolidated financial statements are presented in euro rounded to the nearest thousand. The consolidated financial statements have been prepared under the historical cost convention except for derivatives, pension obligations and share based payments which are presented on a fair value basis.

Standards, amendment and interpretations effective in 2007

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements—Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the group's financial instruments, or the disclosures relating to taxation and trade and other payables.

IFRIC 8, 'Scope of IFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the group's financial statements.

IFRIC 10, 'Interim financial reporting and impairment', prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the group's financial statements.

Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the group's operations:

Revised guidance on implementing IFRS 4, 'Insurance contracts';

IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies'; and

IFRIC 9, 'Re-assessment of embedded derivatives'.

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 2008 or later periods, but the group has not early adopted them:

- 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 but is currently not applicable to the group as there are no qualifying assets.

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 group will apply IFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management. As goodwill is allocated to groups of cash-generating units based on segment level, the change will also require management to reallocate goodwill to the newly identified operating segments. Management does not anticipate that this will result in any material impairment to the goodwill balance.

IFRIC 11, 'IFRS 2—Group and treasury share transactions'.

Effective for annual periods beginning on or after 1 March 2007, IFRIC 11 addresses two issues:

(a) whether certain transactions should be accounted for as equity-settled or as cash-settled under IFRS 2; and

(b) how share-based payment arrangements that affect more than one company in a group are accounted for in each company's financial statements.

The Group will apply IFRIC 11 from 1 January 2008. It is not expected to have a material effect on the Group's financial statements.

- IFRIC 14, 'IAS 19—The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the 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. The Group will apply IFRIC 14 from 1 January 2008, but it is not expected to have any material impact on the Group's accounts.

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 2008 or later periods but are not relevant for the group's operations:

- IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the group's operations because none of the group's companies provide for public sector services.
- IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to the group's operations because none of the group's companies operate any loyalty programmes.

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 glass container manufacturing and technology business. 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 19 March 2007.

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 remeasured 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.

(ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as at fair value through profit or loss, and changes in the fair value of these derivative instruments are recognised immediately in 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 stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

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 moulds	2 or 3 years
Office equipment and vehicles	3–10 years

The residual value, if not insignificant, is reassessed annually.

MOULDS

Moulds are classified into long-life moulds, which are included in property, plant and equipment and depreciated over 2 or 3 years, and short-life moulds, 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) 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.

(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 available-for-sale 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 Group 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.

(vii) 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.

(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 both 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 costs 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.

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.

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 at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

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 has 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.

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.

FINANCE EXPENSE

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on hedging instruments that are recognised in the income statement.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

FINANCING INCOME

Financing income comprises 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 recognized 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.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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. During 2006 the primary segments were analysed on a business segment basis. However, with the acquisition in 2007 of Rexam plc's Glass Division, the business is now shown on a geographic segment basis and the figures for 2006 have been restated.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	31 December 2007	31 December 2006
		€'000	€'000
Revenue	*2*	1,024,974	647,456
Cost of sales	*3*	(901,367)	(620,122)
Gross profit		123,607	27,334
Sales, general and administration expenses	*3*	(57,622)	(32,959)
Other income and expenses	*5*	(8,914)	8,824
Operating profit		57,071	3,199
Finance expense	*6*	(69,677)	(37,789)
Finance income	*6*	16,647	11,397
Share of profit of joint venture	*10*	340	288
Profit/(Loss) before tax		4,381	(22,905)
Income tax credit	*7*	195	6,170
Profit/(Loss) for the year		4,576	(16,735)
Attributable to:			
Equity holders		4,209	(17,067)
Minority interest	*22*	367	332
		4,576	(16,735)

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 2007

	Note	31 December 2007	31 December 2006
		€'000	€'000
Profit/(Loss) for the year		4,576	(16,735)
Foreign currency translation adjustments		(3,898)	1,457
Pension scheme actuarial gain	*18*	3,877	16,781
Deferred taxation on actuarial gain	*15*	(1,155)	(4,952)
Cash flow hedges (loss)/gain	*14*	(1,021)	1,055
Total recognised income and expense for the year		2,379	(2,394)
Attributable to:			
Equity holders		2,012	(2,726)
Minority interest	*22*	367	332
		2,379	(2,394)

The notes to the Consolidated Financial Statements are an integral part of these Financial Statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	31 December 2007	31 December 2006
		€'000	€'000
ASSETS			
Non-current assets			
Goodwill	*8*	64,576	54,826
Other intangible assets	*8*	14,234	282
Property, plant and equipment	*9*	817,957	252,399
Investment in joint venture	*10*	1,859	1,619
Other investments		726	—
Deferred tax assets	*15*	12,513	9,232
		911,865	318,358
Current assets			
Inventories	*11*	231,598	121,445
Trade and other receivables	*12*	194,550	113,656
Derivative financial instrument	*14*	116	287
Cash and cash equivalents	*24*	62,634	68,023
		488,898	303,411
Total assets		1,400,763	621,769
LIABILITIES			
Non-current liabilities			
Borrowings	*14*	858,284	281,333
Deferred income—government grants	*16*	5,875	2,935
Retirement benefit obligations	*18*	46,798	27,925
Deferred tax liability	*15*	103,843	17,669
Derivative financial instruments	*14*	850	—
		1,015,650	329,862
Current liabilities			
Borrowings	*14*	49,781	44,066
Deferred income—government grants	*16*	1,052	470
Trade and other payables	*13*	204,745	138,006
Provisions for other liabilities and charges	*17*	13,728	5,004
Current income tax payable		10,646	1,411
		279,952	188,957
TOTAL LIABILITIES		1,295,602	518,819
NET ASSETS		105,161	102,950
EQUITY			
Share premium		—	—
Reserves	*20*	102,558	100,546
		102,558	100,546
Minority interest	*22*	2,603	2,404
TOTAL EQUITY		105,161	102,950

The notes to the Consolidated Financial Statements are an integral part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	31 December 2007	31 December 2006
		€'000	€'000
Cash flows generated from operating activities			
Cash generated from operations	*23*	170,474	53,266
Net interest paid		(49,629)	(24,967)
Income tax paid		(5,332)	(1,070)
Net cash generated from operating activities		115,513	27,229
Cash flows from investing activities			
Acquisition of subsidiary net of cash acquired	*25*	(602,377)	—
Acquisition costs paid	*25*	(11,770)	—
Acquisition of minority interest in HSU	*22*	—	(280)
Dividends from joint venture	*10*	100	220
Purchase of property, plant and equipment	*9*	(99,196)	(32,460)
Purchase of software	*8*	(225)	(166)
Proceeds from disposal of property, plant and equipment	*23*	2,350	47
Net cash used in investing activities		(711,118)	(32,639)
Cash flows from financing activities			
Net movement on borrowings		618,325	7,123
Deferred finance costs paid		(23,081)	—
Capital element of finance lease payments		(5,311)	(4,619)
Net cash used in financing activities		589,933	2,504
Net(decrease)/increase in cash and cash equivalents		(5,672)	(2,906)
Cash and cash equivalents at beginning of the period	*24*	68,023	70,768
Exchange gains/(losses) on cash and bank overdrafts		283	161
Cash and cash equivalents at end of the year	*24*	62,634	68,023

The notes to the Consolidated Financial Statements are an integral part of these Financial Statements.

NOTES TO THE CONSOLIDATED 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.

(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 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 world wide 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.

(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).

1. Critical accounting estimates and judgements (Continued)

(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) Share-based payments

The determination of the fair value of awards under the stock option plan involves the use of judgements and estimates. The fair value has been estimated using the Black-Scholes option pricing model in accordance with the judgemental assumptions set out in Note 21.

(h) 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 €1,025.0 million for sales of goods during 2007. 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 2007, the Group is organised into three main geographic segments:

(1) Eurozone

(2) United Kingdom; and

(3) Other

During 2006 the primary segments were analysed on a business segment basis. However, with the acquisition in 2007 of Rexam plc's Glass Division, the business is now shown on a geographic segment basis and the figures for 2006 have been restated.

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	16,823	38,552	9,891	(8,195)	57,071
Finance expense (Note 6)					(69,677)
Finance income					16,647
Share of profit of joint venture	340				340
Profit before income tax					4,381
Income tax					195
Profit for the year					4,576

The segment results for the year ended 31 December 2006 are as follows:

	Restated Eurozone	Restated United Kingdom	Restated Other	Restated Unallocated	Restated Total
	€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	202,075	405,362	41,418	—	648,855
Inter-segment revenue	(1,399)	—	—	—	(1,399)
Revenue	200,676	405,362	41,418	—	647,456
Operating profit	10,664	(6,041)	3,170	(4,594)	3,199
Finance expense (Note 6)					(37,789)
Finance income					11,397
Share of profit of joint venture	288				288
Loss before income tax					(22,905)
Income tax					6,170
Loss for the year					(16,735)

2. Segmental analysis (Continued)

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.

Included in Eurozone is €nil (2006:€2,153,000) of revenue recognised according to the percentage-of-completion method. €nil (2006:€1,100,000) 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 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)

	Year ended 31 December 2006				
	Restated Eurozone	Restated United Kingdom	Restated Other	Restated Unallocated	Restated Total
	€'000	€'000	€'000	€'000	€'000
Depreciation	7,528	47,625	2,673	80	57,906
Amortisation—intangible assets	121	—	70	6	197
Amortisation—government grants	(12)	(458)	—	—	(470)
Impairment charge	—	(1,909)	—	—	(1,909)
Settlement gain on pension	—	19,269	—	—	19,269

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) including additions resulting from acquisitions through business combinations (Note 25).

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
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

The segment assets and liabilities at 31 December 2006 and capital expenditure for the year then ended are as follows:

	Restated Eurozone	Restated United Kingdom	Restated Other	Restated Unallocated	Restated Total
	€'000	€'000	€'000	€'000	€'000
Assets	126,065	417,245	28,371	48,469	620,150
Investment in Joint Venture	1,619	—	—	—	1,619
Total assets	127,684	417,245	28,371	48,469	621,769
Liabilities	(63,198)	(267,157)	(5,886)	(182,578)	(518,819)
Capital expenditure	6,199	23,852	2,547	28	32,626

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

	2007	Restated 2006
	€'000	€'000
Glass Manufacturing	963,228	579,463
Glass Technology	61,746	67,993
	1,024,974	647,456

2. Segmental analysis (Continued)

Total assets

	2007	Restated 2006
	€'000	€'000
Glass Manufacturing	1,341,319	526,900
Glass Technology	36,026	46,400
Unallocated	21,559	46,850
	1,398,904	620,150

Capital expenditure

	2007	Restated 2006
	€'000	€'000
Glass Manufacturing	95,548	29,271
Glass Technology	1,401	3,327
Unallocated	2,472	28
	99,421	32,626

3. Expenses by nature

	2007	2006
	€'000	€'000
Depreciation and amortisation	101,153	58,103
Amortisation of capital grants	(777)	(470)
Changes in inventories of finished goods and work in progress	(16,729)	(15,876)
Freight	56,740	39,022
Secondary processing	14,701	13,082
Variable production cost	269,558	188,312
Fixed production cost	359,786	239,649
Production cost non-glass	64,054	62,031
Warehousing	39,694	40,665
Stock revaluation	15,184	(6,342)
Ware purchases—third parties	74	67
Research and development	—	2,894
Other	55,551	31,944
Total cost of sales, sales, general and administration expenses	958,989	653,081
Average number of employees		
Production	5,594	2,922
Administration	786	549
	6,380	3,471

4. Employee benefit expense

	2007	2006
	€'000	€'000
Wages and salaries	189,654	111,447
Social security costs	25,672	13,906
Pension costs	9,113	9,525
Termination benefits	8,786	7,163
	233,225	142,041

5. Other income and expenses

	2007	2006
	€'000	€'000
Non trade related legal costs	—	(1,209)
Termination benefits	(8,786)	(7,163)
Profit on disposal of property, plant & equipment	—	47
Impairment of property, plant & equipment	—	(1,909)
Other	(128)	(211)
Settlement gain on pension	—	19,269
	(8,914)	8,824

6. Finance income and expense

	2007	2006
	€'000	€'000
Interest expense		
—8⅞% Senior Notes due 2013	16,963	16,918
—7.125% Senior Notes due 2017	13,145	—
—Bank loans, overdrafts and revolving credit facilities	20,903	6,794
—Invoice discounting facilities	2,645	2,559
—Finance leases	2,658	3,010
—Interest cost on pension plan liabilities	11,987	8,508
—Foreign exchange losses	1,376	—
Finance costs	69,677	37,789

	2007	2006
	€'000	€'000
Interest income		
—Short term bank deposits	3,164	1,730
—Expected return on plan assets	13,483	9,667
Finance income	16,647	11,397

7. Income tax credit

	2007	2006
	€'000	€'000
Current tax	11,813	3,203
Deferred tax	(12,008)	(9,373)
	(195)	(6,170)

The tax on the Group's profit/(loss) 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:

	2007	2006
	€'000	€'000
Profit/(Loss) before tax	4,381	(22,905)
Profit/(Loss) on ordinary activities multiplied by weighted effective current tax rate of the Group: 30.2% (2006 29.1%)	1,323	(6,664)
Non-deductible items	1,409	2,801
Utilization of previously unrecognised tax losses	(4,297)	(6,529)
Effect of movements in tax rates	(3,329)	—
Tax losses for which no deferred income tax asset was recognised	3,716	3,227
Adjustment in respect of prior years	1,033	936
Profits taxable at non-standard rate	(50)	59
Total tax credit for the financial year	(195)	(6,170)

During the year, as a result of changes in United Kingdom and Germany corporation tax rates which will become effective in 2008, deferred tax balances have been remeasured.

8. Goodwill and intangible assets

	Goodwill	Software	Other	Customer Related	
	€'000	€'000	€'000	€'000	€'000
At 1 January 2006					
Cost	54,839	1,112	531	—	56,482
Accumulated amortisation and impairment	—	(856)	(474)	—	(1,330)
Net book amount	54,839	256	57	—	55,152
Year ended 31 December 2006					
Opening net book amount	54,839	256	57	—	55,152
Exchange differences		1	(1)	—	—
Additions	—	166	—	—	166
Disposals	(13)	—	—	—	(13)
Amortisation charge	—	(157)	(40)	—	(197)
Closing net book amount	54,826	266	16	—	55,108
At 31 December 2006					
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 31 December 2007					
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

The useful lives of intangible assets other than goodwill are finite and range from 3 to 5 years. Amortisation is recognised as an expense within cost of sales in the Group Income Statement.

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.

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 business segment into which the

8. Goodwill and intangible assets (Continued)

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 (2006: 4) of cash-generating units have been identified and a segment-level summary of the goodwill allocation is presented below:

	2007	2006
	€'000	€'000
Eurozone—Glass Manufacturing	14,860	8,816
United Kingdom—Glass Manufacturing	46,010	46,010
Other—Glass Manufacturing	3,706	—
	64,576	54,826

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 business 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 71% of the total carrying amount of €64.6 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	46,010
Basis of recoverable amount	Value in use
Discount rate applied	15%
Excess of value-in-use	168,036

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 moulds	Office equipment and vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2006	121,317	462,073	30,813	9,956	624,159
Additions	1,193	21,262	8,787	1,218	32,460
Disposals	(16)	(514)	(8,742)	(450)	(9,722)
Transfers	—	1,115	70	(1,185)	—
Exchange movement	2,040	8,833	496	170	11,539
At 31 December 2006	124,534	492,769	31,424	9,709	658,436
Depreciation					
At 1 January 2006	(28,468)	(300,124)	(12,696)	(7,022)	(348,310)
Charge for the year	(3,722)	(39,393)	(13,413)	(1,378)	(57,906)
Disposals	16	178	8,608	345	9,147
Transfers	—	(1,310)	103	1,207	—
Impairment	—	(409)	(1,493)	(7)	(1,909)
Exchange movement	(468)	(7,225)	(249)	883	(7,059)
At 31 December 2006	(32,642)	(348,283)	(19,140)	(5,972)	(406,037)
Net book value					
At 31 December 2006	91,892	144,486	12,284	3,737	252,399
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

Depreciation expense of €96,164,000 (2006: €57,074,000) has been charged in cost of sales and €1,932,000 (2006:€ 832,280) in sales, general and administrations 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 and €1,909,000 in 2007 and 2006, respectively. 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 €69,025,000 (2006: €9,700,000).

The depreciation charge for capitalised leased assets was €10,154,000 (2006: €13,545,000) and the related finance charges amounted to €2,161,000 (2006: €1,909,000). The net carrying amount by class of assets at each Balance Sheet date is as follows:

	2007	2006
	€'000	€'000
Land and buildings	14,404	17,020
Property, plant and equipment	25,726	35,198
Office equipment and vehicles	194	285
	40,324	52,503

Operating lease commitments

Operating lease rentals amounting to €7,483,000 (2006: €10,232,000) relating to the lease of plant and equipment are included in the income statement.

At 31 December 2007 the Group had annual commitments under non-cancellable operating leases which expire:

	2007	2006
	€'000	€'000
Within 1 year	3,501	581
Within 2–5 years inclusive	7,051	1,425
After 5 years	6,673	2,650
	17,225	4,656

An impairment charge of €1,909,000 was recognised in 2006 relating to the November 2006 furnace closure at the Barnsley plant.

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:

	2007	2006
	€'000	€'000
Contracted for	18,988	6,863
Not contracted for	35,103	9,106
	54,091	15,969

10. Investment in joint venture

	2007	2006
	€'000	€'000
At 1 January	1,619	1,551
Share of retained profit for the financial year	340	288
Dividends received	(100)	(220)
At 31 December	1,859	1,619

	2007	2006
	€'000	€'000
Share of gross assets	1,869	1,626
Share of gross liabilities	(692)	(689)
Goodwill	682	682
	1,859	1,619

11. Inventories

	2007	2006
	€'000	€'000
Raw materials and consumables	65,272	32,035
Short-life moulds	29,330	2,077
Work in progress	2,709	1,731
Finished goods	134,287	85,602
	231,598	121,445

12. Trade and other receivables

	2007	2006
	€'000	€'000
Trade receivables	186,159	106,538
Less: provision for impairment of trade receivables	(2,463)	(1,662)
Trade receivables—net	183,696	104,876
Other receivables and prepayments	10,854	8,780
	194,550	113,656

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 2007, trade receivables of €28,262,000 (2006: 21,276,000) 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:

	2007	2006
	€'000	€'000
Up to 3 months	24,973	19,867
3–6 months	1,417	1,015
Over 6 months	1,872	394
	28,262	21,276

The Group has recognised a provision of €2,463,000 (2006: €1,662,000) for the impairment of its trade receivables during the year ended 31 December 2007. The creation and usage of provision for impaired receivables have been included in 'sales, general and administration expenses' in the income statement.

	2007	2006
	€'000	€'000
Up to 3 months	21	—
3–6 months	167	283
Over 6 months	2,275	1,379
	2,463	1,662

13. Trade and other payables

	2007	2006
	€'000	€'000
Trade payables	129,242	90,962
Other payables and accruals	62,837	31,154
Customer deposits	4,608	11,358
Amounts owed to joint ventures	368	24
VAT payable	784	1,395
Other tax and social security payable	6,906	3,113
	204,745	138,006

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 2007 and 2006, 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 2007, the Group's borrowings were 86% fixed (after including the impact of interest rate swaps) with a weighted average interest rate of 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 Zloty. 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.

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

14. Financial assets and liabilities (Continued)

price of crude oil varying from $50 up to $100 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. 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 arrangments directly with its suppliers. Ardagh typically hedges in tranches of 10% of volumes. The remaining volumes can be left unhedged in order to take advantage of spot market opportunities that could lead to an overall reduction of energy costs.

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.

The Group's 10 largest customers accounted for approximately 37% of glass container revenues for the year ended 31 December 2007. These customers all have grade 'B' ratings or better.

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:

- 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 2007 the ratio for the Group was 4.7 times.

14. Financial assets and liabilities (Continued)

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 out below. At each year end, the Group's rolling liquidity reserve (which comprises cash and undrawn 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 2007		Undrawn Amount
		Local currency (millions)			Local currency (millions)	€ (millions)	€ (millions)
7.125% Senior Notes due 2017	EUR	310.0	15 Jun 2017	Bullet	310.0	310.0	—
8⅞% Senior Notes due 2013	EUR	175.0	1 Jul 2013	Bullet	175.0	175.0	—
Anglo Senior Secured Facility—Acquisition	EUR	294.7	21 Jun 2014	Amortising/ Bullet	289.0	289.0	—
Anglo Senior Secured Facility—Capex & Restructuring	EUR	50.0	21 Jun 2014	Bullet	—	—	50.0
Anglo Senior Secured Facility—Revolving Credit Facility	EUR	150.0	21 Jun 2014	Revolving	59.9	59.9	90.1
Ardagh Glass Ltd Anglo Irish Senior Secured Credit Facility	GBP	65.0	21 Jun 2014	Amortising	50.0	67.8	—
Ardagh Glass Ltd Barclays Invoice Discounting Agreement	GBP	35.0	31 Mar 2009	Revolving	2.3	3.2	44.2
HVB Heye International Working Capital and Performance Guarantee Credit Lines	EUR	1.0	31 May 2008	Revolving	—	—	1.0
Zachodni WBK S.A.Overdraft	PLN	5.0	08 Mar 2008	Revolving	—	—	1.3
HSU Pekao S.A. Overdraft	PLN	5.0	31 Jan 2008	Revolving	—	—	1.3
Ardagh Glass Ltd Finance Lease Real Estate	GBP	11.5	24 May 2020	Amortising	10.2	13.8	—
Ardagh Glass Ltd Finance Lease Plant and Equipment	GBP	17.0	24 May 2012	Amortising	11.8	16.0	—
Finance lease arrangements	EUR/PLN			Amortising		0.5	—
Deferred financing costs						(27.1)	—
Total borrowings/Undrawn facilities						908.1	187.9
Cash at bank and in hand						(62.6)	62.6
Net borrowings/Available liquidity						845.5	250.5

As at 31 December 2007 the Group had undrawn credit lines of up to €187.9 million at its disposal together with cash resources of €62.6 million giving rise to available liquidity of €250.5 million.

The maturity analysis of the Group's other borrowings is as follows:

	2007	2006
	€'000	€'000
Within 1 year or on demand	49,781	44,066
Between 1 and 2 years	17,606	11,990
Between 2 and 5 years	229,438	34,589
Greater than 5 years	611,240	234,754
	908,065	325,399

14. Financial assets and liabilities (Continued)

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 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 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	—	—	—

At 31 December 2006	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€'000	€'000	€'000	€'000
Borrowings	69,138	36,703	88,735	253,339
Derivative financial instruments	—	—	—	—
Trade and other payables	138,006	—	—	—

The carrying amount and fair value of the non-current borrowings are as follows:

	Carrying Value		Fair Value	
	2007	2006	2007	2006
8⅞% Senior Notes due 2013	170,488	168,179	167,504	150,100
7.125% Senior Notes due 2017	297,143	—	252,572	—
Bank loans, overdrafts and revolving credit facilities	407,310	94,146	352,863	93,859
Invoice discounting facilities	3,172	25,150	3,172	25,150
Finance leases	29,952	37,924	29,952	37,924
	908,065	325,399	806,063	307,033

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 €349 million of which remains outstanding as at 31 December 2007. 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 £50 million of which remains outstanding as at 31 December 2007. In March 2006 the terms of this facility were amended to suspend the interest cover covenant until March 2009 and the term of the loan was extended until December 2014. Effective as of June 2007 the terms of this facility were further 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 (Bayerische Hypo- und Vereinsbank) 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.

HSU Zachodni WBK S.A. Overdraft & HSU Pekao S.A. Overdraft

WBK S.A. and Pekao S.A. have each made overdraft facilities of up to PLZ 5.0 million available to HSU. These facilities are secured by a charge over certain receivables and inventory. Interest charges are based on WIBOR plus a margin.

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:

	2007	2006
	€'000	€'000
Within 1 year	385,968	80,110
1–5 years	33,880	40,951
Greater than 5 years	488,217	204,338
	908,065	325,399

The effective interest rates at the balance sheet date are as follow:

	2007			2006		
	€	£	PLZ	€	£	PLZ
7.125% Senior Notes due 2017	7.73%			—	—	—
8⅞% Senior Notes due 2013	9.39%	—	—	9.39%	—	—
Bank overdrafts	—	—	—	—	6.50%	5.32%
Invoice discounting	—	6.50%	—	4.80%	6.65%	—
Bank borrowings	6.88%	6.80%	—	5.79%	6.90%	—

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2007	2006
	€'000	€'000
Euro	811,850	195,210
Pound Sterling	96,215	129,569
Polish Zloty	—	620
	908,065	325,399

The Group has the following undrawn borrowing facilities:

	2007	2006
	€'000	€'000
Floating rate:		
—Expiring within one year	47,800	27,600
—Expiring beyond one year	140,100	45,800
	187,900	73,400

The facilities expiring within one year are annual facilities subject to review at various dates during 2008.

14. Financial assets and liabilities (Continued)

Derivative financial instruments:

	2007		2006	
	Assets	Liabilities	Assets	Liabilities
	€'000	€'000	€'000	€'000
Current				
Interest rate swaps—cash flow hedges	116	—	287	—
Non-current				
Interest rate swaps—cash flow hedges	—	(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 2007 were €241,000,000. (2006: €44,000,000).

At 31 December 2007, the fixed interest rates vary from 4.515% to 5.15% and the main floating rates are EURIBOR and LIBOR.

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:

	2007	2006
	€'000	€'000
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	12,513	9,232
Deferred tax liability		
Deferred tax liability to be recovered after more than 12 months	(103,843)	(17,669)
	(91,330)	(8,437)

The gross movement on the deferred income tax account is as follows:

	2007	2006
	€'000	€'000
At 1 January	(8,437)	(12,578)
Acquired	(94,334)	—
Income statement credit	12,008	9,373
Tax (credited) to equity	(1,155)	(4,952)
Exchange movement	588	(280)
At 31 December	(91,330)	(8,437)

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 2006	(29,972)	(1,219)	(53)	(31,244)
Credited to the income statement	14,211	—	—	14,211
Exchange movement	(611)	(25)	—	(636)
At 31 December 2006	(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)

Deferred tax assets

	Pension	Other	Total
	€'000	€'000	€'000
At 1 January 2006	18,049	617	18,666
Credited/(charged) to the income statement	(5,398)	560	(4,838)
Charged to equity	(4,952)	—	(4,952)
Exchange movement	356	—	356
At 31 December 2006	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

The deferred income tax credited to equity during the year was €1,211,000 (2006: €4,952,000) related to the actuarial loss on the pension schemes.

The Group did not recognise deferred income tax assets of €3,716,000 (2006: €3,227,000) in respect of losses amounting to €13,431,000 (2006: €10,755,000) that can be carried forward against future taxable income.

16. Deferred income—government grants

	2007	2006
	€'000	€'000
At 1 January	3,405	3,812
Acquired	4,524	—
Amortisation for the year	(777)	(470)
Exchange movement	(225)	63
At 31 December	6,927	3,405
Classified as:		
Deferred income—current liability	1,052	470
Deferred income—non-current liability	5,875	2,935
	6,927	3,405

17. Provisions for other liabilities and charges

	2007		2006	
	Other	Employee-related	Other	Employee-related
	€'000	€'000	€'000	€'000
At 1 January	87	4,917	489	5,565
Acquired	1,338	6,576	—	—
Provided during the year	2,885	2,643	163	875
Released during the year	(99)	(193)	(483)	—
Utilised during the year	(325)	(2,265)	(77)	(1,564)
Exchange movements	41	(77)	(5)	41
At 31 December	3,927	11,601	87	4,917
Cash security	—	(1,800)	—	—
	3,927	9,801	87	4,917

Employee-related provisions include:

The Group has recognised obligations to pay employee-related benefits amounting to €11,601,000 (2006: €4,917,000).

All employee related provisions will crystallise as the service lives of the employees concerned comes to an end.

A provision of €193,000 relating to employee related provisions was released during the year.

Other provisions include:

(a) Provision in relation to possible environmental penalties in Poland €163,000 (2006: €87,000).

(b) Provision in relation to a customer quality claim in Poland €722,000 (2006: Nil)

(c) Provision in relation to possible environmental penalties in Germany €295,000 (2006: Nil)

(d) A restructuring provision in Germany €2,597,000 (2006: Nil)

(e) Provision in relation to possible environmental penalties in the Netherlands €150,000 (2006: Nil)

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.

	2007	2006
	€'000	€'000
Balance sheet obligations for:		
Pension benefits	46,798	27,925
	46,798	27,925

	2007	2006
	€'000	€'000
Income statement charge for:		
Pension benefits	9,113	9,525
	9,113	9,525

Pension Benefits

The amounts recognised in the balance sheet are determined as follows:

	2007	2006
	€'000	€'000
Present value of funded obligations	(256,830)	(174,141)
Fair value of plan assets	237,862	148,123
	(18,968)	(26,018)
Present value of unfunded obligations	(27,830)	(1,907)
Liability in the balance sheet	(46,798)	(27,925)

The amounts recognised in the income statement are as follows:

	2007	2006
	€'000	€'000
Current service cost	(10,609)	(11,018)
Finance income and expense	1,496	1,493
Total, included in staff costs (Note 4)	(9,113)	(9,525)

18. Retirement benefit obligations (Continued)

Of the current service cost, €959,000 (2006: €1,215,000) and €9,650,000 (2006: €9,803,000) were included in 'sales, general and administrations expenses' and 'cost of sales' respectively. Also in the prior year there was a settlement gain of €19,269,000 recognised in other income and expenses.

The actual return on plan assets was €12,518,000 (2006: €12,768,000).

The movement in the defined benefit obligation over the year is as follows:

	2007	2006
	€'000	€'000
Beginning of the year	(176,048)	(249,590)
Settlement	—	80,617
Arising on acquisition	(118,516)	—
Current service cost	(12,475)	(12,435)
Interest cost	(11,987)	(8,086)
Actuarial gains	4,842	13,591
Exchange differences	15,038	(5,436)
Contributions/benefits paid	14,486	5,291
End of the year	(284,660)	(176,048)

The movement in the fair value of plan assets over the year is as follows:

	2007	2006
	€'000	€'000
Beginning of the year	148,123	189,528
Settlement	—	(61,348)
Arising on acquisition	93,449	—
Expected return on plan assets	13,483	9,579
Actuarial (loss)/gain	(965)	3,189
Employer contributions	9,088	7,146
Employee contributions	1,866	1,417
Exchange differences	(12,926)	3,888
Contributions/benefits paid	(14,256)	(5,276)
End of the year	237,862	148,123

Plan assets are comprised as follows:

	2007	2006
	€'000	€'000
Equities	106,388	109,895
Target return funds	48,373	29,707
Bonds	57,786	7,330
Cash/other	25,315	1,191
	237,862	148,123

18. Retirement benefit obligations (Continued)

	2007	2006
	€'000	€'000
Actuarial gains recognised in the SORIE	3,877	16,781
The cumulative actuarial gains recognised in the SORIE	8,835	4,958

The principal pension assumptions used were as follows:

	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

	2006			
	Ireland	UK	Germany	Poland
	%	%	%	%
Rate of increase in salaries	4.00	3.40	1.80	1.25
Rate of increase in pensions	0.00	2.90	1.50	1.25
Discount rate	4.00	5.30	4.50	4.98
Expected return on plan assets	3.75	7.75	n/a	n/a

As at 31 December	2007	2006	2005	2004
	€	€	€	€
Present value of defined benefit obligations	(284,660)	(176,048)	(249,590)	(193,111)
Fair value of plan assets	237,862	148,123	189,528	148,163
Deficit	(46,798)	(27,925)	(60,062)	(44,948)

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. On 1 January 2006 one third of the Rockware pension deficit was derecognised. This has been treated as a settlement gain on the pension and as a result a credit of €19,269,000 has been recognised on the 'Other Income and Expense' line in the Income Statement. One third of the related deferred tax asset €5,887,000 was also derecognised on 1 January 2006. The net credit to the Income Statement amounted to €13,382,000.

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.

18. Retirement benefit obligations (Continued)

The Groups best estimate of contributions expected to be paid in 2008 is €7,660,000.

Ardagh believes the following information is pertinent in understanding the impact of the pension arrangements on the Group's financial condition and cashflows.

Rockware

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 that 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

Ardagh Glass Holdings Ltd	2007	2006
	€'000	€'000
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				
	Share Premium	Capital contribution	Reserves	Minority interest	Total
Balance at 1 January 2006	—	100,650	2,622	2,141	105,414
Foreign currency translation adjustments	—	—	1,457	—	1,457
Pension scheme actuarial gain	—	—	16,781	—	16,781
Deferred taxation on actuarial gain	—	—	(4,952)	—	(4,952)
Cash flow hedges	—	—	1,055	—	1,055
Net expenses recognised directly in equity	—	—	14,341	—	14,341
(Loss)/Profit for the year	—	—	(17,067)	332	(16,735)
Total recognised (expense)/income for 2006	—	—	(2,726)	332	(2,394)
Purchase of minority interest	—	—	—	(69)	(69)
	—	—	—	(69)	(69)
Balance as at 31 December 2006	—	100,650	(104)	2,404	102,950
Balance at 1 January 2007	—	100,650	(104)	2,404	102,950
Foreign currency translation adjustments	—	—	(3,898)	—	(3,898)
Pension scheme actuarial gain	—	—	3,877	—	3,877
Deferred taxation on actuarial (loss)	—	—	(1,155)	—	(1,155)
Cash flow hedges	—	—	(1,021)	—	(1,021)
Net income recognised directly in equity	—	—	(2,197)	—	(2,197)
Profit for the year	—	—	4,209	367	4,576
Total recognised (expense)/income for 2007	—	—	2,012	367	2,379
Dividend paid	—		—	(168)	(168)
Balance as at 31 December 2007	—	100,650	1,908	2,603	105,161

The cumulative amount of translation adjustments in equity is €0.7 million as at 31 December 2007 (2006: €10.1 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 2007 and 2006:

	2007	2006
	€'000	€'000
Income statement charge	150	23
Charge to equity	150	23

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

	2007	2006
	€'000	€'000
At 1 January	2,404	2,141
Purchase of minority interest in HSU	—	(69)
Dividends paid to minority interest in FFS	(168)	—
Profit for the financial year	367	332
At 31 December	2,603	2,404

23. Cash generated from operations

	2007	2006
	€'000	€'000
Profit/(loss) before tax	4,381	(22,905)
Adjustments:		
Depreciation and amortisation	101,153	58,103
Amortisation of capital grants	(777)	(470)
Net Finance costs	53,030	26,392
Profit on disposal of property, plant and equipment	(150)	(47)
Impairment of property, plant and equipment	—	1,909
Other	—	211
Share of profit of joint venture	(340)	(288)
	157,297	62,905
Changes in working capital:		
Inventories	24,914	(7,453)
Trade and other receivables	20,866	(9,573)
Trade and other payables	(32,603)	7,387
	13,177	(9,639)
Cash generated from operations	170,474	53,266

24. Cash and cash equivalents

	2007	2006
	€'000	€'000
Cash at bank and in hand	60,676	58,183
Restricted cash	678	—
Short term bank deposits	1,280	9,840
	62,634	68,023

The effective interest rate on short-term bank deposits was 4.78% (2006: 2.4%); these deposits have an average maturity of 30 days.

25. Business combination

Acquisition of Rexam plc's Glass Division

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.

A summary of the net assets acquired and related goodwill is set out 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

25. Business combination (Continued)

Goodwill

The goodwill is attributable to the significant synergies expected to arise after the Group's acquisition of the Rexam business.

26. Related party transactions

The following transactions were carried out with related parties:

(a) Yeoman Capital SA

As at 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 2007, the Group incurred costs of €1,250,000 relating to fees charged by the Yeoman group of companies.

(b) Key management compensation

	2007	2006
	€'000	€'000
Salaries and other short term employee benefits	3,805	3,661
Post employment benefits	296	362
	4,101	4,023

(c) Joint venture—Eura Glasrecycling GmbH

As at 31 December 2007, the Group owed €180,000 (2006: €24,000) to Eura Glasrecycling GmbH. During 2007 the Group received dividends of €100,000 (2006: €220,000) 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. 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 Denmark Holdings AS	Denmark	Investment holding	100
Ardagh Glass Holmegaard AS	Denmark	Glass container manufacture	100
Ardagh Glass Germany GmbH	Germany	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 Grundstücksverwaltungs 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 Finance Dublin 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 Gostyn 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 Wyszkow 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	81
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

INTERIM UNAUDITED NON-STATUTORY GROUP FINANCIAL INFORMATION OF ARDAGH GLASS HOLDINGS LTD FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2009

BASIS OF PREPARATION

The unaudited consolidated interim financial information has been prepared in accordance with the accounting policies of the non-statutory consolidated financial statements of Ardagh Glass Holdings Limited as set out on pages F-9 to F-19. The accounting policies and methods of computations and presentations adopted in the preparation of the financial information are consistent with those applied in the non-statutory consolidated financial statements of Ardagh Glass Holdings Limited for the financial year ended 31 December 2008 as described in those financial statements. This unaudited consolidated 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.

This unaudited consolidated financial information 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 2008, upon which the auditors have given an unqualified audit report, have been filed with the Registrar of Companies.

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 plc.

Adjustment to previously reported nine month results

Net finance expense for the nine months ended September 30, 2009 includes an expense of €5.3 million. As part of the pay down of the Anglo Senior Secured Facility arising from the issuance of the 2009 Senior Secured notes, a portion of the Group's interest rate swaps were no longer classified as hedging instruments. IFRS requires that any previous cumulative mark-to-market adjustments to the fair value of this derivative be removed from equity and charged directly to the Income Statement with no net impact on shareholder funds. This reclassification was not shown in the nine month results presented to Bondholders on November 17, 2009.

Principal activities

The Company was formed as a holding company for the Groups' glass container manufacturing and engineering businesses. It is the Parent Guarantor for €175,000,000 8⅞% Senior Notes due 2013 issued by Ardagh Glass Finance B.V., the 7.125% Senior Notes due 2017 and the 9.250% First Priority Senior Secured Notes due 2016 both issued by Ardagh Glass Finance plc.

The Company's Registered Office is:
4 Richview Office Park
Clonskeagh
Dublin 14
Ireland

This unaudited consolidated interim financial information has been approved for issue by the Board of Directors on 11 January 2010 after the reclassification of the derivatives not recognised as hedging instruments.

CONSOLIDATED INTERIM INCOME STATEMENT

(Unaudited)

	Note	Nine months ended			
		Before Other income and expenses 30 September 2009	Other income and expense 30 September 2009	30 September 2009	30 September 2008
		€'000	€'000	€'000	€'000
Revenue	*1*	935,207	—	935,207	1,027,920
Cost of sales	*2*	(825,902)	(2,048)	(827,950)	(886,886)
Gross profit		109,305	(2,048)	107,257	141,034
Sales, general and administration expenses		(47,094)	—	(47,094)	(57,165)
Other income and expense	*2*	—	(41,119)	(41,119)	(13,388)
Operating profit		62,211	(43,167)	19,044	70,481
Finance expense	*3*	(71,043)	(7,320)	(78,363)	(66,139)
Finance income	*3*	13,728	—	13,728	6,455
Share of profit of joint venture		410	—	410	441
Profit/(loss) before tax		5,306	(50,487)	(45,181)	11,238
Income tax charge		(1,323)	—	(1,323)	(1,593)
Profit/(loss) for the period		3,983	(50,487)	(46,504)	9,645
Attributable to:					
Equity holders		4,082	(50,487)	(46,405)	9,617
Minority interest		(99)	—	(99)	28
		3,983	(50,487)	(46,504)	9,645

The notes to the Unaudited Consolidated Interim Financial Information are an integral part of this Financial Information.

CONSOLIDATED INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Unaudited)

		Nine months ended			
	Note	Before Other income and expenses 30 September 2009	Other income and expense 30 September 2009	30 September 2009	30 September 2008
		€'000	€'000	€'000	€'000
Profit/(Loss) for the period		3,983	(50,487)	(46,504)	9,645
Foreign currency translation adjustments	*6*	5,558	—	5,558	(704)
Cash flow hedges (loss)/gain	*6*	(1,404)	—	(1,404)	624
Total recognised income and expense for the period		8,137	(50,487)	(42,350)	9,565
Attributable to:					
Equity holders		8,236	(50,487)	(42,251)	9,659
Minority interest		(99)	—	(99)	(94)
		8,137	(50,487)	(42,350)	9,565

The notes to the Unaudited Consolidated Interim Financial Information are an integral part of this Financial Information.

CONSOLIDATED INTERIM BALANCE SHEET

(Unaudited)

	Note	30 September 2009	30 September 2008
		€'000	€'000
ASSETS			
Non-current assets			
Goodwill		53,269	64,576
Other intangible assets		6,295	10,069
Property, plant and equipment		712,097	785,882
Investment in joint venture		2,350	2,299
Other investments		636	665
Deferred tax assets		18,324	12,332
		792,971	875,823
Current assets			
Inventories		238,743	255,178
Trade and other receivables		233,415	249,652
Derivative financial instrument		—	108
Cash and cash equivalents	*5*	84,782	57,903
		556,940	562,841
TOTAL ASSETS		1,349,911	1,438,664
LIABILITIES			
Non-current liabilities			
Borrowings	*4*	944,465	843,223
Deferred income—government grants		4,264	5,788
Retirement benefit obligations		63,255	45,664
Deferred tax liability		76,217	93,442
Derivative financial instrument		17,581	218
		1,105,782	988,335
Current liabilities			
Borrowings	*4*	14,743	92,475
Deferred income—government grants		1,136	1,052
Trade and other payables		182,397	201,971
Provisions for other liabilities and charges		35,339	21,792
Interest payable		17,711	10,584
Current income tax payable		6,334	8,169
		257,660	336,043
TOTAL LIABILITIES		1,363,442	1,324,378
NET LIABILITIES		(13,531)	114,286
EQUITY			
Reserves	*6*	(13,531)	112,095
Minority interest	*6*	—	2,191
TOTAL EQUITY	*6*	(13,531)	114,286

The notes to the Unaudited Consolidated Interim Financial Information are an integral part of this Financial Information.

CONSOLIDATED INTERIM CASH FLOW STATEMENT

(Unaudited)

	Note	Nine months ended 30 September 2009	Nine months ended 30 September 2008
		€'000	€'000
Cash flows from operating activities			
Cash generated from operations	7	167,228	125,522
Net interest paid		(48,299)	(53,469)
Income tax paid		(8,637)	(13,604)
Other income and expense paid		(22,210)	(2,969)
Net cash from operating activities		88,082	55,480
Cash flows from investing activities			
Cash in acquired subsidiary		379	—
Purchase of minority interest		(2,795)	—
Purchase of property, plant and equipment		(74,946)	(93,519)
Purchase of software		(828)	—
Proceeds from disposal of property, plant and equipment		203	254
Dividends from joint venture		500	—
Net cash used in investing activities		(77,487)	(93,265)
Cash flows from financing activities			
Proceeds from borrowings		355,976	73,432
Repayment of borrowings		(305,737)	(37,505)
Capital element of finance lease payments		(21,878)	(2,937)
Repayment of borrowings relating to lease obligations		(6,071)	—
Deferred finance costs paid		(10,893)	—
Net proceeds from financing activities		11,397	32,990
Net increase/(decrease) in cash and cash equivalents		21,992	(4,795)
Cash and cash equivalents at beginning of the period		61,949	62,634
Exchange gains on cash and bank overdrafts		841	64
Cash and cash equivalents at end of the period		84,782	57,903

The notes to the Unaudited Consolidated Interim Financial Information are an integral part of this Financial Information.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Segmental analysis

The segment results for the nine month period ended 30 September 2009 are as follows:

	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	528,131	236,529	179,095	—	943,755
Inter-segment revenue	(3,691)	(90)	(4,767)	—	(8,548)
Revenue	524,440	236,439	174,328	—	935,207
Operating profit/(loss)	2,973	22,798	3,297	(10,024)	19,044
Finance expense (Note 3)					(78,363)
Finance income (Note 3)					13,728
Share of profit of joint venture	410				410
Loss before income tax					(45,181)
Income tax credit					(1,323)
Loss for the period					(46,504)

The segment results for the nine month period ended 30 September 2008 are as follows:

	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	560,239	263,768	216,955	—	1,040,962
Inter-segment revenue	(8,508)	(412)	(4,122)	—	(13,042)
Revenue	551,731	263,356	212,833	—	1,027,920
Operating profit/(loss)	39,543	12,731	26,932	(8,725)	70,481
Finance expense (Note 3)					(66,139)
Finance income (Note 3)					6,455
Share of profit of joint venture	441				441
Profit before income tax					11,238
Income tax charge					(1,593)
Profit for the period					9,645

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.

1. Segmental analysis (Continued)

Other segment items included in the income statement are as follows:

	Nine months ended 30 September 2009				
	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Depreciation	62,812	22,420	22,922	217	108,371
Amortisation—intangible assets	690	—	3,685	322	4,697
Amortisation—government grants	(611)	(263)	—	—	(874)

	Nine months ended 30 September 2008				
	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Depreciation	61,373	25,365	25,837	323	112,898
Amortisation—intangible assets	296	—	3,673	—	3,969
Amortisation—government grants	(631)	(302)	—	—	(933)

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.

The segment assets and liabilities at 30 September 2009 and capital expenditure for the nine month period then ended are as follows:

	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Segment assets	723,976	304,085	262,753	56,747	1,347,561
Investment in Joint Venture	2,350	—	—	—	2,350
Total assets	726,326	304,085	262,753	56,747	1,349,911
Segment liabilities	(261,797)	(93,262)	(36,972)	(971,411)	(1,363,442)
Capital expenditure	58,269	10,404	6,529	572	75,774

The segment assets and liabilities at 30 September 2008 and capital expenditure for the nine month period then ended are as follows:

	Eurozone	United Kingdom	Other	Unallocated	Total
	€'000	€'000	€'000	€'000	€'000
Segment assets	701,861	324,218	313,097	97,189	1,436,365
Investment in Joint Venture	2,299	—	—	—	2,299
Total assets	704,160	324,218	313,097	97,189	1,438,664
Segment liabilities	(354,833)	(215,354)	(63,879)	(690,312)	(1,324,378)
Capital expenditure	38,730	46,198	8,174	417	93,519

2. Other income and expense

	Nine months ended	
	30 September 2009	30 September 2008
	€'000	€'000
Termination Benefits	(39,183)	(12,830)
Assets fully depreciation as a result of furnace closures	(2,048)	—
Restructuring	(2,585)	(451)
Doubtful debt received	649	—
Other	—	(107)
	(43,167)	(13,388)

3. Finance income and expense

	Nine months ended	
	30 September 2009	30 September 2008
	€'000	€'000
Interest expense:		
—8⅞% Senior Notes due 2013	12,687	12,687
—7.125% Senior Notes due 2017	17,646	18,364
—9.25% First Priority Senior Notes due 2016	7,996	—
—Bank loans, overdrafts and revolving credit facilities	17,127	24,367
—Invoice discounting facilities	922	1,596
—Finance leases	1,086	1,601
Interest expense	57,464	58,615
—Finance expense on pension plan liabilities	13,078	4,573
—Foreign exchange losses	360	2,951
—Other finance expenses	141	—
Finance expense	13,579	7,524
—Movement on mark-to-market provision relating to derivatives not designated as hedging instruments	5,290	—
—Borrowing extinguishment costs (write off of unamortised deferred finance costs)	2,030	—
Total expense	78,363	66,139

3. Finance income and expense (Continued)

	Nine months ended	
	30 September 2009	30 September 2008
	€'000	€'000
—Short term bank deposits	850	1,850
Interest income	850	1,850
—Foreign exchange gains	3,308	—
—Expected return on pension plan assets	9,570	4,605
Finance income	12,878	4,605
Total income	13,728	6,455

4. Bank and other borrowings

	2009			2008		
	Current	Non-current	Total	Current	Non-current	Total
	€'000	€'000	€'000	€'000	€'000	€'000
8⅞% Senior Notes due 2013	(821)[1]	173,577	172,756	(821)[1]	172,072	171,251
7.125% Senior Notes due 2017	(1,442)[1]	300,738	299,296	(1,706)[1]	298,986	297,280
9.25% First Priority Senior Notes due 2016	(2,143)[1]	282,237	280,094	—	—	—
Bank loans, overdrafts and revolving credit facilities	19,174	187,264	206,438	56,215	350,998	407,213
Invoice discounting facilities	(137)[1]	550	413	34,926	—	34,926
Finance leases	112	99	211	3,861	21,167	25,028
	14,743	944,465	959,208	92,475	843,223	935,698

(1) This amount relates to deferred finance costs to be amortised in the next twelve months.

5. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	30 September 2009	30 September 2008
	€'000	€'000
Cash at bank and in hand	37,964	43,216
Short term bank deposits	46,818	14,687
	84,782	57,903

6. Analysis of changes in equity

	Capital contribution	Retained profit	Foreign Currency	Cash flow Hedges	Minority interest	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2008	100,650	3,331	(689)	(734)	2,603	105,161
Foreign currency translation adjustments	—	6,345	(7,049)	—	—	(704)
Cash flow hedges loss	—	—	—	624	—	624
Net income/(expense) recognised directly in equity	—	6,345	(7,049)	624	—	(80)
Profit for the period	—	9,617	—	—	28	9,645
Dividends paid to minority interest	—	—	—	—	(440)	(440)
Total recognised income/(expense) for the period ended 30 September 2008	—	15,962	(7,049)	624	(412)	9,125
Balance as at 30 September 2008	100,650	19,293	(7,738)	(110)	2,191	114,286
Balance at 1 January 2009	100,650	(26,695)	(34,349)	(10,886)	2,489	31,209
Foreign currency translation adjustments	—	(2,932)	8,490	—	—	5,558
Cash flow hedges loss	—	—	—	(1,404)	—	(1,404)
Net (expense)/income recognised directly in equity	—	(2,932)	8,490	(1,404)	—	4,154
Loss for the period	—	(46,405)	—	—	(99)	(46,504)
Purchase of minority interest	—	—	—	—	(2,390)	(2,390)
Total recognised (expense)/ income for the period ended 30 September 2009	—	(49,337)	8,490	(1,404)	(2,489)	(44,740)
Balance as at 30 September 2009	100,650	(76,032)	(25,859)	(12,290)	—	(13,531)

7. Cash generated from operations

	Nine months ended	
	30 September 2009	30 September 2008
	€'000	€'000
(Loss)/profit before tax	(45,181)	11,238
Adjustments:		
Depreciation and amortisation	113,068	116,867
Amortisation of capital grants	(874)	(933)
Net finance costs	64,635	59,684
Other income and expense	41,119	13,388
Share of profit of joint venture	(410)	(441)
Profit on disposal of property, plant and equipment	51	289
	172,408	200,092
Changes in working capital:		
Inventories	39,586	(28,172)
Trade and other receivables	(34,220)	(59,385)
Trade and other payables	(8,776)	14,426
Movement on non working capital payables	(1,770)	(1,439)
	(5,180)	(74,570)
Cash generated from operations	167,228	125,522

8. Acquisition of Busch & Spreen GmbH in 2008

The acquisition account of Busch & Spreen has been 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. Heye International GmbH will integrate the acquired product portfolio with its existing range of hot and cold end equipment.

The transaction has been accounted for in accordance with IFRS 3 Business Combinations.

8. Acquisition of Busch & Spreen GmbH in 2008 (Continued)

A summary of the net assets acquired is set out below:

	Book value	Fair value adjustments	Fair value
	€'000	€'000	€'000
Buildings	60	—	60
Property, plant and equipment	148	—	148
Intangible assets	13	2,757	2,770
Inventories	926	—	926
Trade and other receivables	677	—	677
Cash	379	—	379
Total assets acquired	2,203	2,757	4,960
Trade and other payables	(859)	—	(859)
Provisions for liabilities and charges	(475)	—	(475)
Net assets	869	2,757	3,626
Consideration:			
Cost Busch & Spreen			(3,429)
Acquisition expenses			(197)
			(3,626)

9. Related Party Transactions

The following transactions were carried out with related parties:

(a) Yeoman Capital S.A.

As at 30 September 2009 Yeoman Capital S.A. 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.

(b) Key management compensation

	Nine months ended	
	30 September 2009	30 September 2008
	€'000	€'000
Salaries and other short term employee benefits	3,902	3,173
Post employment benefits	645	328
	4,547	3,501

(c) Joint venture—Eura Glasrecycling GmbH

As at 30 September 2009, the Group owed €685,096 (2008: €0) to Eura Glas Recycling GmbH.

9. Related Party Transactions (Continued)

(d) Ardagh Glass Group plc

Ardagh Glass Group plc is the ultimate parent of the Group. There are no outstanding amounts at the period end between Ardagh Glass Group plc and any of its subsidiaries.

(e) Pension scheme

The pension schemes are related parties.

10. Events after the Balance Sheet Date

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 AGG plc in exchange for the issue of shares to the AGG plc shareholders in the same proportions as they had held shares in AGG plc.

There were no other subsequent events since the balance sheet date.

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€180,000,000

Ardagh Glass Finance plc

8¾% Senior Notes due 2020

Guaranteed on a senior basis by Ardagh Glass Holdings Limited and on a senior subordinated basis by certain of its wholly owned subsidiaries

OFFERING MEMORANDUM—LISTING PARTICULARS

January 21, 2010

Citi

Davy

Merrill Corporation Ltd, London
10ZAB71602