UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 2, 2016

or

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

Commission File Number 001-35672

BERRY PLASTICS GROUP, INC.

(*Exact name of registrant as specified in its charter*)

Delaware	20-5234618
(State or other jurisdiction of incorporation or organization)	(IRS employer identification number)
101 Oakley Street Evansville, Indiana	47710
(Address of principal executive offices)	(Zip code)

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, or non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐☐ Small reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).
Yes ☐ No ☐

Class	Outstanding at August 9, 2016
Common Stock, $.01 par value per share	121.6 million shares

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. The forward-looking statements include, in particular, statements about our plans, strategies and prospects under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations". These statements contain words such as "believes," "expects," "may," "will," "should," "would," "could," "seeks," "approximately," "intends," "plans," "estimates," "outlook," "anticipates" or "looking forward" or similar expressions that relate to our strategy, plans, intentions, our financial condition, or our recent acquisition of AVINTIV Inc. ("Avintiv") and integration thereof. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on the date of this Form 10-Q.

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

Berry Plastics Group, Inc.
Form 10-Q Index
For Quarterly Period Ended July 2, 2016

Part I. Financial Information

Item 1. Financial Statements

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

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 2, 2016	June 27, 2015	**July 2, 2016**	June 27, 2015
Net sales	**$ 1,645**	$ 1,241	**$ 4,871**	$ 3,685
Costs and expenses:				
Cost of goods sold	**1,296**	1,003	**3,885**	3,037
Selling, general and administrative	**129**	92	**421**	266
Amortization of intangibles	**35**	22	**106**	70
Restructuring and impairment charges	**6**	3	**29**	11
Operating income	**179**	121	**430**	301
Debt extinguishment	**4**	94	**4**	94
Other (income) expense, net	**(18)**	2	**(21)**	2
Interest expense, net	**73**	47	**222**	152
Income before income taxes	**120**	(22)	**225**	53
Income tax (benefit) expense	**24**	(9)	**66**	15
Consolidated net income (loss)	**$ 96**	$ (13)	**$ 159**	$ 38
Net income (loss) per share:				
Basic	**$ 0.79**	$ (0.11)	**$ 1.32**	$ 0.32
Diluted	**0.76**	(0.11)	**1.28**	0.31
Outstanding weighted-average shares:				
Basic	**121.1**	119.5	**120.5**	118.9
Diluted	**125.9**	119.5	**123.9**	123.7

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

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 2, 2016	June 27, 2015	**July 2, 2016**	June 27, 2015
Consolidated net income (loss)	**$ 96**	$ (13)	**$ 159**	$ 38
Currency translation	**(16)**	2	**39**	(32)
Interest rate hedges	**(4)**	2	**(20)**	(18)
Provision for income taxes related to other comprehensive income items	**1**	—	**8**	6
Comprehensive income (loss)	**$ 77**	$ (9)	**$ 186**	$ (6)

See notes to consolidated financial statements.

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

Assets	**July 2, 2016** (Unaudited)	September 26, 2015
Current assets:		
Cash and cash equivalents	**$ 236**	$ 228
Accounts receivable (less allowance of $10 and 3, respectively)	**725**	434
Inventories:		
Finished goods	**428**	309
Raw materials and supplies	**280**	213
	708	522
Deferred income taxes	**—**	162
Prepaid expenses and other current assets	**97**	37
Total current assets	**1,766**	1,383
Property, plant, and equipment, net	**2,276**	1,294
Goodwill, intangible assets and deferred costs, net	**3,735**	2,349
Other assets	**28**	2
Total assets	**$ 7,805**	$ 5,028
Liabilities		
Current liabilities:		
Accounts payable	**$ 554**	$ 330
Accrued expenses and other current liabilities	**466**	338
Current portion of long-term debt	**66**	37
Total current liabilities	**1,086**	705
Long-term debt, less current portion	**5,812**	3,648
Deferred income taxes	**365**	387
Other long-term liabilities	**375**	341
Total liabilities	**7,638**	5,081
Redeemable non-controlling interest	**12**	12
Stockholders' equity (deficit)		
Common stock (121.5 and 119.9 shares issued, respectively)	**1**	1
Additional paid-in capital	**440**	406
Non-controlling interest	**3**	3
Accumulated deficit	**(197)**	(356)
Accumulated other comprehensive loss	**(92)**	(119)
Total stockholders' equity (deficit)	**155**	(65)
Total liabilities and stockholders' equity (deficit)	**$ 7,805**	$ 5,028

See notes to consolidated financial statements.

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

	Three Quarterly Periods Ended	
	July 2, 2016	June 27, 2015
Cash Flows from Operating Activities:		
Consolidated net income	**$ 159**	$ 38
Adjustments to reconcile net cash provided by operating activities:		
Depreciation	**284**	193
Amortization of intangibles	**106**	70
Non-cash interest expense	**8**	5
Deferred income tax	**23**	12
Debt extinguishment	**4**	94
Stock compensation expense	**17**	17
Other non-cash operating activities, net	**(12)**	5
Changes in working capital	**(26)**	(38)
Changes in other assets and liabilities	**4**	(4)
Net cash from operating activities	**567**	392
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	**(228)**	(124)
Proceeds from sale of assets	**4**	18
Acquisition of business, net of cash acquired	**(2,283)**	—
Other investing activities, net	**(11)**	—
Net cash from investing activities	**(2,518)**	(106)
Cash Flows from Financing Activities:		
Proceeds from long-term borrowings	**2,490**	702
Repayments on long-term borrowings	**(390)**	(940)
Proceeds from issuance of common stock	**20**	16
Payment of tax receivable agreement	**(57)**	(39)
Debt financing costs	**(38)**	(87)
Purchase of non-controlling interest	**(66)**	—
Net cash from financing activities	**1,959**	(348)
Effect of exchange rate changes on cash	**—**	(5)
Net change in cash	**8**	(67)
Cash and cash equivalents at beginning of period	**228**	129
Cash and cash equivalents at end of period	**$ 236**	$ 62

See notes to consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements of Berry Plastics Group, Inc. ("the Company" or "Berry") have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In preparing financial statements in conformity with GAAP, we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included, and all subsequent events up to the time of the filing have been evaluated. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's most recent Form 10-K filed with the Securities and Exchange Commission.

In November 2015, the Company reorganized into three operating segments: Health, Hygiene & Specialties, Consumer Packaging, and Engineered Materials. The Company has recast all prior period amounts to conform to this new reporting structure.

2. Recently Issued Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates to the FASB's Accounting Standards Codification. During fiscal 2016, with the exception of the below, there have been no developments to the recently adopted accounting pronouncements from those disclosed in the Company's 2015 Annual Report on Form 10-K that are considered to have a material impact on our unaudited consolidated financial statements.

Inventory

In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory to simplify the guidance on the subsequent measurement of inventory, excluding inventory measured using last-in, first out or the retail inventory method. Under the new standard, inventory should be at the lower of cost and net realizable value. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2016 with early adoption permitted. The Company elected to early adopt this guidance, effective at the beginning of fiscal 2016. Its effect did not have a material impact on our financial statements.

Business Combinations

In September 2015, the FASB issued ASU 2015-16, Business Combinations (Topic 805), Simplifying the Accounting for Measurement-Period Adjustments which requires that the cumulative impact of a measurement period adjustment (including the impact on prior periods) be recognized in the reporting period in which the adjustment is identified. Entities should present separately on the face of the income statement or disclose in the footnotes the portion of the measurement period adjustment recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment had been recognized as of the acquisition date. The new guidance is effective for interim and annual periods beginning after December 15, 2015 with early adoption permitted. The Company elected to early adopt this guidance, effective at the beginning of fiscal 2016. We will continue to consider the impact of such guidance on our recording of the AVINTIV, Inc. business combination.

Income Taxes

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes which simplifies the presentation of deferred income taxes. This update requires that deferred tax assets and liabilities be classified as non-current in a statement of financial position. The update is effective for financial periods beginning after December 15, 2017; however, early application is permitted. The Company adopted this guidance effective at the beginning of fiscal 2016, on a prospective basis, resulting in a $175 million reclassification of our net current deferred tax asset to the net long-term deferred tax liabilities on our Consolidated Balance Sheet.

Leases

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the new standard, the lessee of an operating lease will be required to do the following: 1) recognize a right-of-use asset and a lease liability in the statement of financial position, 2) recognize a single lease cost allocated over the lease term generally on a straight-line basis, and 3) classify all cash payments within operating activities on the statement of cash flows. Companies will be required to adopt this standard on a modified retrospective approach, and amendments in this guidance are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted. The Company is currently evaluating the impact of this guidance.

Stock Compensation

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, as part of its Simplification Initiative. The new guidance will require all income tax effects of awards to be recognized in the income statement when the awards vest or are settled. It also will allow an employer to repurchase more of an employee's shares than it can today for tax withholding purposes without triggering liability accounting and to make a policy election for forfeitures as they occur. The guidance is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The Company is currently evaluating the impact of this guidance.

3. Acquisition

AVINTIV Inc.

In October 2015, the Company acquired 100% of the capital stock of AVINTIV Inc. ("Avintiv") for a purchase price of $2.26 billion, net of $195 million of cash acquired, which is preliminary and subject to adjustment. Avintiv is one of the world's leading developers, producers, and marketers of nonwoven specialty materials used in hygiene, infection prevention, personal care, and industrial, construction and filtration applications. The acquired business is operated in the Health, Hygiene & Specialties reporting segment. To finance the purchase, the Company issued $400 million aggregate principal amount of 6.0% second priority senior secured notes due 2022 and entered into an incremental assumption agreement to increase the commitments under the Company's existing term loan credit agreement by $2.1 billion due 2022.

The acquisition has been accounted for under the purchase method of accounting, and accordingly, the purchase price has been allocated to the identifiable assets and liabilities based on preliminary fair values at the acquisition date. The results of Avintiv have been included in the consolidated results of the Company since the date of the acquisition. During the quarterly period ending July 2, 2016, the Company recorded adjustments based on an updated fair value analysis to the preliminary purchase price allocation of $10 million, $21 million and negative $27 million to intangible assets, goodwill and property and equipment, respectively. The Company has not finalized the allocation of the purchase price to the fair value of fixed assets, intangibles, or deferred income taxes and is continuing to review all of the working capital acquired and uncertain tax positions. The Company has recognized Goodwill on this transaction primarily as a result of expected synergies of Avintiv, and does not expect Goodwill to be deductible for tax purposes. The following table summarizes the current preliminary allocation of purchase price and the estimated fair values of the assets acquired and liabilities assumed at the date of the acquisition:

Working capital [(a)]	$	167
Property and equipment		977
Intangible assets		596
Goodwill		831
Historical Avintiv debt assumed		(53)
Non-controlling interest		(63)
Deferred purchase price		(30)
Other assets and long-term liabilities		(165)

[(a)] Includes an $11 million step up of inventory to fair value

The deferred purchase price relates to certain tax claims of Companhia Providência Indústria e Comércio ("Providência") at the time Providência was acquired by Avintiv. If the claims are resolved in the Company's favor, the deferred purchase price will be paid to the legacy Providência shareholders. However, if the Company or Providência incur actual tax liability in respect to these claims, the amount of deferred purchase price will be reduced by the amount of such actual tax liability. The Company will be responsible for any actual tax liability in excess of the deferred purchase price and the cash consideration deposited into escrow.

Unaudited pro forma net sales were $1.7 billion and $5.1 billion for the quarterly period and three quarterly periods ended June 27, 2015, respectively. Unaudited pro forma net losses were $22 million and $30 million for the quarterly period and three quarterly periods ended June 27, 2015, respectively. The unaudited pro forma net sales and net losses assume that the Avintiv acquisition had occurred as of the beginning of the period.

The unaudited pro forma information presented above is for informational purposes only and is not necessarily indicative of the operating results that would have occurred had the Avintiv acquisition been consummated at the beginning of the period, nor is it necessarily indicative of future operating results. Further, the information reflects only pro forma adjustments for additional interest expense, depreciation, and amortization, net of the applicable income tax effects.

4. Accounts Receivable Factoring Agreements

A number of the Company's foreign subsidiaries have entered into factoring agreements to sell certain receivables to unrelated third-party financial institutions. The Company accounts for these transactions in accordance with ASC 860, "Transfers and Servicing" ("ASC 860"). ASC 860 allows for the ownership transfer of accounts receivable to qualify for sale treatment when the appropriate criteria is met, which permits the Company to present the balances sold under the program to be excluded from Accounts receivable, net on the Consolidated Balance Sheets. Receivables are considered sold when (i) they are transferred beyond the reach of the Company and its creditors, (ii) the purchaser has the right to pledge or exchange the receivables, and (iii) the Company has surrendered control over the transferred receivables. In addition, the Company provides no other forms of continued financial support to the purchaser of the receivables once the receivables are sold. The table below summarizes the total amount of accounts receivable on the Consolidated Balance Sheets, sold under these factoring arrangements as of the end of the third fiscal quarter:

	July 2, 2016	September 26, 2015
Trade receivables sold to financial institutions	**$ 25**	$ —
Net amounts advanced from financial institutions	**(21)**	—
Amounts due from financial institutions	**$ 4**	$ —

In addition to the programs described above, the Company has a U.S. based program where certain U.S. based receivables are sold to unrelated third-party financial institutions. There were no amounts outstanding from the financial institutions related to U.S. based programs at July 2, 2016. The fees associated with transfer of receivables for all programs were not material for any of the periods presented.

5. Restructuring and Impairment Charges

The Company incurred restructuring costs related to severance, asset impairment, and facility exit costs. The tables below set forth the significant components of the restructuring charges recognized, by segment:

	Quarterly Period Ended		**Three Quarterly Periods Ended**	
	July 2, 2016	June 27, 2015	**July 2, 2016**	June 27, 2015
Consumer Packaging	**$ 2**	$ 2	**$ 7**	$ 10
Health, Hygiene & Specialties	**4**	—	**20**	—
Engineered Materials	**—**	1	**2**	1
Consolidated	**$ 6**	$ 3	**$ 29**	$ 11

The table below sets forth the activity with respect to the restructuring accrual at July 2, 2016:

	Severance and termination benefits	**Facilities exit costs and other**	**Non-cash charges**	**Total**
Balance at September 26, 2015	$ 2	$ 8	**$ —**	$ 10
Charges	**22**	**5**	**2**	**29**
Non-cash asset impairment	**—**	**—**	**(2)**	**(2)**
Cash payments	**(14)**	**(6)**	**—**	**(20)**
Balance at July 2, 2016	**$ 10**	**$ 7**	**$ —**	**$ 17**

6. Accrued Expenses, Other Current Liabilities and Other Long-Term Liabilities

The following table sets forth the totals included in Accrued expenses and other current liabilities on the Consolidated Balance Sheets:

	July 2, 2016	September 26, 2015
Employee compensation, payroll and other	$ 136	$ 95
Interest	41	38
Rebates	53	53
Restructuring	17	10
Accrued taxes	53	20
Tax receivable agreement obligation	76	57
Accrued operating expenses	90	65
	$ 466	$ 338

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

	July 2, 2016	September 26, 2015
Lease retirement obligation	$ 34	$ 32
Sale-lease back deferred gain	26	28
Pension liability	76	57
Deferred purchase price	40	—
Tax receivable agreement obligation	99	175
Interest rate swaps	56	36
Other	44	13
	$ 375	$ 341

The Company made $57 million of payments related to the income tax receivable agreement ("TRA") in the January 2, 2016 quarter, of which Apollo Global Management, LLC received $46 million. The TRA provides for an annual payment to TRA holders at 85% of the amount of cash savings, if any, in U.S. federal, foreign, state and local income tax that are actually realized as a result of the utilization of our net operating losses attributable to periods prior to the initial public offering.

7. Long-Term Debt

Long-term debt consists of the following:

	Maturity Date	July 2, 2016	September 26, 2015
Term loan	February 2020	$ **1,355**	$ 1,369
Term loan	January 2021	**814**	—
Term loan	October 2022	**1,995**	—
Modified term loan	—	**—**	1,019
Revolving line of credit	May 2020	**—**	—
51/8% Second Priority Senior Secured Notes	July 2023	**700**	700
51/2% Second Priority Senior Secured Notes	May 2022	**500**	500
6% Second Priority Senior Secured Notes	October 2022	**400**	—
Debt discounts and deferred fees		**(61)**	(29)
Capital leases and other	Various	**175**	126
Total long-term debt		**5,878**	3,685
Current portion of long-term debt		**(66)**	(37)
Long-term debt, less current portion		$ **5,812**	$ 3,648

The Company's senior secured credit facilities consist of $4.2 billion of term loans and a $650 million asset based revolving line of credit. The Company was in compliance with all covenants as of July 2, 2016.

During fiscal 2016, the Company has made $390 million of repayments on long-term borrowings using existing liquidity.

Term Loans

In October 2015, the Company entered into an incremental assumption agreement to increase the commitments under the existing term loan credit agreement by $2.1 billion. The incremental assumption agreement provided for that incremental term loan to bear interest at LIBOR plus 3.00% per annum with a LIBOR floor of 1.00% to mature in October 2022 and to be subject to customary amortization. The proceeds from the incremental term loan, in addition to the 6% Second Priority Senior Secured Notes, were used to finance the Avintiv acquisition. The Company recognized $11 million of debt discount and $25 million of deferred financing fees related to this assumption agreement.

In June 2016, the Company entered into an incremental assumption agreement and amendment to lower the interest rates under certain of the existing term loans. The term loan maturing in January 2021 now bears interest at LIBOR plus 2.50% per annum with a LIBOR floor of 1.00%. The term loan maturing in October 2022 now bears interest at LIBOR plus 2.75% per annum with a LIBOR floor of 1.00%. Additionally, if the Company is able to achieve a first lien secured leverage ratio below 3.0 to 1.0, the interest rate on the term loan maturing in October 2022 will be reduced to LIBOR plus 2.50%. All other terms remain unchanged. The term loans are considered to be a loan syndication and as a result, a portion of the existing term loans were modified and a portion were considered to be extinguished. The Company recorded $4 million to loss on debt extinguishment, reflecting the write-off of deferred financing fees and debt discounts, net of amortization associated with the portion of the debt that was considered extinguished. The Company also recognized $2 million of debt discount related to the assumption agreement executed in June 2016.

Debt discounts and deferred financing fees are presented net of Long-term debt, less the current portion on the Consolidated Balance Sheet and are amortized to Interest expense through maturity.

6% Second Priority Senior Secured Notes

In October 2015, the Company issued $400 million of 6% second priority senior secured notes due October 2022. Interest on these notes is due semi-annually in April and October. The proceeds from these notes, in addition to the incremental term loan, were used to finance the Avintiv acquisition. The Company recognized $5 million of deferred financing fees related to this debt issuance that will be amortized to Interest expense through maturity.

8. Financial Instruments and Fair Value Measurements

In the normal course of business, the Company is exposed to certain risks arising from business operations and economic factors. The Company may use derivative financial instruments to help manage market risk and reduce the exposure to fluctuations in interest rates and foreign currencies. These financial instruments are not used for trading or other speculative purposes. For those derivative instruments that are designated and qualify as hedging instruments, the Company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation. To the extent hedging relationships are found to be effective, as determined by FASB guidance, changes in the fair value of the derivatives are offset by changes in the fair value of the related hedged item and recorded to Accumulated other comprehensive loss. Management believes hedge effectiveness is evaluated properly in preparation of the financial statements.

Foreign Currency Forward Contracts Not Designated as Hedges

The primary purposes of our foreign currency hedging activities is to manage the potential changes in value associated with the changes in foreign currencies on anticipated future foreign cash movements for certain jurisdictions. The changes in fair value of these derivative contracts are recognized in other income, net, on our consolidated statements of operations and are largely offset by the remeasurement of the underlying intercompany loan. These contracts are typically entered into and settled within the given reporting period.

Cash Flow Hedging Strategy

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of Accumulated other comprehensive loss and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings. The categorization of the framework used to price these derivative instruments is considered a Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value.

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

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

In September 2015, the Company entered into an interest rate swap transaction to manage cash flow variability associated with $1 billion of outstanding variable rate term loan debt from future interest rate volatility. The agreement swaps the greater of a three-month variable LIBOR contract or 1.00% for a fixed annual rate of 1.7185 %, with an effective date in December 2015 and expiration in June 2019.

The Company records the changes in fair value of derivative instruments designated for hedge accounting as prescribed in *ASC 815 – Derivatives and Hedging*, in Accumulated other comprehensive income (loss) and Deferred income taxes. All other changes in derivative instruments not designated as hedging instruments flow through the Consolidated Statement of Operations.

	Balance Sheet Location	**July 2, 2016**	September 26, 2015
Derivative instruments	Other long-term liabilities	**$ 56**	$ 36

The effect of the Company's derivative instruments on the Consolidated Statement of Operations is as follows:

		Quarterly Period Ended		**Three Quarterly Periods Ended**	
Derivatives instruments	**Statement of Operations Location**	**July 2, 2016**	June 27, 2015	**July 2, 2016**	June 27, 2015
Interest rate swaps	Interest expense, net	**$ 6**	$ —	**$ 10**	$ —
Foreign currency swaps	Other (income) expense	**$ 3**	$ —	**$ 9**	$ —

Non-recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis when impairment indicators are present. The assets are adjusted to fair value only when the carrying values exceed the fair values. The categorization of the framework used to price the assets is considered Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value. These assets include primarily our definite lived and indefinite lived intangible assets, including Goodwill and our property, plant, and equipment. The Company reviews Goodwill and other indefinite lived assets for impairment as of the first day of the fourth fiscal quarter each year, and more frequently if impairment indicators exist. The Company determined Goodwill and other indefinite lived assets were not impaired in our annual fiscal 2015 assessment. As a result of the segment reorganization that occurred during the January 2, 2016 quarter, the Company conducted the qualitative assessment and determined it was more likely than not that the fair value of each reporting unit exceeded the carrying amount as of the measurement date. No impairment indicators were identified in the current quarter.

Included in the following table are the major categories of assets measured at fair value on a non-recurring basis as of July 2, 2016 and September 26, 2015, along with the impairment loss recognized on the fair value measurement during the period:

	As of July 2, 2016				
	Level 1	**Level 2**	**Level 3**	**Total**	**Impairment**
Indefinite-lived trademarks	**$ —**	**$ —**	**$ 248**	**$ 248**	**$ —**
Goodwill	**—**	**—**	**2,541**	**2,541**	**—**
Definite lived intangible assets	**—**	**—**	**942**	**942**	**—**
Property, plant, and equipment	**—**	**—**	**2,276**	**2,276**	**2**
Total	**$ —**	**$ —**	**$ 6,007**	**$ 6,007**	**$ 2**

	As of September 26, 2015				
	Level 1	Level 2	Level 3	Total	Impairment
Indefinite-lived trademarks	$ —	$ —	$ 207	$ 207	$ —
Goodwill	—	—	1,652	1,652	—
Definite lived intangible assets	—	—	486	486	—
Property, plant, and equipment	—	—	1,294	1,294	2
Total	$ —	$ —	$ 3,639	$ 3,639	$ 2

The Company's financial instruments consist primarily of cash and cash equivalents and long-term debt. The fair value of our marketable long-term indebtedness exceeded book value by $75 million as of July 2, 2016. The Company's long-term debt fair values were determined using Level 2 inputs as other significant observable inputs were not available.

9. Income Taxes

The Company's effective tax rate was 20% and 41% for the quarterly period ended July 2, 2016 and June 27, 2015, respectively, and 29% and 28 % for the three quarterly periods ended July 2, 2016 and June 27, 2015, respectively. Within the quarter the effective tax rate was favorably impacted by one-time U.S. permanent items. In addition to these items, our year-to-date effective tax rate was lower than our statutory rate due to favorable foreign rate differentials and the U.S. research and development credit, partially offset by state taxes and foreign income taxed in the U.S.

10. Operating Segments

In November 2015 the Company reorganized into three operating segments: Consumer Packaging, Health, Hygiene & Specialties, and Engineered Materials. The new structure is designed to better align us with our customers, provide improved service, drive future growth, and to facilitate future cost saving synergies. Selected information by reportable segment is presented in the following tables, with prior period amounts recast to conform to the new structure:

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 2, 2016	June 27, 2015	**July 2, 2016**	June 27, 2015
Net sales:				
Consumer Packaging	**$ 705**	$ 731	**$ 2,075**	$ 2,163
Health, Hygiene & Specialties	**567**	122	**1,699**	383
Engineered Materials	**373**	388	**1,097**	1,139
Total net sales	**$ 1,645**	$ 1,241	**$ 4,871**	$ 3,685
Operating income:				
Consumer Packaging	**$ 63**	$ 75	**$ 173**	$ 168
Health, Hygiene & Specialties	**61**	7	**119**	24
Engineered Materials	**55**	39	**138**	109
Total operating income	**$ 179**	$ 121	**$ 430**	$ 301
Depreciation and amortization:				
Consumer Packaging	**$ 65**	$ 59	**$ 195**	$ 177
Health, Hygiene & Specialties	**36**	8	**140**	26
Engineered Materials	**19**	20	**55**	60
Total depreciation and amortization	**$ 120**	$ 87	**$ 390**	$ 263

	July 2, 2016	September 26, 2015
Total assets:		
Consumer Packaging	**$ 3,617**	$ 3,832
Health, Hygiene & Specialties	**3,471**	385
Engineered Materials	**717**	811
Total assets	**$ 7,805**	$ 5,028
Goodwill:		
Consumer Packaging	**$ 1,521**	$ 1,520
Health, Hygiene & Specialties	**937**	48
Engineered Materials	**83**	84
Total goodwill	**$ 2,541**	$ 1,652

Selected information by geography is presented in the following tables:

	Quarterly Period Ended		Three Quarterly Periods Ended	
	July 2, 2016	June 27, 2015	**July 2, 2016**	June 27, 2015
Net sales:				
North America	**$ 1,329**	$ 1,193	**$ 3,939**	$ 3,540
South America	**88**	2	**246**	5
Europe	**158**	30	**481**	91
Asia	**70**	16	**205**	49
Total net sales	**$ 1,645**	$ 1,241	**$ 4,871**	$ 3,685

	July 2, 2016	September 26, 2015
Long-lived assets:		
North America	**$ 4,706**	$ 3,510
South America	**570**	5
Europe	**488**	79
Asia	**275**	51
Total Long-lived assets	**$ 6,039**	$ 3,645

Goodwill

In connection with the change in reporting segments, the Company allocated the goodwill to the new segments under the provisions of ASC 350. The changes in the carrying amount of goodwill by reportable segment due to the current year realignment are as follows:

	Rigid Open Top	Rigid Closed Top	Engineered Materials	Flexible Packaging	Consumer Packaging	Health, Hygiene & Specialties	Total
Balance as of September 26, 2015	$ 681	$ 823	$ 69	$ 79	$ —	$ —	$ 1,652
Segment reorganization	**(681)**	**(823)**	**15**	**(79)**	**1,520**	**48**	**—**
Acquisitions, net	**—**	**—**	**—**	**—**	**—**	**846**	**846**
Foreign currency translation adjustment	**—**	**—**	**(1)**	**—**	**1**	**43**	**43**
Balance as of July 2, 2016	**$ —**	**$ —**	**$ 83**	**$ —**	**$ 1,521**	**$ 937**	**$ 2,541**

11. Contingencies and Commitments

The Company is party to various legal proceedings in addition to the above involving routine claims which are incidental to its business. Although the Company's legal and financial liability with respect to such proceedings cannot be estimated with certainty, management believes that any ultimate liability would not be material to its financial statements.

The Company has various purchase commitments for raw materials, supplies, and property and equipment incidental to the ordinary conduct of business.

12. Basic and Diluted Net Income per Share

Basic net income per share is calculated by dividing the net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Diluted net income per share is computed by dividing the net income attributable to common stockholders by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method and the if-converted method. For purposes of this calculation, stock options are considered to be common stock equivalents and are only included in the calculation of diluted net income per share when their effect is dilutive.

The following tables and discussion provide a reconciliation of the numerator and denominator of the basic and diluted net income per share computations.

	Quarterly Period Ended		**Three Quarterly Periods Ended**	
(in millions, except per share amounts)	**July 2, 2016**	June 27, 2015	**July 2, 2016**	June 27, 2015
Numerator				
Consolidated net income (loss)	**$ 96**	$ (13)	**$ 159**	$ 38
Denominator				
Weighted average common shares outstanding - basic	**121.1**	119.5	**120.5**	118.9
Dilutive shares	**4.8**	-	**3.4**	4.8
Weighted average common and common equivalent shares outstanding - diluted	**125.9**	119.5	**123.9**	123.7
Per common share income (loss)				
Basic	**$ 0.79**	$ (0.11)	**$ 1.32**	$ 0.32
Diluted	**$ 0.76**	$ (0.11)	**$ 1.28**	$ 0.31

13. Accumulated Other Comprehensive Income (Loss)

The components and activity of Accumulated other comprehensive income (loss) are as follows:

(Amounts presented net of taxes)	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Interest Rate Hedges	Accumulated Other Comprehensive Income (Loss)
Balance at September 26, 2015	$ (81)	$ (25)	$ (13)	$ (119)
Other comprehensive income (loss) before reclassifications	**39**	**—**	**(30)**	**9**
Net amount reclassified from accumulated other comprehensive income (loss)	**—**	**—**	**10**	**10**
Provision for income taxes related to other comprehensive income items	**—**	**—**	**8**	**8**
Balance at July 2, 2016	**$ (42)**	**$ (25)**	**$ (25)**	**$ (92)**

(Amounts presented net of taxes)	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Interest Rate Hedges	Accumulated Other Comprehensive Income (Loss)
Balance at September 27, 2014	$ (36)	$ (15)	$ 8	$ (43)
Other comprehensive income (loss) before reclassifications	(32)	—	(18)	(50)
Net amount reclassified from accumulated other comprehensive income (loss)	—	—	—	—
Provision for income taxes related to other comprehensive income items	—	—	6	6
Balance at June 27, 2015	$ (68)	$ (15)	$ (4)	$ (87)

14. Purchase of Non-controlling Interest

At the time of our acquisition, Avintiv owned a 71.25% controlling interest in Providência, their Brazilian subsidiary. In the January 2, 2016 quarter, the Company acquired the remaining 28.75% non-controlling ownership interest of Providência for $66 million. As a result of this transaction, Providência became a wholly-owned subsidiary and the Company recorded $3 million to Additional paid-in capital.

15. Guarantor and Non-Guarantor Financial Information

Berry Plastics Corporation ("Issuer") has notes outstanding which are fully, jointly, severally, and unconditionally guaranteed by its parent, Berry Plastics Group, Inc. (for purposes of this Note 15, "Parent") and substantially all of Issuer's domestic subsidiaries. Separate narrative information or financial statements of the guarantor subsidiaries have not been included because they are 100% owned by Parent and the guarantor subsidiaries unconditionally guarantee such debt on a joint and several basis. A guarantee of a guarantor subsidiary of the securities will terminate upon the following customary circumstances: the sale of the capital stock of such guarantor if such sale complies with the indentures, the designation of such guarantor as an unrestricted subsidiary, the defeasance or discharge of the indenture, as a result of the holders of certain other indebtedness foreclosing on a pledge of the shares of a guarantor subsidiary or if such guarantor no longer guarantees certain other indebtedness of the issuer. The guarantees of the guarantor subsidiaries are also limited as necessary to prevent them from constituting a fraudulent conveyance under applicable law and guarantees guaranteeing subordinated debt are subordinated to certain other of the Company's debts. Parent also guarantees the Issuer's term loans and revolving credit facilities. The guarantor subsidiaries guarantee our term loans and are co-borrowers under our revolving credit facility. Presented below is condensed consolidating financial information for the Parent, Issuer, guarantor subsidiaries and non-guarantor subsidiaries. The Issuer and guarantor financial information includes all of our domestic operating subsidiaries; our non-guarantor subsidiaries include our foreign subsidiaries and the unrestricted subsidiaries under the Issuer's indentures. The Parent uses the equity method to account for its ownership in the Issuer in the Condensed Consolidating Supplemental Financial Statements. The Issuer uses the equity method to account for its ownership in the guarantor and non-guarantor subsidiaries. All consolidating entries are included in the eliminations column along with the elimination of intercompany balances.

Condensed Supplemental Consolidated Balance Sheet

	July 2, 2016					
	Parent	**Issuer**	**Guarantor Subsidiaries**	**Non—Guarantor Subsidiaries**	**Eliminations**	**Total**
Current assets	**—**	**97**	**1,055**	**614**	**—**	**1,766**
Intercompany receivable	**436**	**2,935**	**—**	**46**	**(3,417)**	**—**
Property, plant, and equipment, net	**—**	**78**	**1,474**	**724**	**—**	**2,276**
Other assets	**272**	**4,099**	**4,102**	**750**	**(5,460)**	**3,763**
Total assets	**$ 708**	**$ 7,209**	**$ 6,631**	**$ 2,134**	**$ (8,877)**	**$ 7,805**
Current liabilities	**76**	**209**	**495**	**306**	**—**	**1,086**
Intercompany payable	**—**	**45**	**3,372**	**—**	**(3,417)**	**—**
Other long-term liabilities	**465**	**5,925**	**102**	**60**	**—**	**6,552**
Redeemable non-controlling interest	**12**	**—**	**—**	**12**	**(12)**	**12**
Stockholders' equity (deficit)	**155**	**1,030**	**2,662**	**1,756**	**(5,448)**	**155**
Total liabilities and stockholders' equity (deficit)	**$ 708**	**$ 7,209**	**$ 6,631**	**$ 2,134**	**$ (8,877)**	**$ 7,805**

	September 26, 2015					
	Parent	**Issuer**	**Guarantor Subsidiaries**	**Non—Guarantor Subsidiaries**	**Eliminations**	**Total**
Current assets	162	257	767	197	—	1,383
Intercompany receivable	329	2,963	—	83	(3,375)	—
Property, plant and equipment, net	—	79	1,111	104	—	1,294
Other assets	75	1,553	2,152	102	(1,531)	2,351
Total assets	$ 566	$ 4,852	$ 4,030	$ 486	$ (4,906)	$ 5,028
Current liabilities	57	205	366	77	—	705
Intercompany payable	—	—	3,375	—	(3,375)	—
Other long-term liabilities	562	3,769	39	6	—	4,376
Redeemable non-controlling interest	12	—	—	—	—	12
Stockholders' equity (deficit)	(65)	878	250	403	(1,531)	(65)
Total liabilities and stockholders' equity (deficit)	$ 566	$ 4,852	$ 4,030	$ 486	$ (4,906)	$ 5,028

Condensed Supplemental Consolidated Statements of Operations

	Quarterly Period Ended July 2, 2016					
	Parent	**Issuer**	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Eliminations**	**Total**
Net sales	**$ —**	**$ 150**	**$ 1,081**	**$ 414**	**$ —**	**$ 1,645**
Cost of goods sold	**—**	**140**	**834**	**322**	**—**	**1,296**
Selling, general and administrative	**—**	**6**	**93**	**30**	**—**	**129**
Amortization of intangibles	**—**	**2**	**27**	**6**	**—**	**35**
Restructuring and impairment charges	**—**	**—**	**1**	**5**	**—**	**6**
Operating income	**—**	**2**	**126**	**51**	**—**	**179**
Debt extinguishment	**—**	**4**	**—**	**—**	**—**	**4**
Other expense (income), net	**—**	**4**	**(4)**	**(18)**	**—**	**(18)**
Interest expense, net	**—**	**9**	**63**	**1**	**—**	**73**
Equity in net income of subsidiaries	**(120)**	**(119)**	**—**	**—**	**239**	**—**
Income (loss) before income taxes	**120**	**104**	**67**	**68**	**(239)**	**120**
Income tax expense (benefit)	**24**	**4**	**1**	**14**	**(19)**	**24**
Consolidated net income (loss)	**$ 96**	**$ 100**	**$ 66**	**$ 54**	**$ (220)**	**$ 96**
Comprehensive net income (loss)	**$ 96**	**$ 98**	**$ 65**	**$ 38**	**$ (220)**	**$ 77**

	Quarterly Period Ended June 27, 2015					
	Parent	**Issuer**	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Eliminations**	**Total**
Net sales	$ —	$ 155	$ 961	$ 125	$ —	$ 1,241
Cost of goods sold	—	121	773	109	—	1,003
Selling, general and administrative	—	17	63	12	—	92
Amortization of intangibles	—	2	18	2	—	22
Restructuring and impairment charges	—	—	3	—	—	3
Operating income	—	15	104	2	—	121
Debt extinguishment	—	94	—	—	—	94
Other expense (income), net	—	(2)	3	1	—	2
Interest expense, net	—	6	37	4	—	47
Equity in net income of subsidiaries	22	(60)	—	—	38	—
Income (loss) before income taxes	(22)	(23)	64	(3)	(38)	(22)
Income tax expense (benefit)	(9)	(10)	—	1	9	(9)
Consolidated net income (loss)	$ (13)	$ (13)	$ 64	$ (4)	$ (47)	$ (13)
Comprehensive net income (loss)	$ (13)	$ (11)	$ 64	$ (2)	$ (47)	$ (9)

	Three Quarterly Periods Ended July 2, 2016					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	$ —	$ 442	$ 3,143	$ 1,286	$ —	$ 4,871
Cost of goods sold	—	373	2,490	1,022	—	3,885
Selling, general and administrative	—	89	251	81	—	421
Amortization of intangibles	—	6	77	23	—	106
Restructuring and impairment charges	—	—	23	6	—	29
Operating income	—	(26)	302	154	—	430
Debt extinguishment	—	4	—	—	—	4
Other expense (income), net	—	15	(11)	(25)	—	(21)
Interest expense, net	—	27	158	37	—	222
Equity in net income of subsidiaries	(225)	(258)	—	—	483	—
Income (loss) before income taxes	225	186	155	142	(483)	225
Income tax expense (benefit)	66	23	2	36	(61)	66
Consolidated net income (loss)	$ 159	$ 163	$ 153	$ 106	$ (422)	$ 159
Comprehensive net income (loss)	$ 159	$ 152	$ 152	$ 145	$ (422)	$ 186
Consolidating Statement of Cash Flows						
Cash Flow from Operating Activities	$ —	$ 23	$ 382	$ 162	$ —	$ 567
Cash Flow from Investing Activities						
Additions to property, plant, and equipment	—	(13)	(181)	(34)	—	(228)
Proceeds from sale of assets	—	—	4	—	—	4
(Contributions) distributions to/from subsidiaries	(20)	(2,240)	—	—	2,260	—
Intercompany advances (repayments)	—	11	—	—	(11)	—
Acquisition of business, net of cash acquired	—	—	(291)	(1,992)	—	(2,283)
Other investing activities, net	—	(11)	—	—	—	(11)
Net cash from investing activities	(20)	(2,253)	(468)	(2,026)	2,249	(2,518)
Cash Flow from Financing Activities						
Proceeds from long-term debt	—	2,490	—	—	—	2,490
Purchase of non-controlling interest	—	—	(66)	—	—	(66)
Proceeds from issuance of common stock	20	—	—	—	—	20
Payment of tax receivable agreement	(57)	—	—	—	—	(57)
Repayments on long-term borrowings	—	(356)	—	(34)	—	(390)
Contribution from Parent	—	—	291	1,969	(2,260)	—
Debt financing costs	—	(38)	—	—	—	(38)
Changes in intercompany balances	57	—	(110)	42	11	—
Net cash from financing activities	20	2,096	115	1,977	(2,249)	1,959
Effect of exchange rate changes on cash	—	—	—	—	—	—
Net change in cash	—	(134)	29	113	—	8
Cash and cash equivalents at beginning of period	—	163	—	65	—	228
Cash and cash equivalents at end of period	$ —	$ 29	$ 29	$ 178	$ —	$ 236

	Three Quarterly Periods Ended June 27, 2015					
	Parent	Issuer	Guarantor Subsidiaries	Non—Guarantor Subsidiaries	Eliminations	Total
Net sales	$ —	$ 464	$ 2,871	$ 350	$ —	$ 3,685
Cost of goods sold	—	394	2,366	277	—	3,037
Selling, general and administrative	—	50	183	33	—	266
Amortization of intangibles	—	6	58	6	—	70
Restructuring and impairment charges	—	—	11	—	—	11
Operating income (loss)	—	14	253	34	—	301
Debt extinguishment	—	94	—	—	—	94
Other expense (income), net	—	(1)	2	1	—	2
Interest expense, net	—	19	119	14	—	152
Equity in net income of subsidiaries	(53)	(148)	—	—	201	—
Income (loss) before income taxes	53	50	132	19	(201)	53
Income tax expense (benefit)	15	12	—	3	(15)	15
Consolidated net income (loss)	$ 38	$ 38	$ 132	$ 16	$ (186)	$ 38
Comprehensive net income (loss)	$ 38	$ 26	$ 132	$ (16)	$ (186)	$ (6)
Consolidating Statement of Cash Flows						
Cash Flow from Operating Activities	$ —	$ (35)	$ 407	$ 20	$ —	$ 392
Cash Flow from Investing Activities						
Additions to property, plant, and equipment	—	(11)	(110)	(3)	—	(124)
Proceeds from sale of assets	—	—	13	5	—	18
(Contributions) distributions to/from subsidiaries	(16)	16	—	—	—	—
Intercompany advances (repayments)	—	282	—	—	(282)	—
Acquisition of business, net of cash acquired	—	—	—	—	—	—
Net cash from investing activities	(16)	287	(97)	2	(282)	(106)
Cash Flow from Financing Activities						
Proceeds from long-term debt	—	702	—	—	—	702
Proceeds from issuance of common stock	16	—	—	—	—	16
Payment of tax receivable agreement	(39)	—	—	—	—	(39)
Repayments on long-term borrowings	—	(937)	—	(3)	—	(940)
Debt financing costs	—	(87)	—	—	—	(87)
Changes in intercompany balances	39	—	(321)	—	282	—
Net cash from financing activities	16	(322)	(321)	(3)	282	(348)
Effect of exchange rate changes on cash	—	—	—	(5)	—	(5)
Net change in cash	—	(70)	(11)	14	—	(67)
Cash and cash equivalents at beginning of period	—	70	15	44	—	129
Cash and cash equivalents at end of period	$ —	$ —	$ 4	$ 58	$ —	$ 62

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

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

The Company's fiscal year is based on fifty-two or fifty-three week periods. Fiscal 2016 is a fifty-three week period.

Executive Summary

Business. In November 2015, the Company reorganized into three operating segments: Health, Hygiene & Specialties, Consumer Packaging, and Engineered Materials. The new structure is designed to align us with our customers, provide improved service, drive future growth and to facilitate future cost saving synergies. The Consumer Packaging segment primarily consists of containers, foodservice items, closures, overcaps, bottles, prescription containers, tubes, and printed films. The Health, Hygiene & Specialties segment primarily consists of nonwoven specialty materials used in hygiene, infection prevention, personal care, industrial, construction, and filtration applications. The Company has elected to include 100% of the acquired Avintiv business in the Health, Hygiene & Specialties segment in order to maintain management continuity and limit business integration risk. The Engineered Materials segment primarily consists of pipeline corrosion protection solutions, tapes and adhesives, polyethylene based film products, can liners, and specialty coated and laminated products. The Company has recast all prior period amounts to conform to this new reporting structure.

Acquisitions. We maintain a disciplined acquisition strategy, which is focused on improving our long-term financial performance, enhancing our market positions, and expanding our product lines, or in some cases, providing us with a new or complementary product line. In our acquisitions, we seek to obtain businesses for attractive post-synergy multiples, create value for our stockholders from synergy realization, leverage the acquired products across our customer base, create new platforms for future growth, and assume best practices from the businesses we acquire. The Company has included the expected benefits of acquisition integrations and restructuring plans within our unrealized synergies, which are in turn recognized in earnings after an acquisition has been fully integrated or the restructuring plan is completed. While the expected benefits on earnings is estimated at the commencement of each transaction, once the execution of the plan and integration occur, we are generally unable to accurately estimate or track what the ultimate effects have been due to system integrations and movements of activities to multiple facilities. As historical business combinations and restructuring plans have not allowed us to accurately separate realized synergies compared to what was initially identified, we measure the synergy realization based on the overall segment profitability post integration.

Avintiv Inc.

In October 2015, the Company acquired 100% of the capital stock of AVINTIV Inc. ("Avintiv") for a purchase price of $2.26 billion, net of cash acquired. Avintiv is one of the world's leading developers, producers, and marketers of nonwoven specialty materials used in hygiene, infection prevention, personal care, industrial, construction, and filtration applications. With 23 locations in 14 countries, an employee base of over 4,500 people as of the acquisition date, and the broadest range of process technologies in the industry, Avintiv's strategically located manufacturing facilities position it as a global supplier to many of the same leading consumer and industrial product manufacturers that Berry supplies and utilize similar key raw materials as Berry's existing business. To finance the purchase, the Company issued $400 million aggregate principal amount of 6.0% second priority senior secured notes due 2022 and entered into an incremental assumption agreement to increase the commitments under the Company's existing term loan credit agreement by $2.1 billion due 2022. The results of Avintiv have been included in the consolidated results of the Company since the date of the acquisition. The Company expects annual cost synergies of approximately $80 million related to the Avintiv acquisition that are expected to be realized through fiscal 2017.

Providência Non-Controlling Interest

At the time of our acquisition, Avintiv owned a 71.25% controlling interest in Providência, their Brazilian subsidiary. In the January 2, 2016 quarter, the Company acquired the remaining 28.75% non-controlling ownership interest of Providência for $66 million. As a result of this transaction, Providência became a wholly-owned subsidiary and the Company recorded $3 million to Additional paid-in capital.

Raw Material Trends. Our primary raw material is plastic resin consisting primarily of polypropylene and polyethylene. Plastic resins are subject to price fluctuations, including those arising from supply shortages and changes in the prices of natural gas, crude oil and other petrochemical intermediates from which resins are produced. The three month simple average price per pound, as published by market indexes, were as follows:

	Polyethylene Butene Film			Polypropylene		
	2016	2015	2014	**2016**	2015	2014
1st quarter	**$ .69**	$ .86	$ .82	**$ .70**	$ .92	$ .89
2nd quarter	**.66**	.75	.85	**.75**	.73	.95
3rd quarter	**.73**	.76	.86	**.71**	.68	.91
4th quarter	**—**	.73	.87	**—**	.66	.92

Due to differences in the timing of passing through resin cost changes to our customers on escalator/de-escalator programs, segments are negatively impacted in the short term when plastic resin costs increase and are positively impacted when plastic resin costs decrease. This timing lag in passing through raw material cost changes could affect our results as plastic resin costs fluctuate.

Outlook. The Company is impacted by general economic and industrial growth, plastic resin availability and affordability, and general industrial production. Our business has both geographic and end-market diversity, which reduces the effect of any one of these factors on our overall performance. Our results are affected by our ability to pass through raw material cost changes to our customers, improve manufacturing productivity and adapt to volume changes of our customers. Historically, there has been a very tight correlation between oil prices and the cost of our key raw materials, polyethylene and polypropylene. Within the polyethylene and polypropylene markets there are specifics of each market that will also likely impact the Company. Large capacity expansions in polyethylene are anticipated coming online in North America that should benefit the Company. Overall, we continue to believe that these current trends in global oil and resin markets will be positive for the Company. Outside of North America, we continue to believe health, pharmaceuticals, personal care and food packaging growth opportunities exist, especially in Asia, where expected per capita consumption increases should result in organic growth. Our fiscal 2016 Adjusted free cash flow guidance is $475 million. Components of Adjusted free cash flow include $817 million of cash flow from operations, less $285 million of additions to property, plant, and equipment and $57 million of payments under our tax receivable agreement. For the definition of Adjusted free cash flow and further information related to Adjusted free cash flow as a non-GAAP financial measure, see "Liquidity and Capital Resources."

Results of Operations

Comparison of the Quarterly Period Ended July 2, 2016 (the "Quarter") and the Quarterly Period Ended June 27, 2015 (the "Prior Quarter")

Consistent with historical presentation, acquisition (businesses acquired in the last twelve months) sales and operating income disclosed within this section represents the historical results from acquisitions for the comparable prior year period. The remaining change disclosed represents the changes from the prior period on a combined basis. Business integration expenses consist of restructuring and impairment charges, manufacturing inefficiencies associated with cost reduction plans, major innovation start-up and other business optimization costs. Tables present dollars in millions.

Consolidated Overview

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 1,645**	$ 1,241	$ 404	33%
Operating income	**$ 179**	$ 121	$ 58	48%
Operating income percentage of net sales	**11%**	10%		

The net sales increase of $404 million from the Prior Quarter is primarily attributed to acquisition net sales of $469 million, partially offset by a negative $30 million impact from a 2% volume decline, a $31 million decline in selling prices, and a $4 million negative impact from foreign currency changes.

The operating income increase of $58 million from the Prior Quarter is primarily attributed to acquisition operating income of $34 million, a $32 million improvement in our product mix and price/cost spread including contribution from sourcing synergies, and $4 million reduction in business integration expenses. These improvements were partially offset by a $3 million increase in depreciation and amortization primarily related to purchase accounting adjustments associated with the Avintiv acquisition, $5 million from base volume declines, and $5 million of increased costs in manufacturing.

Consumer Packaging

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 705**	$ 731	$ (26)	(4%)
Operating income	**$ 63**	$ 75	$ (12)	(16%)
Percentage of net sales	**9%**	10%		

Net sales in the Consumer Packaging segment decreased by $26 million from Prior Quarter primarily attributed to selling price decreases of $10 million and a negative $16 million impact from a 2% base volume decline. The volume decline is primarily attributed to softer consumer packaged food demand and lower restaurant traffic.

The operating income decrease of $12 million from Prior Quarter is primarily attributed to a $6 million increase in depreciation, $4 million of increased manufacturing costs, and $3 million from base volume declines.

Health, Hygiene & Specialties

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 567**	$ 122	$ 445	365%
Operating income	**$ 61**	$ 7	$ 54	771%
Percentage of net sales	**11%**	6%		

Net sales in the Health, Hygiene & Specialties segment increased by $445 million from Prior Quarter primarily attributed to acquisition net sales of $469 million partially offset by selling price decreases of $14 million, a $2 million unfavorable impact from currency translation, and a negative $8 million impact from a 1% base volume decline. The volume declines were primarily due to a combination of pricing actions and improvements in the product mix in Europe.

The operating income increase of $54 million from Prior Quarter is primarily attributed to acquisition operating income of $34 million and a $20 million improvement in our product mix and price/cost spread including contribution from sourcing synergies.

Engineered Materials

	Quarter	Prior Quarter	$ Change	% Change
Net sales	**$ 373**	$ 388	$ (15)	(4%)
Operating income	**$ 55**	$ 39	$ 16	41%
Percentage of net sales	**15%**	10%		

Net sales in the Engineered Materials segment decreased by $15 million from Prior Quarter primarily attributed to selling price decreases of $6 million, a $2 million unfavorable impact from currency translation, and a negative $7 million impact from a 2% base volume decline. We believe that the volume decline is primarily related to inventory reductions by our customers on the expectation of lower future costs.

The operating income increase of $16 million from Prior Quarter is primarily attributed to an $11 million improvement in our product mix and price/cost spread and a $4 million reduction in business integration and restructuring costs.

Debt extinguishment

	Quarter	Prior Quarter	$ Change	% Change
Debt extinguishment	**$ 4**	$ 94	$ (90)	(96%)

Debt extinguishment decreased by $90 million from Prior Quarter primarily attributed to tender and redemption costs associated with the discharge of the 9¾% second priority senior secured notes in Prior Quarter.

Other (income) expense, net

	Quarter	Prior Quarter	$ Change	% Change
Other (income) expense, net	**$ (18)**	$ 2	$ (20)	(1,000%)

Other (income) expense, primarily consists of $18 million from the net favorable impact of transactional foreign currency related to the remeasurement of non-operating intercompany balances.

Interest expense, net

	Quarter	Prior Quarter	$ Change	% Change
Interest expense, net	**$ 73**	$ 47	$ 26	55%

The interest expense increase of $26 million from Prior Quarter is primarily attributed to the incremental financing incurred related to the Avintiv acquisition.

Income tax expense

	Quarter	Prior Quarter	$ Change	% Change
Income tax expense (benefit)	**$ 24**	$ (9)	$ 33	367%

The income tax expense increase of $33 million from the Prior Quarter is primarily attributed to an increase in Income before income taxes. Within the Quarter the 20% effective tax rate was favorably impacted by one-time U.S. permanent items, favorable foreign rate differentials and the U.S. research and development credit.

Changes in Comprehensive Income (Loss)

The $86 million increase in comprehensive income (loss) from Prior Quarter is primarily attributed to a $109 million improvement in net income, partially offset by an $18 million unfavorable change in currency translation. Currency translation gains and losses are primarily related to non-U.S. subsidiaries with a functional currency other than U.S. Dollars whereby assets and liabilities are translated from the respective functional currency into U.S. Dollars using period-end exchange rates. The change in currency translation in the Quarter was primarily attributed to locations utilizing the Euro, Pound Sterling, and Brazilian Reals as the functional currency. As part of the overall risk management, the Company uses derivative instruments to reduce exposure to changes in interest rates attributed to the Company's floating-rate borrowings and records changes to the fair value of these instruments in Accumulated other comprehensive income (loss). The $5 million unfavorable change in fair value of these instruments in the Quarter versus Prior Quarter is primarily attributed to a decrease in the forward interest curve between measurement dates.

Comparison of the Three Quarterly Periods Ended July 2, 2016 (the "YTD") and the Three Quarterly Periods Ended June 27, 2015 (the "Prior YTD")

Consistent with historical presentation, acquisition (businesses acquired in the last twelve months) sales and operating income disclosed within this section represents the historical results from acquisitions for the comparable prior year period. The remaining change disclosed represents the changes from the prior period on a combined basis. Business integration expenses consist of restructuring and impairment charges, manufacturing inefficiencies associated with cost reduction plans, major innovation start-up and other business optimization costs. Tables present dollars in millions.

Consolidated Overview

	YTD	Prior YTD	$ Change	% Change
Net sales	**$ 4,871**	$ 3,685	$ 1,186	32%
Operating income	**$ 430**	$ 301	$ 129	43%
Operating income percentage of net sales	**9%**	8%		

The net sales increase of $1,186 million from the Prior YTD is primarily attributed to acquisition net sales of $1,488 million, partially offset by a $237 million decline in selling prices due to the pass through of lower resin prices, and a $56 million negative impact from foreign currency changes.

The operating income increase of $129 million from the Prior YTD is primarily attributed to a $95 million improvement in our product mix and price/cost spread including contribution from sourcing synergies, acquisition operating income of $92 million, and $9 million from net productivity improvements in manufacturing. These improvements were partially offset by a $39 million increase in depreciation and amortization expense primarily related to purchase accounting adjustments associated with the Avintiv acquisition, a $9 million increase in selling, general and administrative expenses, an $8 million increase in business integration and restructuring costs, and a $6 million negative impact from foreign currency changes.

Consumer Packaging

	YTD	Prior YTD	$ Change	% Change
Net sales	**$ 2,075**	$ 2,163	$ (88)	(4%)
Operating income	**$ 173**	$ 168	$ 5	3%
Operating income percentage of net sales	**8%**	8%		

Net sales in the Consumer Packaging segment decreased by $88 million from Prior YTD primarily attributed to selling price decreases of $105 million due to the pass through of lower resin prices partially offset by an $18 million impact from a 1% base volume improvement. Increased shipping days in the first quarter had approximately 2% impact on YTD volumes partially offset by softer consumer packaged food demands.

The operating income increase of $5 million from Prior YTD is primarily attributed to a $16 million improvement in our product mix and price/cost spread and an $18 million decrease in business integration expenses, partially offset by a $14 million increase in selling, general and administrative expenses primarily attributed to increased shipping days in the first quarter and higher accrued performance-based bonus expense, and an $18 million increase in depreciation and amortization expense. The decrease in business integration costs is the result of costs associated with the 2014 cost reduction plan recognized in Prior YTD.

Health, Hygiene & Specialties

	YTD	Prior YTD	$ Change	% Change
Net sales	**$ 1,699**	$ 383	$ 1,316	344%
Operating income	**$ 119**	$ 24	$ 95	396%
Operating income percentage of net sales	**7%**	6%		

Net sales in the Health, Hygiene & Specialties segment increased by $1,316 million from Prior YTD primarily attributed to acquisition net sales of $1,488 million partially offset by selling price decreases of $84 million due to the pass through of lower resin prices, a $43 million unfavorable impact from currency translation, and a negative $45 million impact from a 2% volume decline. The volume decline is primarily attributed to a negative impact due to decreased shipping days in Avintiv's prior year December quarter, pricing actions and improvements in the product mix in Europe.

The operating income increase of $95 million from Prior YTD is primarily attributed to acquisition operating income of $92 million, a $50 million improvement in our product mix and price/cost spread including contribution from sourcing synergies, a $6 million increase from net productivity improvements in manufacturing, and a $4 million decrease in selling, general and administrative expenses, partially offset by a $26 million increase in depreciation and amortization expense primarily related to purchase accounting adjustments associated with the Avintiv acquisition, $9 million from base volume declines, a $19 million increase in business integration costs, and a $4 million unfavorable impact from foreign currency changes. The increase in business integration expenses primarily consisted of a $17 million increase in restructuring and impairment costs associated with the Avintiv acquisition.

Engineered Materials

	YTD	Prior YTD	$ Change	% Change
Net sales	**$ 1,097**	$ 1,139	$ (42)	(4%)
Operating income	**$ 138**	$ 109	$ 29	27%
Operating income percentage of net sales	**13%**	10%		

Net sales in the Engineered Materials segment decreased by $42 million from Prior YTD primarily attributed to selling price decreases of $48 million due to the pass through of lower resin prices and a $13 million unfavorable impact from currency translation partially offset by a $21 million impact from a 2% base volume improvement. Increased shipping days in the first quarter had approximately 2% impact on YTD volumes.

The operating income increase of $29 million in the Engineered Materials segment from the Prior YTD is primarily attributed to a $28 million improvement in our product mix and price/cost spread, $2 million in base volume increases, a $5 million decrease in depreciation and amortization expense, a $2 million decrease in selling, general and administrative expenses, and a $2 million improvement in productivity in manufacturing, partially offset by a $6 million non-cash legal reserve recorded in the YTD and a $2 million negative impact from foreign currency changes.

Debt extinguishment

	YTD	Prior YTD	$ Change	% Change
Debt extinguishment	**$ 4**	$ 94	$ (90)	(96%)

Debt extinguishment decreased by $90 million from Prior YTD primarily attributed to tender and redemption costs associated with the discharge of the 9¾% second priority senior secured notes in Prior YTD.

Other (income) expense, net

	YTD	Prior YTD	$ Change	% Change
Other (income) expense, net	**$ (21)**	$ 2	$ (23)	(1,150%)

Other (income) expense in the YTD primarily consists of $27 million from the net favorable impact of transactional foreign currency related to the remeasurement of non-operating intercompany balances, partially offset by $5 million in financing fees associated with the Avintiv acquisition.

Interest expense, net

	YTD	Prior YTD	$ Change	% Change
Interest expense, net	**$ 222**	$ 152	$ 70	46%

The interest expense increase of $70 million from Prior YTD is primarily attributed to the incremental financing incurred related to the Avintiv acquisition, partially offset by the net interest savings from the retirement of the 9¾% second priority senior secured notes and corresponding issuance of the $5^{1}/_{8}$% second priority senior secured notes in June 2015.

Income tax expense

	YTD	Prior YTD	$ Change	% Change
Income tax expense	**$ 66**	$ 15	$ 51	340%

The income tax expense increase of $51 million from the Prior YTD is primarily attributed to an increase in Income before income taxes. Our year-to-date effective tax rate was lower than our statutory rate primarily due to favorable U.S. permanent items, favorable foreign rate differentials, and the U.S. research and development credit, partially offset by state taxes and foreign income taxed in the U.S.

Changes in Comprehensive Income (Loss)

The $192 million increase in comprehensive income (loss) from the Prior YTD is primarily attributed to a $71 million improvement in currency translation and a $121 million improvement in net income. Currency translation gains and losses are primarily related to non-U.S. subsidiaries with a functional currency other than U.S. Dollars whereby assets and liabilities are translated from the respective functional currency into U.S. Dollars using period-end exchange rates. The change in currency translation in the YTD was primarily attributed to locations utilizing the Euro, Pound Sterling, and Brazilian Reals as the functional currency. As part of the overall risk management, the Company uses derivative instruments to reduce exposure to changes in interest rates attributed to the Company's floating-rate borrowings and records changes to the fair value of these instruments in Accumulated other comprehensive income (loss). The change in fair value of these instruments in the YTD versus Prior YTD is primarily attributed to a decrease in the forward interest curve between measurement dates.

Liquidity and Capital Resources

As of the end of the quarter, we had cash and cash equivalents of $236 million, of which approximately 84% was located outside of the U.S. Our primary sources of cash are the collection of trade receivables generated from the sales of our products and services to our customers and amounts available under our existing lines of credit. Our primary uses of cash are payments for operating expenses, investments in working capital, capital expenditures, interest, taxes, debt obligations, restructuring expenses and other long-term liabilities. Based on our current level of operations, we believe that cash flow from operations and available cash, together with available borrowings under our senior secured credit facilities, will be adequate to meet our short-term liquidity needs over the next twelve months. We base such belief on historical experience and the funds available under the revolving credit facility. However, we cannot predict our future results of operations and our ability to meet our obligations involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of our most recent Form 10-K filed with the SEC. In particular, increases in the cost of resin which we are unable to pass through to our customers on a timely basis or significant acquisitions could severely impact our liquidity.

Senior Secured Credit Facilities

We manage our global cash requirements considering (i) available funds among the many subsidiaries through which we conduct business, (ii) the geographic location of our liquidity needs, and (iii) the cost to access international cash balances. We have senior secured credit facilities consisting of $4.2 billion of term loans and a $650 million asset-based revolving line of credit. The revolving credit facility matures in May 2020, $2.0 billion of the term loans mature in October 2022, $814 million of the term loans mature in January 2021, and the remaining $1.4 billion of term loans mature in February 2020. The availability under the revolving line of credit is the lesser of $650 million or an amount determined by a defined borrowing base which is calculated based on available accounts receivable and inventory. The revolving line of credit allows up to $130 million of letters of credit to be issued instead of borrowings under the revolving line of credit. At the end of the Quarter, the Company had no outstanding balance on the revolving credit facility, $40 million of outstanding letters of credit and a $30 million borrowing base reserve, resulting in unused borrowing capacity of $580 million under the revolving line of credit. The Company was in compliance with all covenants at the end of the Quarter.

Despite not having financial maintenance covenants, our debt agreements contain certain negative covenants. The failure to comply with these negative covenants could restrict our ability to incur additional indebtedness, effect acquisitions, enter into certain significant business combinations, make distributions or redeem indebtedness. The term loan facility contains a negative covenant first lien secured leverage ratio covenant of 4.0 to 1.0 on a pro forma basis for a proposed transaction, such as an acquisition or incurrence of additional first lien debt. As of July 2, 2016 our first lien debt of $4.3 billion less cash and cash equivalents of $236 million divided by our four quarters ended Adjusted EBITDA resulted in a first lien secured leverage ratio of 3.4 to 1.0.

A key financial metric utilized in the calculation of the first lien leverage ratio is adjusted EBITDA (defined as "EBITDA" in the Company's senior secured credit facilities, but referred herein as Adjusted EBITDA). The following table reconciles (i) our Adjusted EBITDA to net income and (ii) our Adjusted free cash flow to cash flow from operating activities, in each case, for the four quarters ended July 2, 2016:

	Four Quarters Ended July 2, 2016
Adjusted EBITDA	$ 1,212
Acquisition Adjusted EBITDA [(a)]	(70)
Unrealized cost savings [(b)]	(28)
Depreciation and amortization	(477)
Debt extinguishment	(4)
Other non-cash charges	(39)
Business optimization and other expense [(c)]	(30)
Restructuring and impairment	(31)
Other income (expense), net	22
Interest expense, net	(261)
Income tax expense	(87)
Net income	$ 207
Cash flow from operating activities	$ 812
Net additions to property, plant and equipment	(280)
Payments of tax receivable agreement	(57)
Adjusted free cash flow	$ 475
Cash flow from investing activities	(2,577)
Cash flow from financing activities	1,942

(a) From July 2015 through September 2015
(b) Primarily consists of unrealized synergies related to the Avintiv acquisition
(c) Includes business optimization, integration expenses and non-cash charges

Adjusted EBITDA and Adjusted Free Cash Flow, as presented in this document, are supplemental financial measures that are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). Adjusted EBITDA and Adjusted Free Cash Flow are not GAAP financial measures and should not be considered as an alternative to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP. Adjusted EBITDA is used by our lenders for debt covenant compliance.

We define "Adjusted Free Cash Flow" as cash flow from operating activities less additions to property, plant and equipment and payments under the tax receivable agreement. We believe Adjusted Free Cash Flow is useful to an investor in evaluating our liquidity because Adjusted Free Cash Flow and similar measures are widely used by investors, securities analysts and other interested parties in our industry to measure a company's liquidity without regard to revenue and expense recognition, which can vary depending upon accounting methods.

These non-GAAP financial measures may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures.

Tax Receivable Agreement

The Company made $57 million of payments related to the income tax receivable agreement ("TRA") in the first fiscal quarter of 2016, of which Apollo Global Management, LLC received $46 million. The $57 million payment represents the only TRA payment required in fiscal 2016.

Cash Flows

Net cash provided by operating activities increased $175 million from the Prior YTD primarily attributed to improved operating performance.

Net cash used in investing activities increased $2.4 billion from the Prior Year primarily attributed to the Avintiv acquisition and increased capital expenditures to support the larger consolidated business.

Net cash provided by financing activities increased $2.3 billion from the Prior Year primarily attributed to the incremental financing incurred related to the Avintiv acquisition, partially offset by the $66 million Providência tender offer and repayment of $390 million on long-term borrowings.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Sensitivity

We are exposed to market risk from changes in interest rates primarily through our senior secured credit facilities. Our senior secured credit facilities are comprised of (i) $4.2 billion term loans and (ii) a $650 million revolving credit facility. As of July 2, 2016, the Company had no outstanding balance on the revolving credit facility. Borrowings under our senior secured credit facilities bear interest, at our option, at either an alternate base rate or an adjusted LIBOR rate for a one-, two-, three- or six month interest period, or a nine- or twelve-month period, if available to all relevant lenders, in each case, plus an applicable margin. The alternate base rate is the greater of (i) in the case of our term loans, Credit Suisse's prime rate or, in the case of our revolving credit facility, Bank of America's prime rate and (ii) one-half of 1.0% over the weighted average of rates on overnight Federal Funds as published by the Federal Reserve Bank of New York. At July 2, 2016, the LIBOR rate of 0.68% applicable to the term loan was below the LIBOR floor of 1.00%. A 0.25% change in LIBOR would not have a material impact on our interest expense.

In February 2013, the Company entered into an interest rate swap transaction to protect $1 billion of outstanding variable rate term loan debt from future interest rate volatility. The agreement swapped the greater of a three-month variable LIBOR contract or 1.00% for a fixed annual rate of 2.355%, with an effective date in May 2016 and expiration in May 2019. In June 2013, the Company elected to settle this derivative instrument and received $16 million as a result of this settlement. The offset is included in Accumulated other comprehensive loss and Deferred income taxes and is being amortized to Interest expense over the original term of the swap agreement.

In March 2014, the Company entered into an interest rate swap transaction to protect $1 billion of outstanding variable rate term loan debt from future interest rate volatility. The agreement swaps the greater of a three-month variable LIBOR contract or 1.00% for a fixed annual rate of 2.59%, with an effective date in February 2016 and expiration in February 2019. The Company records changes in fair value in Accumulated other comprehensive income (loss).

In September 2015, the Company entered into an interest rate swap transaction to protect $1 billion of outstanding variable rate term loan debt from future interest rate volatility. The agreement swapped the greater of a three-month variable LIBOR contract or 1.00% for a fixed annual rate of 1.7185%, with an effective date in December 2015 and expiration in June 2019. The Company records changes in fair value in Accumulated other comprehensive income (loss).

Resin Cost Sensitivity

We are exposed to market risk from changes in plastic resin prices that could impact our results of operations and financial condition. Our plastic resin purchasing strategy is to deal with only high-quality, dependable suppliers. We believe that we have maintained strong relationships with these key suppliers and expect that such relationships will continue into the foreseeable future. However, we can give you no assurances as to such availability or the prices thereof. If the price of resin increased or decreased by 5% it would result in a material change to our financial statements.

Foreign Currency Exchange Rates

As a global company, we face foreign currency risk exposure from fluctuating currency exchange rates, primarily the U.S. dollar against the euro, Brazilian real, Argentine peso, Chinese yuan, Canadian dollar and Mexican peso. Significant fluctuations in currency rates can have a substantial impact, either positive or negative, on our revenue, cost of sales, and operating expenses. As there is uncertainty in the future movements in foreign exchange rates, significant fluctuations could negatively impact our future consolidated results of operations. Currency translation gains and losses are primarily related to non-U.S. subsidiaries with a functional currency other than U.S. Dollars whereby assets and liabilities are translated from the respective functional currency into U.S. Dollars using period-end exchange rates and impact our comprehensive income (loss). While future consolidated results of operations could be materially impacted by fluctuations in currency rates, we attempt to manage our foreign currency risk on our anticipated cash movements by entering into foreign currency forward contracts to offset potential foreign exchange gains or losses. A 10% change in our foreign currency forward contracts could result in a material change to our financial statements.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Under applicable SEC regulations, management of a reporting company, with the participation of the principal executive officer and principal financial officer, must periodically evaluate the company's "disclosure controls and procedures," which are defined generally as controls and other procedures of a reporting company designed to ensure that information required to be disclosed by the reporting company in its periodic reports filed with the commission (such as this Form 10-Q) is recorded, processed, summarized, and reported on a timely basis.

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the disclosure controls and procedures as of July 2, 2016. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of July 2, 2016, the design and operation of our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Changes in internal controls.

Current year acquisitions have been excluded from the scope of our evaluation of disclosure controls and procedures. We are currently in the process of implementing our internal control structure over these acquired operations and expect this effort will continue into fiscal 2017. With the exception of the implementation of current year acquisitions into our control structure, there were no changes in our internal control over financial reporting that occurred during the quarter ended July 2, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

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

All forward-looking information and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- risks associated with our substantial indebtedness and debt service;
- changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices on a timely basis;
- performance of our business and future operating results;
- risks related to our acquisition strategy and integration of acquired businesses;
- reliance on unpatented know-how and trade secrets;
- increases in the cost of compliance with laws and regulations, including environmental, safety, and production and product laws and regulations;
- risks related to disruptions in the overall economy and the financial markets that may adversely impact our business;
- catastrophic loss of one of our key manufacturing facilities, natural disasters, and other unplanned business interruptions;
- risks of competition, including foreign competition, in our existing and future markets;
- risks related to the market acceptance of our developing technologies and products;
- general business and economic conditions, particularly an economic downturn;
- risks that our restructuring program may entail greater implementation costs or result in lower cost savings than anticipated;
- the ability of our insurance to cover fully our potential exposures; and
- the other factors discussed in our most recent Form 10-K in the section titled "Risk Factors."

We caution readers that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Form 10-Q may not in fact occur. Accordingly, investors should not place undue reliance on those statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Item 6. Exhibits

10.1	Incremental Assumption Agreement and Amendment, dated as of June 15, 2016, by and among Berry Plastics Group, Inc., Berry Plastics Corporation and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, and Citibank, N.A., as incremental term lender.*
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer.*
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer.*
32.1	Section 1350 Certification of the Chief Executive Officer.*
32.2	Section 1350 Certification of the Chief Financial Officer.*
101.	Interactive Data Files.

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Berry Plastics Group, Inc.
August 9, 2016	By: /s/ Mark W. Miles
	Mark W. Miles
	Chief Financial Officer

Execution Version

INCREMENTAL ASSUMPTION AGREEMENT AND AMENDMENT

Dated as of June 15, 2016

among

BERRY PLASTICS GROUP, INC.,

BERRY PLASTICS CORPORATION

and

CERTAIN SUBSIDIARIES OF BERRY PLASTICS CORPORATION

as Loan Parties,

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

as Administrative Agent,

CITIBANK, N.A.

as Initial Term G Lender,

CITIBANK, N.A.

as Initial Term H Lender

and the

LENDERS PARTY HERETO,

as Required Lenders

INCREMENTAL ASSUMPTION AGREEMENT AND AMENDMENT

THIS INCREMENTAL ASSUMPTION AGREEMENT AND AMENDMENT, dated as of June 15, 2016 (this "Agreement"), is among **BERRY PLASTICS CORPORATION**, a Delaware corporation (the "Borrower"), **BERRY PLASTICS GROUP, INC.**, a Delaware corporation ("Holdings"), each Subsidiary of the Borrower listed on the signature pages hereto (together with Holdings and the Borrower, the "Loan Parties"), Citibank, N.A., as a Lender (as defined in the Credit Agreement referred to below) with respect to the Term G Loans (in such capacity, the "Initial Term G Lender"), Citibank, N.A., as a Lender with respect to the Term H Loans (in such capacity, the "Initial Term H Lender"), and Credit Suisse AG, Cayman Islands Branch (formerly known as Credit Suisse, Cayman Islands Branch), as administrative agent (in such capacity, the "Administrative Agent") for the Lenders under the Credit Agreement.

PRELIMINARY STATEMENTS:

(1) The Loan Parties, the Administrative Agent and the other agents and lenders party thereto are parties to the Second Amended and Restated Term Loan Credit Agreement dated as of April 3, 2007 (as modified by that certain Incremental Assumption Agreement, dated as of February 8, 2013, that certain Incremental Assumption Agreement, dated as of January 6, 2014, and that certain Incremental Assumption Agreement and Amendment, dated as of October 1, 2015 (collectively, the "Prior Incremental Assumption Agreements"), the "Credit Agreement"). Capitalized terms not otherwise defined in this Agreement have the same meanings as specified in the Credit Agreement.

(2) The Borrower has requested that the Initial Term G Lender provide an Incremental Term Loan Commitment (and Incremental Term Loans consisting of Other Term Loans) in the amount of $814,375,000 (such commitment, the "Term G Loan Commitment" and such Term Loans, the "Term G Loans"), and the Initial Term G Lender is willing to provide the Term G Loan Commitment and Term G Loans, subject in each case to the terms and conditions set forth herein.

(3) The Borrower has requested that the Initial Term H Lender provide an Incremental Term Loan Commitment (and Incremental Term Loans consisting of Other Term Loans) in the amount of $1,994,750,000 (such commitment, the "Term H Loan Commitment" and such Term Loans, the "Term H Loans"), and the Initial Term H Lender is willing to provide the Term H Loan Commitment and Term H Loans, subject in each case to the terms and conditions set forth herein.

(4) The Loan Parties, the Initial Term G Lender, the Initial Term H Lender and the Administrative Agent are entering into this Agreement in order to evidence the Term G Loan Commitments and Term G Loans and the Term H Loan Commitments and Term H Loans in accordance with Section 2.21 of the Credit Agreement.

(5) Pursuant to Section 9.08 of the Credit Agreement, Holdings, the Borrower and the Required Lenders may, and hereby express their desire to, amend the Credit Agreement for certain purposes as set forth below.

SECTION 1. New Commitments and New Loans.

Pursuant to Section 2.21 of the Credit Agreement (as amended by this Agreement pursuant to the vote of the Required Lenders hereunder), and subject to the satisfaction of the conditions set forth in Section 5 hereof:

(a) The Initial Term G Lender agrees to make a single loan to the Borrower on the Effective Date (as defined below) in a principal amount equal to the amount set forth with respect to the Initial Term G Lender on Schedule 1A hereto.

(b) The Initial Term H Lender agrees to make a single loan to the Borrower on the Effective Date in a principal amount equal to the amount set forth with respect to the Initial Term H Lender on Schedule 1B hereto.

(c) The Administrative Agent hereby approves of each of the Initial Term G Lender and the Initial Term H Lender as Incremental Term Lenders under the Credit Agreement and approves of the terms of the Term G Loans as set forth in Section 2 hereof and the terms of the Term H Loans as set forth in Section 3 hereof.

(d) For purposes of this Agreement, the following term has the meaning ascribed here:

(i) "Amendment Lead Arrangers" shall mean Citigroup Global Markets Inc., Barclays Bank PLC, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC.

SECTION 2. Terms of the Term G Loans

Pursuant to Section 2.21 of the Credit Agreement (as amended by this Agreement pursuant to the vote of the Required Lenders hereunder), the Term G Loans shall be Other Term Loans, the terms of which shall be as follows:

(a) The aggregate amount of the Term G Loans and Term G Loan Commitments shall be $814,375,000.

(b) The final maturity date of the Term G Loans shall be January 6, 2021.

(c) The Applicable Margin with respect to the Term G Loans shall be 2.50% per annum in the case of any Eurocurrency Loan that is a Term G Loan and shall be 1.50% for any ABR Loan that is a Term G Loan.

(d) Solely for the purposes of calculation of interest payable in respect of Term G Loans, the term "ABR" shall mean, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as announced from time to time by Credit Suisse as its "prime rate" at its principal office in New York, New York and notified to the Borrower (the "Prime Rate") and (c) the daily ICE LIBOR (as defined below) (provided that, for the avoidance of doubt, the ICE LIBOR for any day shall be based on the rate determined on such day at approximately 11:00 a.m., London time) for a one month interest period plus 1% (the "Adjusted LIBO Rate"). Any change in the ABR due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

(e) Solely for the purposes of calculation of interest payable in respect of Term G Loans, the term "LIBO Rate" shall mean, with respect to any Eurocurrency Borrowing for any Interest Period, the greater of (a) 1.00% per annum and (b) the rate per annum equal to the ICE Benchmark Administration ("ICE LIBOR"), as published by Bloomberg (or other commercially available source providing quotations of ICE LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; provided, that if such rate is not available at such time for any reason, then the "LIBO Rate" for such Interest Period shall be the Interpolated Rate.

(f) Solely for the purposes of calculation of interest payable in respect of Term G Loans, the term "Interpolated Rate" shall mean, in relation to the Eurocurrency Loan for any Loan, the rate which results from interpolating on a linear basis between: (a) the ICE Benchmark Administration's Interest Settlement Rates for deposits in Dollars for the longest period (for which that rate is available) which is less than the Interest Period and (b) the ICE Benchmark Administration's Interest Settlement Rates for deposits in Dollars for the shortest period (for which that rate is available) which exceeds the Interest Period, each as of approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

(g) Notwithstanding anything herein or in the Credit Agreement to the contrary, in the event that, on or prior to the six-month anniversary of the Effective Date, there occurs any Term G Loan Repricing Event or in connection with a Term G Loan Repricing Event constituting an amendment or conversion of Term G Loans, any Lender is required to assign its Term G Loans pursuant to Section 2.19(c) of the Credit Agreement, the Borrower shall on the date of such Term G Loan Repricing Event pay to the Administrative Agent, for the account of each Lender with such Term G Loans that are subject to such Term G Loan Repricing Event or are required to be so assigned, a fee equal to 1.00% of the principal amount of the Term G Loans subject to such Term G Loan Repricing Event or required to be so assigned; provided that any prepayment of any Term G Loans made in connection with a Change in Control shall not require the payment of the 1.00% premium otherwise provided for in this paragraph.

For purposes of this Section 2(g), "Term G Loan Repricing Event" shall mean any prepayment or repayment of Term G Loans with the proceeds of, or any conversion or amendment of Term G Loans into, any new or replacement tranche of term loans bearing interest with an "effective yield" (taking into account, for example, upfront fees, interest rate spreads, interest rate benchmarks floors and original interest discount, but excluding the effect of any arrangement, structuring, syndication or other fees payable in connection therewith that are not shared with all lenders or holders of such new or replacement loans and without taking into account any fluctuations in the Adjusted LIBO Rate or comparable rate) less than the "effective yield" applicable to the Term G Loans (as such comparative yields are determined consistent with generally accepted financial practices) (it being understood that (x) in each case, the yield shall exclude any structuring, commitment and arranger fees or other fees unless such similar fees are paid to all lenders generally in the primary syndication of such new or replacement tranche of term loans and shall include any rate floors and any upfront or similar fees paid to all lenders generally in the primary syndication of such new or replacement tranche of term loans or original issue discount payable with respect to such new or replacement tranche of term loans and (y) any such repayment, prepayment or conversion shall only constitute a Term G Loan Repricing Event to the extent the primary purpose of such repayment, prepayment, conversion or amendment, as reasonably determined by the Borrower in good faith, is to reduce the "effective yield" on the Term G Loans).

(h) All other terms not described herein and relating to the Term G Loans shall be the same as the terms of the Term E Loans in effect immediately prior to the Effective Date, as further amended by this Agreement.

SECTION 3. Terms of the Term H Loans

Pursuant to Section 2.21 of the Credit Agreement (as amended by this Agreement pursuant to the vote of the Required Lenders hereunder), the Term H Loans shall be Other Term Loans, the terms of which shall be as follows:

(a) The aggregate amount of the Term H Loans and Term H Loan Commitments shall be $1,994,750,000.

(b) The final maturity date of the Term H Loans shall be October 1, 2022.

(c) The Applicable Margin with respect to the Term H Loans shall be (i) until delivery of financial statements for the first full fiscal quarter commencing on or after the Effective Date pursuant to Section 5.04 of the Credit Agreement, 2.75% per annum in the case of any Eurocurrency Loan that is a Term H Loan and shall be 1.75% for any ABR Loan that is a Term H Loan and (ii) thereafter, (x) if the Total Net First Lien Leverage Ratio set forth in the most recent Compliance Certificate (as defined below) is less than 3.00 to 1.00, 2.50% per annum in the case of any Eurocurrency Loan that is a Term H Loan and shall be 1.50% for any ABR Loan that is a Term H Loan or (y) if the Total Net First Lien Leverage Ratio set forth in the most recent Compliance Certificate is greater than or equal to 3.00 to 1.00, 2.75% per annum in the case of any Eurocurrency Loan that is a Term H Loan and shall be 1.75% for any ABR Loan that is a Term H Loan (each of clauses (x) and (y) referred to as a "Pricing Level"). Concurrently with any delivery of financial statements under Sections 5.04(a) or (b) of the Credit Agreement, the Borrower will deliver to the Administrative Agent a certificate signed by a Financial Officer of the Borrower setting forth the Borrower's Total Net First Lien Leverage Ratio as of the end of such fiscal quarter or year and the calculation thereof in reasonable detail (the "Compliance Certificate"). Any increase or decrease in the Applicable Margin resulting from a change in the Total Net First Lien Leverage Ratio, shall become effective as of the first Business Day immediately following the date the applicable Compliance Certificate is delivered; provided that, upon the request of the Required Lenders, the highest Pricing Level shall apply (x) as of the first Business Day after the date on which a Compliance Certificate was required to have been delivered but was not delivered, and shall continue to so apply up to and including the date on which such Compliance Certificate is so delivered (and thereafter the Pricing Level otherwise determined in accordance with this definition shall apply) and (y) as of the first Business Day after an Event of Default under Section 7.01(a) of the Credit Agreement shall have occurred and be continuing, and shall continue to so apply up to but excluding the date on which such Event of Default is cured or waived (and thereafter the Pricing Level otherwise determined in accordance with this definition shall apply). In the event that any Compliance Certificate is shown by the Administrative Agent to be inaccurate (whether as a result of an inaccuracy in the financial statements on which such Compliance Certificate is based, a mistake in calculating the applicable Total Net First Lien Leverage Ratio or otherwise) at any time that the Credit Agreement is in effect and any Term H Loans or Term H Commitments are outstanding such that the Applicable Margin for any period (an "Applicable Period") should have been higher than the Applicable Margin applied for such Applicable Period, then (i) the Borrower shall promptly (and in no event later than five (5) Business Days thereafter) deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Rate shall be determined by reference to the corrected Compliance Certificate (but in no event shall the Lenders owe any amounts to the Borrower), and (iii) the Borrower shall pay to the Administrative Agent promptly upon demand (and in no event later than five (5) Business Days after demand) any additional interest owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with the terms hereof. Notwithstanding anything to the contrary in this Agreement, any additional interest hereunder shall not be due and payable until demand is made for such payment pursuant to clause (iii) above and accordingly, any nonpayment of such interest as a result of any such inaccuracy shall not constitute a Default (whether retroactively or otherwise), and no such amounts shall be deemed overdue (and no amounts shall accrue interest per Section 2.13(c) of the Credit Agreement), at any time prior to the date that is five (5) Business Days following such demand. The Borrower's Obligations under this paragraph shall survive the termination of the Commitments and the repayment of all other Obligations under the Credit Agreement.

(d) Notwithstanding anything herein or in the Credit Agreement to the contrary, in the event that, on or prior to the six-month anniversary of the Effective Date, there occurs any Term H Loan Repricing Event or in connection with a Term H Loan Repricing Event constituting an amendment or conversion of Term H Loans, any Lender (as defined in the Credit Agreement) is required to assign its Term H Loans pursuant to Section 2.19(c) of the Credit Agreement, the Borrower shall on the date of such Term H Loan Repricing Event pay to the Administrative Agent, for the account of each Lender with such Term H Loans that are subject to such Term H Loan Repricing Event or are required to be so assigned, a fee equal to 1.00% of the principal amount of the Term H Loans subject to such Term H Loan Repricing Event or required to be so assigned; provided that any prepayment of any Term H Loans made in connection with a Change in Control shall not require the payment of the 1.00% premium otherwise provided for in this paragraph.

For purposes of this Section 3(d), "Term H Loan Repricing Event" shall mean any prepayment or repayment of Term H Loans with the proceeds of, or any conversion or amendment of Term H Loans into, any new or replacement tranche of term loans bearing interest with an "effective yield" (taking into account, for example, upfront fees, interest rate spreads, interest rate benchmarks floors and original interest discount, but excluding the effect of any arrangement, structuring, syndication or other fees payable in connection therewith that are not shared with all lenders or holders of such new or replacement loans and without taking into account any fluctuations in the Adjusted LIBO Rate or comparable rate) less than the "effective yield" applicable to the Term H Loans (as such comparative yields are determined consistent with generally accepted financial practices) (it being understood that (x) in each case, the yield shall exclude any structuring, commitment and arranger fees or other fees unless such similar fees are paid to all lenders generally in the primary syndication of such new or replacement tranche of term loans and shall include any rate floors and any upfront or similar fees paid to all lenders generally in the primary syndication of such new or replacement tranche of term loans or original issue discount payable with respect to such new or replacement tranche of term loans and (y) any such repayment, prepayment or conversion shall only constitute a Term H Loan Repricing Event to the extent the primary purpose of such repayment, prepayment, conversion or amendment, as reasonably determined by the Borrower in good faith, is to reduce the "effective yield" on the Term H Loans).

(e) All other terms not described herein and relating to the Term H Loans shall be the same as the terms of the Term F Loans in effect immediately prior to the Effective Date, as further amended by this Agreement.

SECTION 4. Additional Amendments.

Effective on the Effective Date and subject to the satisfaction of the terms and conditions set forth herein:

(a) the following definitions shall be inserted in Section 1.01 of the Credit Agreement in alphabetical order:

"Bail-In Action" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"EEA Financial Institution" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"EU Bail-In Legislation Schedule" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"FATCA" shall mean Sections 1471 through 1474 of the Code as of the Effective Date (or any amended or successor provisions that are substantively similar) and any current or future regulations thereunder or official interpretation thereof.

"Write-Down and Conversion Powers" shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

(b) the definition of "Foreign Subsidiary" in Section 1.01 of the Credit Agreement shall be amended by (i) adding "(a)" after "shall mean" and (ii) adding the following to the end thereof: ", and (b) any Subsidiary of any Subsidiary described in the foregoing clause (a)".

(c) the definition of "Lender Default" in Section 1.01 of the Credit Agreement shall be amended by adding the following to the end thereof: "or (iii) a Lender has, or has a direct or indirect parent company that has, become the subject of a Bail-in Action".

(d) Section 2.17 of the Credit Agreement shall be amended as follows:

(i) by adding the phrase "that is a "United States person" (as defined in Section 770(a)(30) of the Code)" immediately after the language reading, "In addition, each Lender" that appears at the beginning of the penultimate sentence of clause (f) of said Section 2.17; and

(ii) by adding the following new clause (h) immediately following Section 2.17(g):

(h) If a payment made by the Company hereunder or under any other Loan Document would be subject to United States federal withholding tax imposed pursuant to FATCA if any Lender fails to comply with applicable reporting and other requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall use commercially reasonable efforts to deliver to the Company and the Administrative Agent, at the time or times prescribed by applicable law or as reasonably requested by the Company or the Administrative Agent, any documentation reasonably requested by the Company or the Administrative Agent reasonably satisfactory to the Company or the Administrative Agent for the Company and the Administrative Agent to comply with their obligations under FATCA to determine the amount to withhold or deduct from such payment and to determine whether such Lender has complied with such applicable reporting and other requirements of FATCA, provided, that, notwithstanding any other provision of this subsection, no Lender shall be required to deliver any document pursuant to this subsection that such Lender is not legally able to deliver or, if in the reasonable judgment of such Lender, such compliance would subject such Lender to any material unreimbursed cost or expense or would otherwise be disadvantageous to such Lender in any material respect, provided, further, that in the event a Lender does not comply with the requirements of this subsection 2.17(h) as a result of the application of the first proviso of this subsection 2.17(h), then such Lender shall be deemed for purposes of this Agreement to have failed to comply with the requirements under FATCA.

(e) Section 2.21(a) of the Credit Agreement shall be amended by adding the phrase "provided further, that (i) Incremental Term Loans may be incurred without regard to the Incremental Amount solely to the extent that the Net Proceeds therefrom are used substantially concurrently with the incurrence of such Incremental Term Loans to prepay existing Term Loans in accordance with the first sentence of Section 2.11(b) (it being understood that such Incremental Term Loans shall not be deemed Excluded Indebtedness)" at the end of the first sentence thereof."

(f) Section 6.10 of the Credit Agreement shall be amended by deleting from clause (b) thereof the phrase, "the Saturday nearest the end of the calendar year" and by substituting "the Saturday nearest September 30" in lieu of the deleted language.

(g) Article IX of the Credit Agreement shall be amended by adding the following as new Section 9.21:

Section 9.21. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

SECTION 5. Conditions to Effectiveness.

The (x) Initial Term G Lender agrees to make its Term G Loans to the Borrower in an aggregate principal amount equal to its Term G Loan Commitment and (y) Initial Term H Lender agrees to make its Term H Loans to the Borrower in an aggregate principal amount equal to its Term H Loan Commitment, in each case on and as of the date (the "Effective Date") on which the following conditions shall have been satisfied:

(a) The Administrative Agent (or its counsel) shall have received from each party hereto including at least the Required Lenders prior to giving effect to this Agreement either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received, on behalf of itself and the Lenders, a favorable written opinion of (i) Bryan Cave LLP, special counsel for the Loan Parties, (ii) Jason Greene, in-house counsel for the Loan Parties, (iii) Fabian VanCott, Utah counsel for certain of the Loan Parties, (iv) Richards, Layton & Finger, P.A., Delaware counsel for certain of the Loan Parties, (v) Faegre Baker Daniels, LLP, Minnesota counsel for certain of the Loan Parties, (vi) Gess Gess & Wallace, New Jersey counsel for certain of the Loan Parties, (vii) Godfrey & Kahn, S.C., Wisconsin counsel for certain of the Loan Parties, (viii) Venable LLP, Maryland counsel for certain of the Loan Parties, and (ix) Gentry Locke Rakes & Moore, Virginia counsel for certain of the Loan Parties, in each case, each (A) dated the Effective Date, (B) addressed to the Administrative Agent, the Collateral Agent and the Lenders and (C) customary in form and substance for transactions of the type contemplated hereby and reasonably satisfactory to the Administrative Agent and covering such matters as are customary for transactions of the type contemplated hereby and consistent with the opinions delivered in connection with the Prior Incremental Assumption Agreements (to the extent applicable).

(c) The Administrative Agent shall have received in the case of each Loan Party each of the items referred to in clauses (i), (ii), (iii) and (iv) below:

(i) a copy of the certificate or articles of incorporation, certificate of limited partnership or certificate of formation, including all amendments thereto, of each Loan Party, (A) in the case of a corporation, certified by the Secretary of State (or other similar official) of the jurisdiction of its organization, and a certificate as to the good standing (to the extent such concept or a similar concept exists under the laws of such jurisdiction) of each such Loan Party as of a recent date from such Secretary of State (or other similar official) or (B) in the case of a partnership or limited liability company, certified by the Secretary or Assistant Secretary of each such Loan Party;

(ii) a certificate of the Secretary or Assistant Secretary or similar officer of each Loan Party dated the Effective Date and certifying that attached thereto is a true and complete copy of the by-laws (or partnership agreement, limited liability company agreement or other equivalent governing documents) of such Loan Party as in effect on the Effective Date and at all times since the date of the resolutions described in clause (A) below,

(A) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party (or its managing general partner or managing member) authorizing the execution, delivery and performance of this Agreement and, in the case of the Borrower, the borrowing of Term G Loans and Term H Loans, and that such resolutions have not been modified, rescinded or amended and are in full force and effect on the Effective Date,

(B) that the certificate or articles of incorporation, certificate of limited partnership or certificate of formation of such Loan Party has not been amended since the date of the last amendment thereto disclosed pursuant to clause (i) above,

(C) as to the incumbency and specimen signature of each officer executing this Agreement or any other document delivered in connection herewith on behalf of such Loan Party, and

(D) as to the absence of any pending proceeding for the dissolution or liquidation of such Loan Party or, to the knowledge of such person, threatening the existence of such Loan Party;

(iii) certification of a director or another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary or similar officer executing the certificate delivered pursuant to Section 5(c)(ii); and

(iv) a certificate of a Responsible Officer of the Borrower as to satisfaction of the condition set forth in Section 5(g) hereof.

(d) The Administrative Agent, the Amendment Lead Arrangers, the Initial Term G Lender and the Initial Term H Lender shall have received all fees due and payable thereto on or prior to the Effective Date and, to the extent invoiced at least three Business Days prior to the Effective Date, all other amounts due and payable (whether pursuant to the Loan Documents, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses (including reasonable fees, charges and disbursements of Cahill Gordon & Reindel LLP and local counsel) required to be reimbursed or paid by the Loan Parties hereunder or under any Loan Document.

(e) The Amendment Lead Arrangers shall have received, at least three Business Days prior to the Effective Date, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act, to the extent requested in writing at least 10 days prior to the Effective Date.

(f) Substantially concurrently with the making by the Initial Term G Lender of its Term G Loans to the Borrower on the Effective Date, all of the principal, interest, fees and other amounts due and payable in respect of the Term E Loans under the Credit Agreement shall have been paid by the Borrower and (ii) substantially concurrently with the making by the Initial Term H Lender of its Term H Loans to the Borrower on the Effective Date, all of the principal, interest, fees and other amounts due and payable in respect of the Term F Loans under the Credit Agreement shall have been paid by the Borrower; <u>provided</u> that, in each case, the notice requirement under Sections 2.10(d) and 2.11 of the Credit Agreement is hereby waived.

(g) The representations and warranties set forth in Article III of the Credit Agreement shall be true and correct in all material respects as of the Effective Date, in each case, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), and immediately after giving effect to the Borrowing of the Term G Loans and the Term H Loans, no Event of Default or Default shall have occurred and be continuing or would result therefrom.

(h) The Administrative Agent shall have received a Borrowing Request as required by Section 2.03 of the Credit Agreement; <u>provided</u> that the notice requirement under Section 2.03 of the Credit Agreement is hereby waived.

(i) The Administrative Agent shall have received a certificate from the chief financial officer of the Borrower in the form attached as <u>Annex C</u> hereto certifying that the Borrower and its subsidiaries, on a consolidated basis after giving effect to the transactions contemplated hereby, are solvent.

(j) The Administrative Agent shall have received a "Life-of-Loan" flood hazard determination notice for each real property encumbered by a Mortgage, and if such real property is located in a special flood hazard area, (x) a notice about special flood hazard area status and flood disaster assistance duly executed by the Borrower and the applicable Loan Party and (y) certificates of flood insurance evidencing any such insurance required by the Credit Agreement.

SECTION 6. Representations and Warranties. On the Effective Date, the Loan Parties represent and warrant to the Initial Term G Lender and the Initial Term H Lender that: (a) the execution, delivery and performance by Holdings, the Borrower and each of the Subsidiary Loan Parties of this Agreement and the incurrence of the Term G Loans and the Term H Loans hereunder and under the Credit Agreement (as amended hereby) are permitted under, and do not conflict with or violate, the terms of the Credit Agreement, the Existing ABL Credit Agreement, the Intercreditor Agreement or the Senior Lender Intercreditor Agreement, (b) no default shall exist under the Credit Agreement, the Existing ABL Credit Agreement, and any indenture and supplemental indenture governing the senior notes issued by the Borrower and outstanding on the Effective Date, (c) no action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with this Agreement or the incurrence by the Borrower of the Term G Loans and the Term H Loans, and (d) the proceeds of the Term G Loans and the Term H Loans will be used, together with other funds available to the Borrower, substantially simultaneously by the Borrower to repay all of the outstanding Term E Loans and all of the outstanding Term F Loans.

SECTION 7. Reference to and Effect on the Credit Agreement; Confirmation of Guarantors.

(a) On and after the effectiveness of this Agreement, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by, and after giving effect to, this Agreement.

(b) Each Loan Document, after giving effect to this Agreement, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed, except that, on and after the effectiveness of this Agreement, each reference in each of the Loan Documents (including the Collateral Agreement and the other Security Documents) to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by, and after giving effect to, this Agreement, and each reference to "Lender" therein shall, for the avoidance of doubt, include any holder of Term G Loans and any holder of Term H Loans, including the Initial Term G Lender and the Initial Term H Lender, respectively. Without limiting the generality of the foregoing, the Security Documents (in the case of the Mortgages, after giving effect to any amendments thereto required to give effect to the Term G Loans and the Term H Loans) and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, as amended by, and after giving effect to, this Agreement (in the case of the Mortgages, subject to any limitations contained in the Mortgages on maximum indebtedness or maximum indebtedness permitted to be secured thereby), in each case subject to the terms thereof.

(c) Each Loan Party hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party, (ii) ratifies and reaffirms each grant of a lien on, or security interest in, its property made pursuant to the Loan Documents (including, without limitation, the grant of security made by such Loan Party pursuant to the Collateral Agreement) and confirms that (in the case of the Mortgages) such liens and security interests continue to secure the Obligations under the Loan Documents, including, without limitation, all Obligations resulting from or incurred pursuant to the Term G Loans and the Term H Loans (in the case of the Mortgages, subject to any limitations contained in the Mortgages on maximum indebtedness or maximum indebtedness permitted to be secured thereby), in each case subject to the terms thereof and (iii) in the case of each Guarantor, ratifies and reaffirms its guaranty of the Obligations pursuant to Article II of the Collateral Agreement.

(d) The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or any Agent under any of the Loan Documents, or constitute a waiver of any provision of any of the Loan Documents.

(e) This Agreement is a Loan Document.

SECTION 8. Initial Term G Lender and Initial Term H Lender.

(a) Each of the Initial Term G Lender and the Initial Term H Lender (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 5.04 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (ii) agrees that it will, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) represents and warrants that its name set forth on its signature page hereto is its legal name; (iv) confirms that it is not the Borrower or any of its Subsidiaries or an Affiliate of any of them; (v) appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to such Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (vi) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vii) attaches any U.S. Internal Revenue Service forms required under Section 2.17 of the Credit Agreement.

(b) On and after the Effective Date, each of the Initial Term G Lender and the Initial Term H Lender shall be a party to the Credit Agreement as a Lender and shall have all of the rights and obligations of a Lender thereunder. All notices and other communications provided for hereunder or under the Loan Documents to the Initial Term G Lender or to the Initial Term H Lender shall be to its address as set forth in the administrative questionnaire such Lender has furnished to the Administrative Agent.

SECTION 9. Costs, Expenses. The Borrower agrees to pay all reasonable out-of-pocket costs and expenses (including Other Taxes) incurred by the Administrative Agent in connection with the preparation, execution and delivery of this Agreement and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Administrative Agent) in accordance with the terms of Section 9.05 of the Credit Agreement.

SECTION 10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute but one contract, and shall become effective as provided in Section 5. Delivery of an executed counterpart to this Agreement by facsimile transmission (or other electronic transmission pursuant to procedures approved by the Administrative Agent) shall be effective as delivery of a manually signed original.

SECTION 11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BERRY PLASTICS CORPORATION

By: /s/ Mark W. Miles
Name: Mark W. Miles
Title: Chief Financial officer

BERRY PLASTICS GROUP, INC.

By: /s/ Mark W. Miles
Name: Mark W. Miles
Title: Chief Financial officer

BERRY PLASTICS ACQUISITION CORPORATION V
BERRY PLASTICS ACQUISITION CORPORATION XI
BERRY PLASTICS ACQUISITION CORPORATION XII
BERRY PLASTICS ACQUISITION CORPORATION XIII
BERRY PLASTICS FILMCO, INC.
BERRY PLASTICS OPCO, INC.
BERRY PLASTICS SP, INC.
BERRY PLASTICS TECHNICAL SERVICES, INC.
BERRY STERLING CORPORATION
BPREX CLOSURES KENTUCKY INC.
BPREX DELTA INC.
BPREX BRAZIL HOLDING INC.
BPREX HEALTHCARE BROOKVILLE INC.
BPREX HEALTHCARE PACKAGING INC.
BPREX PLASTIC PACKAGING INC.
BPREX PLASTICS SERVICES COMPANY INC.
BPREX PRODUCT DESIGN AND ENGINEERING INC.
BPREX SPECIALTY PRODUCTS PUERTO RICO INC.
CARDINAL PACKAGING, INC.
CPI HOLDING CORPORATION
PESCOR, INC.
PLIANT CORPORATION INTERNATIONAL
PRIME LABEL & SCREEN INCORPORATED
ROLLPAK CORPORATION
VENTURE PACKAGING, INC.
VENTURE PACKAGING MIDWEST, INC.
UNIPLAST U.S., INC.

By: /s/ Jason K. Greene
Name: Jason K. Greene
Title: Executive Vice President, General Counsel and Secretary

AEROCON, LLC
BERRY PLASTICS ACQUISITION CORPORATION XV, LLC
BERRY PLASTICS ACQUISITION LLC X
BERRY PLASTICS DESIGN, LLC
BERRY PLASTICS 1K, LLC
BPREX CLOSURES, LLC
BPREX CLOSURE SYSTEMS, LLC
CAPLAS, LLC
CAPLAS NEPTUNE, LLC
CAPTIVE PLASTICS, LLC
CAPTIVE PLASTICS HOLDINGS, LLC
COVALENCE SPECIALTY ADHESIVES LLC
COVALENCE SPECIALTY COATINGS LLC
KERR GROUP, LLC
KNIGHT PLASTICS, LLC
PACKERWARE, LLC
PLIANT, LLC
POLY-SEAL, LLC
SAFFRON ACQUISITION, LLC
SEAL FOR LIFE INDUSTRIES, LLC
SETCO, LLC
SUN COAST INDUSTRIES, LLC
UNIPLAST HOLDINGS, LLC

By: /s/ Jason K. Greene
Name: Jason K. Greene
Title: Executive Vice President, General Counsel and Secretary

GRAFCO INDUSTRIES LIMITED PARTNERSHIP

By: CAPLAS NEPTUNE, LLC
its General Partner

By: /s/ Jason K. Greene
Name: Jason K. Greene
Title: Executive Vice President, General Counsel and Secretary

AVINTIV INC. (individually and as successor by merger to Berry Plastics Acquisition Corporation IX)
AVINTIV ACQUISITION CORPORATION
AVINTIV SPECIALTY MATERIALS INC.
PGI POLYMER, INC.
CHICOPEE, INC.
FABRENE, L.L.C.
DOMINION TEXTILE (USA), L.L.C.
PGI EUROPE, INC.
FIBERWEB GEOS, INC.
FIBERWEB HOLDINGS, INC.
FIBERWEB, INC.
FIBERWEB INDUSTRIAL TEXTILES CORPORATION
FIBERWEB USA HOLDINGS, INC.
FIBERWEB WASHOUGAL, INC.
OLD HICKORY STEAMWORKS, LLC
PRISTINE BRANDS CORPORATION
PROVIDENCIA USA, INC.

By: /s/ Jason K. Greene
Name: Jason K. Greene
Title: Executive Vice President, General Counsel and Secretary

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Administrative Agent

By: /s/ Robert Hetu
Name: Robert Hetu
Title: Authorized Signatory

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Administrative Agent

By: /s/ Nicholas Goss
Name: Nicholas Goss
Title: Authorized Signatory

CITIBANK, N.A., as Initial Term G Lender

By:/s/ Christopher Wood
Name: Christopher Wood
Title: Managing Director

CITIBANK, N.A., as Initial Term H Lender

By:/s/ Christopher Wood
Name: Christopher Wood

Schedule 1A

Initial Term G Lender	**Term G Loan Commitments**
Citibank, N.A.	$ 814,375,000

Schedule 1B

Initial Term H Lender	**Term H Loan Commitments**
Citibank, N.A.	$ 1,994,750,000

Annex A

SOLVENCY CERTIFICATE

June 15, 2016

Reference is made to the Second Amended and Restated Term Loan Credit Agreement dated as of April 3, 2007 by and among Holdings, the Borrower, the Lenders and other parties thereto and Credit Suisse AG, Cayman Islands Branch (formerly known as Credit Suisse, Cayman Islands Branch), as administrative agent (as modified by that certain Incremental Assumption Agreement, dated as of February 8, 2013, that certain Incremental Assumption Agreement, dated as of January 6, 2014, that certain Incremental Assumption Agreement and Amendment, dated as of October 1, 2015 and the Incremental Assumption Agreement and Amendment (the "***Amendment***") dated as of the date hereof, the "***Credit Agreement***"); unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the Credit Agreement.

I, the undersigned, solely in my capacity as the Chief Financial Officer of the Borrower, and not in my individual capacity, do hereby certify that, on the Closing Date after giving effect to the transactions contemplated by the Amendment:

(a) the fair value of the property of the Borrower and its Subsidiaries (taken as a whole) is greater than the total amount of liabilities, including contingent liabilities, of the Borrower and its Subsidiaries (taken as a whole) (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability);

(b) the present fair salable value of the assets of the Borrower and its Subsidiaries (taken as a whole) is not less than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries (taken as a whole) on their debts as they become absolute and matured;

(c) the Borrower and its Subsidiaries do not intend to, and do not believe that they will, incur debts or liabilities beyond their ability to pay such debts and liabilities as they become absolute and matured; and

(d) the Borrower and its Subsidiaries are not engaged in any business, as conducted on the Effective Date and as proposed to be conducted following the Effective Date, for which the property of the Borrower and its Subsidiaries (taken as a whole) would constitute an unreasonably small capital.

IN WITNESS WHEREOF, I have delivered this certificate as of the date first written above.

BERRY PLASTICS CORPORATION

By: /s/ Mark W. Miles

Name: Mark W. Miles

Title: Chief Financial Officer

EXHIBIT 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Jonathan D. Rich, Chairman and Chief Executive Officer of Berry Plastics Group, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Berry Plastics Group, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 9, 2016

By: /s/ Jonathan D. Rich
Jonathan D. Rich
Chairman and Chief Executive Officer

EXHIBIT 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

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

1. I have reviewed this quarterly report on Form 10-Q of Berry Plastics Group, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

	By:	/s/ Mark W. Miles
Date: August 9, 2016		Mark W. Miles Chief Financial Officer

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Berry Plastics Group, Inc. (the "Registrant") on Form 10-Q for the quarter ended July 2, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan D. Rich, Chairman and Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Jonathan D. Rich
Jonathan D. Rich
Chairman and Chief Executive Officer

Date: August 9, 2016

EXHIBIT 32.2

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Berry Plastics Group, Inc. (the "Registrant") on Form 10-Q for the quarter ended July 2, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark W. Miles, the Chief Financial Officer and Treasurer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Mark W. Miles
Mark W. Miles
Chief Financial Officer

Date: August 9, 2016