

SECURITIES AND EXCHANGE COMMISSION

FORM S-4/A

Registration of securities issued in business combination transactions [amend]

Filing Date: **1999-09-10**
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FILER

BERRY PLASTICS CORP

CIK:**919463** | IRS No.: **351813706** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599** | Film No.: **99710004**
SIC: **3089** Plastics products, nec

Mailing Address
*PO BOX 959
EVANSVILLE IN 47706-0959*

Business Address
*101 OAKLEY ST
P O BOX 959
EVANSVILLE IN 47710
8124242904*

BPC HOLDING CORP

CIK:**919465** | IRS No.: **351814673** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-06** | Film No.: **99710005**
SIC: **3089** Plastics products, nec

Business Address
*101 OAKLEY ST
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8124242904*

BERRY IOWA CORP

CIK:**919467** | IRS No.: **421382173** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-12** | Film No.: **99710006**
SIC: **3089** Plastics products, nec

Business Address
*101 OAKLEY ST
PO BOX 959
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BERRY TRI PLAS CORP

CIK:**1011391** | IRS No.: **561949250** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-01** | Film No.: **99710007**

Mailing Address
*PO BOX 959
EVANSVILLE IN 47706-0959*

Business Address
*101 OAKLEY ST
EVANSVILLE IN 47710*

BERRY STERLING CORP

CIK:**1075619** | IRS No.: **541749681** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-11** | Film No.: **99710008**
SIC: **3089** Plastics products, nec

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8124242904*

PACKERWARE CORP

CIK:**1075620** | IRS No.: **480759852** | State of Incorp.:**KS** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-05** | Film No.: **99710009**
SIC: **3089** Plastics products, nec

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BERRY PLASTICS DESIGN CORP

Mailing Address
*PO BOX 959
EVANSVILLE IN 47706-0959*

Business Address
*101 OAKLEY ST
P O BOX 959
EVANSVILLE IN 47710*

CIK:**1075621** | IRS No.: **621689708** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-07** | Film No.: **99710010**
SIC: **3089** Plastics products, nec

8124242904

VENTURE PACKAGING INC

CIK:**1075622** | IRS No.: **510368479** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-08** | Film No.: **99710011**
SIC: **3089** Plastics products, nec

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VENTURE PACKAGING MIDWEST INC

CIK:**1075623** | State of Incorp.:**OH** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-09** | Film No.: **99710012**
SIC: **3089** Plastics products, nec

Mailing Address
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Business Address
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VENTURE PACKAGING SOUTHEAST INC

CIK:**1075624** | State of Incorp.:**SC** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-03** | Film No.: **99710013**
SIC: **3089** Plastics products, nec

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NIM HOLDINGS LTD

CIK:**1075625** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-04** | Film No.: **99710014**
SIC: **3089** Plastics products, nec

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KNIGHT PLASTICS INC

CIK:**1075626** | IRS No.: **352056610** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-13** | Film No.: **99710015**
SIC: **3089** Plastics products, nec

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AEROCON INC /DE/

CIK:**1075629** | IRS No.: **351948748** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-10** | Film No.: **99710016**
SIC: **3089** Plastics products, nec

Mailing Address
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NORWICH INJECTION MOULDERS LTD

CIK:**1075630** | IRS No.: **351948748** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-02** | Film No.: **99710017**
SIC: **3089** Plastics products, nec

Mailing Address
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Business Address
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CARDINAL PACKAGING INC

CIK:**1093665** | IRS No.: **341396561** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-14** | Film No.: **99710018**
SIC: **3089** Plastics products, nec

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Business Address
101 OAKLEY ST
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EVANSVILLE IN 47710
8124242904

CPI HOLDING CORP

CIK:**1093666** | IRS No.: **341820303** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-15** | Film No.: **99710019**
SIC: **3089** Plastics products, nec

Mailing Address
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Business Address
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8124242904

BERRY PLASTICS ACQUISITION CORP

CIK:**1094726** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-17** | Film No.: **99710020**
SIC: **3089** Plastics products, nec

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Business Address
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8124242904

NORWICH ACQUISITION LTD

CIK:**1094729** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-4/A** | Act: **33** | File No.: **333-64599-16** | Film No.: **99710021**
SIC: **3089** Plastics products, nec

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8124242904

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 2 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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BERRY PLASTICS CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	35-1813706
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

BPC HOLDING CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	35-1814673
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

BERRY IOWA CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	42-1382173
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

BERRY TRI-PLAS CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	56-1949250
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

BERRY STERLING CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	54-1749681
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

AEROCON, INC.
(Exact name of registrant as specified in charter)

Delaware	3089	35-1948748
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

PACKERWARE CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	N/A
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

BERRY PLASTICS DESIGN CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	62-1689708
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

VENTURE PACKAGING, INC.
(Exact name of registrant as specified in charter)

Delaware	3089	51-0368479
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

VENTURE PACKAGING MIDWEST, INC.
(Exact name of registrant as specified in charter)

Delaware	3089	34-1809003
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

VENTURE PACKAGING SOUTHEAST, INC.
(Exact name of registrant as specified in charter)

Delaware	3089	57-1029638
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

NIM HOLDINGS LIMITED
(Exact name of registrant as specified in charter)

England and Wales	3089	N/A
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

NORWICH INJECTION MOULDERS LIMITED
(Exact name of registrant as specified in charter)

England and Wales	3089	N/A
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

KNIGHT PLASTICS, INC.
(Exact name of registrant as specified in charter)

Delaware	3089	35-2056610
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

CPI HOLDING CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	34-1820303
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

CARDINAL PACKAGING, INC.
(Exact name of registrant as specified in charter)

Ohio	3089	34-1396561
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

NORWICH ACQUISITION LIMITED
(Exact name of registrant as specified in charter)

England and Wales	3089	N/A
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

BERRY PLASTICS ACQUISITION CORPORATION
(Exact name of registrant as specified in charter)

Delaware	3089	N/A
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

</TABLE>

101 Oakley Street
Evansville, Indiana 47710
(812) 424-2904
(Address, including zip code, and telephone number,
including area code, of registrants' principal executive offices)

Martin R. Imbler
President and Chief Executive Officer
Berry Plastics Corporation
101 Oakley Street
Evansville, Indiana 47710
(812) 424-2904
(Name, address, including zip code, and telephone number,
including area code, of agent for service of process)

WITH COPIES TO:

James M. Lurie, Esq.
O'Sullivan Graev & Karabell, LLP
30 Rockefeller Plaza
New York, New York 10112
(212) 408-2400

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
AS SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

If any of the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: []

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

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

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

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

Subject to Completion, dated September 10, 1999

PROSPECTUS

BERRY PLASTICS CORPORATION
OFFER TO EXCHANGE UP TO \$25,000,000 OF ITS
121/4% SERIES C SENIOR SUBORDINATED NOTES DUE 2004
FOR ANY AND ALL OUTSTANDING
121/4% SERIES B SENIOR SUBORDINATED NOTES DUE 2004

| THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, |
ON OCTOBER __, 1999, UNLESS EXTENDED

Berry Plastics Corporation, a Delaware corporation ("Berry," the "Company" or the "Issuer") and wholly owned subsidiary of BPC Holding Corporation, a Delaware corporation ("Holding"), hereby offers, upon the terms and subject to the conditions set forth in this Prospectus and the accompanying Letter of Transmittal (which together constitute the "Exchange Offer") to exchange \$1,000 principal amount of 121/4% Series C Senior Subordinated Notes due 2004 (the "New Notes") of the Issuer for each \$1,000 principal amount of the issued and outstanding 121/4% Series B Senior Subordinated Notes due 2004 (the "Old Notes", and the Old Notes and the New Notes, collectively, the "Notes") of the Issuer from the Holders (as defined herein) thereof. As of the date of this Prospectus, there is \$25,000,000 aggregate principal amount of the Old Notes outstanding. The terms of the New Notes are identical in all material respects to the Old Notes, except that the New Notes have been registered under the Securities Act of 1933, as amended (the "Securities Act"), and therefore will not bear legends restricting their transfer and will not contain certain provisions providing for the payment of liquidated damages to the holders of the Old Notes under certain circumstances relating to the Registration Rights Agreement (as defined herein), which provisions will terminate as to all of the Notes upon the consummation of the Exchange Offer.

Interest on the New Notes will accrue from April 15, 1999 and will be

payable in cash semi-annually in arrears on October 15 and April 15 of each year, commencing October 15, 1999. Interest will be payable on the Old Notes accepted for exchange to, but not including, October 15, 1999.

The New Notes will be unconditionally guaranteed (the "Note Guarantees") on a senior subordinated basis by Holding, Berry Iowa Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("Berry Iowa"), Berry Tri-Plas Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("Berry Tri-Plas"), Berry Sterling Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("Berry Sterling"), AeroCon, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("AeroCon"), PackerWare Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("PackerWare"), Berry Plastics Design Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("Berry Design"), Venture Packaging, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Venture Holdings"), Venture Packaging Midwest, Inc., a Delaware corporation and wholly owned subsidiary of Venture Holdings ("Venture Midwest"), Venture Packaging Southeast, Inc., a Delaware corporation and wholly owned subsidiary of Venture Holdings ("Venture Southeast"), NIM Holdings Limited, a company organized under the laws of England and Wales and wholly owned subsidiary of the Company ("NIM Holdings"), Norwich Injection Moulders Limited, a company organized under the laws of England and Wales and wholly owned subsidiary of NIM Holdings ("Norwich"), Knight Plastics, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Knight Plastics"), CPI Holding Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("CPI Holding"), Cardinal Packaging, Inc., an Ohio corporation and wholly owned subsidiary of CPI Holding ("Cardinal"), Norwich Acquisition Limited, a company organized under the laws of England and Wales and wholly owned subsidiary of Norwich ("Norwich Acquisition") and Berry Plastics Acquisition Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("Berry Acquisition" and, collectively with Holding, Berry Iowa, Berry Tri-Plas, Berry Sterling, AeroCon, PackerWare, Berry Design, Venture Holdings, Venture Midwest, Venture Southeast, NIM Holdings, Norwich, Knight Plastics, CPI Holding, Cardinal and Norwich Acquisition the "Guarantors").

The New Notes will mature on April 15, 2004. On or after April 15, 1999, the New Notes will be redeemable at any time at the option of the Company, in whole or in part, at the redemption prices set forth herein, plus accrued and unpaid interest, if any, to the date of redemption. In addition, in the event of a Change of Control (as defined herein), each holder of New Notes may require the Company to repurchase such holder's New Notes, in whole or in part, at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. For a definition of the term "Change of Control," see "Description of New Notes -- Repurchase at the Option of Holders -- Change of Control."

The New Notes will be unsecured senior subordinated obligations of the Company, ranking PARI PASSU with the \$100 million of the Company's 121/4% Senior Subordinated Notes due 2004 (the "1994 Notes") and the \$75 million of the Company's 11% Senior Subordinated Notes due 2007 (the "1999 Notes"), and will be subordinate in right of payment to all Senior Indebtedness (as defined herein) of the Company, which includes borrowings under the Credit Facility (as defined herein) and the Nevada Bonds (as defined herein). The 1994 Notes and the 1999 Notes constitute all of the indebtedness of Berry that is PARI PASSU with the Notes. The New Notes will be senior to any indebtedness which by its terms is subordinate to the New Notes, regardless of when such indebtedness is incurred. The Note Guarantees will be unconditional joint and several unsecured senior subordinated obligations of the Guarantors and will be subordinate in right of payment to all Senior Indebtedness of the Guarantors, including their guarantees of the Company's indebtedness under the Credit Facility. As of July 3, 1999, the aggregate amount of outstanding Senior Indebtedness of Berry would have been \$89.0 million, the aggregate amount of outstanding total indebtedness of Berry would have been \$290.5 million, including the 1994 Notes, and the indebtedness of the Guarantors senior to the Note Guarantees would have been \$395.5 million. As of July 3, 1999, all indebtedness of the Company other than the Senior Indebtedness was PARI PASSU in right of payment to the Notes, and there was no indebtedness subordinated to the Notes. The Indenture (as defined herein) will permit Berry and its subsidiaries to incur additional indebtedness, including Senior Indebtedness, subject to certain limitations. The Indenture also provides that Berry and the Guarantors will not incur any additional indebtedness that is both subordinate in right of payment to any Senior Indebtedness and senior in right of payment to the Notes or the Note Guarantees, as the case may be. See "Description of Notes." Holding is a holding company and is entirely dependent on the declaration by Berry of dividends to pay its obligations, including its obligations on its Note Guarantee. Under the terms of the Credit Facility, Berry is severely restricted from declaring dividends to Holding. In addition, the indenture (the "1996 Indenture") governing the 1996 Notes (as defined herein) of Holding restricts the ability of Holding to make certain payments, including payments under its Note Guarantee. See "Risk Factors -- Holding relies on dividends from us to meet its debt obligations and may not be able to satisfy its obligations under its Guarantee of the Notes."

CONTINUED ON NEXT PAGE.

SEE "RISK FACTORS" COMMENCING ON PAGE 12 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY HOLDERS PRIOR TO TENDERING OLD NOTES IN THE EXCHANGE OFFER.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS SEPTEMBER , 1999

The Old Notes were not registered under the Securities Act in reliance upon an exemption from the registration requirements thereof. In general, the Old Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act. The New Notes are being offered hereby in order to satisfy certain obligations of the Issuer and the Guarantors contained in the Registration Rights Agreement (as defined herein). Based on interpretations by the staff of the Securities and Exchange Commission (the "Commission" or "SEC") set forth in no-action letters issued to third parties, the Issuer believes that the New Notes issued pursuant to the Exchange Offer in exchange for Old Notes may be offered for resale, resold or otherwise transferred by any holder thereof (other than any such holder that is an "affiliate" of the Issuer within the meaning of Rule 405 promulgated under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such New Notes are acquired in the ordinary course of such holder's business, such holder has no arrangement with any person to participate in the distribution of such New Notes and neither such holder nor any such other person is engaging in or intends to engage in a distribution of such New Notes. Notwithstanding the foregoing, each broker-dealer that receives New Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with any resale of New Notes received in exchange for such Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than Old Notes acquired directly from the Issuer). The Issuer and the Guarantors have agreed that, for a period of one year after the date of this Prospectus, they will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

The Old Notes are designated for trading in the Private Offerings, Resales and Trading through Automated Linkages ("PORTAL") market. There is no established trading market for the New Notes. The Issuer does not currently intend to list the New Notes on any securities exchange or to seek approval for quotation through any automated quotations system. Accordingly, there can be no assurance as to the development or liquidity of any market for the New Notes.

The Issuer will not receive any proceeds from the Exchange Offer. The Issuer will pay all of the expenses incident to the Exchange Offer. Tenders of Old Notes pursuant to the Exchange Offer may be withdrawn as provided herein at any time prior to the Expiration Date (as defined herein). The Exchange Offer is subject to certain customary conditions.

This Prospectus has been prepared for use in connection with the Exchange Offer and may be used by Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ") in connection with offers and sales related to market-making transactions in the Notes. DLJ may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale. See "Plan of Distribution."

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

THIS PROSPECTUS CONTAINS STATEMENTS THAT CONSTITUTE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"). THOSE STATEMENTS APPEAR IN A NUMBER OF PLACES IN THIS PROSPECTUS AND INCLUDE STATEMENTS REGARDING THE INTENT, BELIEF OR CURRENT EXPECTATIONS OF THE COMPANY, PRIMARILY WITH RESPECT TO THE FUTURE OPERATING PERFORMANCE OF THE COMPANY. WITHOUT LIMITING THE FOREGOING, THE WORDS "BELIEVES," "ANTICIPATES," "PLANS," "EXPECTS" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. HOLDERS OF THE NOTES ARE CAUTIONED THAT ANY SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND MAY INVOLVE RISKS AND UNCERTAINTIES, AND THAT ACTUAL RESULTS MAY DIFFER FROM THOSE IN THE FORWARD-LOOKING STATEMENTS AS A RESULT OF VARIOUS FACTORS. VARIOUS ECONOMIC AND

COMPETITIVE FACTORS COULD CAUSE ACTUAL RESULTS OR EVENTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN SUCH FORWARD-LOOKING STATEMENTS. THE ACCOMPANYING INFORMATION CONTAINED IN THIS PROSPECTUS, INCLUDING, WITHOUT LIMITATION, THE INFORMATION SET FORTH UNDER "RISK FACTORS" AND "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS," IDENTIFIES IMPORTANT FACTORS THAT COULD CAUSE SUCH DIFFERENCES, INCLUDING THE COMPANY'S ABILITY TO PASS THROUGH RAW MATERIAL PRICE INCREASES TO ITS CUSTOMERS, ITS ABILITY TO SERVICE DEBT, THE AVAILABILITY OF PLASTIC RESIN, THE IMPACT OF CHANGING ENVIRONMENTAL LAWS AND CHANGES IN THE LEVEL OF THE COMPANY'S CAPITAL INVESTMENT. ALTHOUGH MANAGEMENT BELIEVES IT HAS THE BUSINESS STRATEGY AND RESOURCES NEEDED FOR IMPROVED OPERATIONS, FUTURE REVENUE AND MARGIN TRENDS CANNOT BE RELIABLY PREDICTED.

Certain of the names and logos of our products referenced in this Prospectus are our trademarks. Each trade name, trademark or servicemarks of any other company appearing in this Prospectus is the property of its holder.

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AVAILABLE INFORMATION

The Issuer has filed with the Commission a Registration Statement on Form S-4 (together with all amendments, exhibits, schedules and supplements thereto, the "Registration Statement") under the Securities Act with respect to the New Notes being offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement, certain portions of which have been omitted pursuant to the rules and regulations promulgated by the Commission. Statements made in this Prospectus as to the contents of any contract, agreement or other document are not necessarily complete. With respect to each such contract, agreement or other document filed or incorporated by reference as an exhibit to the Registration Statement, reference is made to such exhibit for a more complete description of the matter involved, and each such statement is qualified in its entirety by such reference.

The Registration Statement may be inspected by anyone without charge at the Public Reference Section of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such material may also be obtained at the Public Reference Section of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, upon payment of prescribed fees. Such materials can also be inspected on the Internet at <http://www.sec.gov>.

The Company and Holding are subject to the informational reporting requirements of the Exchange Act. In accordance therewith, the Company and Holding file reports and other information with the Commission. Such materials filed by the Company and Holding with the Commission may be inspected, and copies thereof obtained, at the places, and in the manner, set forth above.

In the event that the Issuer ceases to be subject to the informational reporting requirements of the Exchange Act, the Issuer has agreed that, so long as the Notes remain outstanding, it will file with the Commission and distribute to holders of the Notes copies of (i) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Issuer were required to file such forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to annual information only, a report thereon by the Issuer's independent auditors and (ii) all reports that would be required to be filed with the Commission on Form 8-K if the Issuer were required to file such reports. The Issuer will also make such reports available to prospective purchasers of the Notes, securities analysts and broker-dealers upon their request. In addition, the Issuer has agreed that for so long as any of the Old Notes remain outstanding it will make available to any prospective purchaser of the Old Notes or beneficial owner of the Old Notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act, until such time as the Issuer has either exchanged the Old Notes for New Notes or until such time as the holders thereof have disposed of such Old Notes pursuant to an effective registration statement filed by the Issuer.

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PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION AND CONSOLIDATED FINANCIAL STATEMENTS, INCLUDING THE NOTES THERETO, APPEARING ELSEWHERE IN THIS PROSPECTUS. UNLESS THE CONTEXT OTHERWISE REQUIRES, "BERRY," "WE," "US," "OUR" AND SIMILAR TERMS REFER TO BERRY PLASTICS CORPORATION, ITS SUBSIDIARIES AND THEIR RESPECTIVE OPERATIONS, AND THE TERM "HOLDING" REFERS TO BPC HOLDING CORPORATION. THE FISCAL YEAR OF HOLDING AND BERRY IS THE 52 OR 53 WEEK PERIOD ENDING ON THE SATURDAY CLOSEST TO DECEMBER 31. ALL REFERENCES IN THIS PROSPECTUS TO "FISCAL 1994," "FISCAL 1995," "FISCAL 1996," "FISCAL 1997" AND "FISCAL 1998" REFER TO THE FISCAL YEARS OF BERRY AND

HOLDING ENDED ON JANUARY 1, 1994, DECEMBER 31, 1994, DECEMBER 30, 1995, DECEMBER 28, 1996, DECEMBER 27, 1997 AND JANUARY 2, 1999, RESPECTIVELY. ALSO, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE INFORMATION CONTAINED IN THIS PROSPECTUS GIVES PRO FORMA EFFECT TO THE ACQUISITION BY US OF NORWICH INJECTION MOULDERS LIMITED, THE KNIGHT ENGINEERING AND PLASTICS DIVISION OF COURTAULDS PACKAGING INC., AND CARDINAL PACKAGING, INC. AS OF THE BEGINNING OF THE PERIOD STATED FOR INCOME STATEMENT DATA AND AT THE DATE STATED FOR BALANCE SHEET DATA.

THE COMPANY

We are the nation's leading manufacturer and supplier of plastic injection-molded aerosol overcaps, drink cups and rigid thinwall open-top containers for a wide variety of end-use markets. We are also a leading manufacturer and supplier of plastic injection-molded semi-disposable housewares. In addition, with sales of over two billion aerosol overcaps in fiscal 1998, we believe that we are the largest supplier of plastic aerosol overcaps in the world. In our plastic packaging business, we focus primarily on three markets: aerosol overcaps, rigid thinwall open-top containers and drink cups. Our housewares business produces home products such as dinnerware, tumblers and garden items. We concentrate on manufacturing high-quality items sold to image-conscious marketers of consumer and industrial products. With over 1,000 proprietary molds, superior color matching capabilities, sophisticated multi-color printing techniques and nationwide plant locations, we consistently produce and deliver mass quantities of high-quality products on a cost-efficient basis.

Our total net sales among our product categories is as follows:

<TABLE>
<CAPTION>

	FISCAL				
	1994	1995	1996	1997	1998
	(DOLLARS IN MILLIONS)				
<S>	<C>	<C>	<C>	<C>	<C>
PLASTIC PACKAGING PRODUCTS:					
Aerosol overcaps	\$ 38.0	\$ 43.6	\$ 49.7	\$ 47.1	\$ 49.1
Rigid open-top containers	61.6	71.1	80.8	111.5	145.9
Drink cups		17.3	14.1	37.6	39.9
Other	6.5	8.7	6.5	13.3	15.3
PLASTIC HOUSEWARES PRODUCTS ..				17.5	21.6
Total net sales	\$ 106.1	\$ 140.7	\$ 151.1	\$ 227.0	\$ 271.8

</TABLE>

We supply aerosol overcaps to a wide variety of customers and for a wide variety of products, including such well-known brand names as Faultless starch, Gillette personal care products, Pam cooking spray, Pledge furniture polish, Raid insect repellants, Rustoleum and Sherwin-Williams paints and Sure deodorant. Similarly, our containers are used for packaging a broad spectrum of consumer and commercial products, including Arch (Olin) pool chemicals, Elmer's home repair products, Hershey's cocoa, McDonald's children's meals, Milliken adhesives, Pillsbury cookie dough and promotional containers for a variety of customers, including the National Football League, Walt Disney and Warner-Brothers. Our drink cups are sold to fast food and family-dining restaurants, convenience stores, stadiums and retail stores. Our largest drink cup customers are Circle K, Coca-Cola, McDonald's, Pepsi-Cola and Steak 'n Shake. Our housewares products are primarily seasonal, semi-disposable housewares and lawn and garden items such as plates, bowls, pitchers, tumblers and flower pots. Our largest housewares customer, Wal-Mart, named us their housewares "Supplier of the Year" for 1998.

COMPETITIVE STRENGTHS

We believe that we are a strong competitor in our industry for the following reasons:

- o SUCCESSFUL INTEGRATION OF NUMEROUS STRATEGIC ACQUISITIONS. We have historically acquired businesses that we believe will improve our financial performance in the long-term and, in some cases, provide us with a new or complementary product line. We have successfully closed ten acquisitions since 1992. Our acquired businesses had aggregate pre-acquisition revenues of about \$239 million. We believe that our acquisitions have strengthened our core businesses, as well as opened up new product lines and markets for us. Moreover, we believe that we have materially reduced the manufacturing and overhead costs of the companies that we acquired by introducing high technology manufacturing processes, closing excess facilities and taking advantage of economies of scale.
- o HIGH-CAPACITY, STATE-OF-THE-ART PRODUCTION CAPABILITIES. We operate over 300 injection molding machines in 12 locations in the United

States and one location in Europe. These machines, many of which are high-speed, specialized machines, range in clamp tonnage from 80 to 825 tons. Our wide range of state-of-the-art molding machines and national distribution system allow us to economically mass produce high-quality products. In addition, we believe that our post-molding capabilities are among the most modern and extensive in the industry. These capabilities include printing, labeling, assembly, packing and distribution.

- o FULL PRODUCT LINES AND STRONG MARKET POSITION. A substantial majority of our sales are in product categories in which we are the nation's largest supplier. We use over 1,000 active molds, providing our customers with a wide range of products from which to choose. For a majority of our customers we are the sole or largest supplier of plastic injection-molded products. We believe that our extensive product lines, market experience, product quality and focus on customer satisfaction allow us to maintain our strong position in our key markets.
- o LARGE, DIRECT SALES FORCE. Our sales force is comprised of over 40 dedicated professionals and is among the largest in-house sales forces in our industry. Our sales force is focused on working both with customers and with our internal production and product design personnel to develop customized packaging. We believe that the size of our sales force allows us to maintain close working relationships with our customers.
- o IN-HOUSE PRODUCT DESIGN AND GRAPHIC ARTS CAPABILITIES. We have an in-house staff of 16 product development engineers and 22 graphic artists. These professionals work closely with customers to develop new products and designs. We also believe that our customized designs often help our customers differentiate their products in the marketplace and improve their product's performance. We believe that these capabilities have given us a significant competitive advantage in certain high-margin niche container product markets where the ability to produce sophisticated and colorful graphics is crucial to a product's success.
- o DEDICATION TO SERVICE AND QUALITY. As a result of our dedication to service and quality, we have received several awards from our top ten customers including, in 1998, Wal-Mart's "Supplier of the Year" award in its housewares division and SC Johnson Wax's "Supplier Quality Achievement Award." In addition, four of our plants are ISO 9000 certified. Our remaining nine facilities are working to obtain their ISO 9000 certification. ISO 9000 certification is only given to companies that meet the requirements of a quality management system established by the International Standardization Organization.
- o LARGE, DIVERSE CUSTOMER BASE. We sell our plastic packaging and housewares products to over 7,000 customers who are engaged in a variety of businesses. We believe that this provides us with a stable client base that is not materially affected by particular end-use market fluctuations. We also believe that we are the single-source or largest supplier of plastic aerosol overcaps, containers and drink cups to a majority of our customers. Our top ten customers represented only about 18% of our fiscal 1998 net

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sales on a pro forma basis. Our largest customer represented only about 4% of our fiscal 1998 net sales on a pro forma basis.

GROWTH STRATEGY

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

- o PURSUE STRATEGIC ACQUISITIONS IN OUR CORE BUSINESSES. We have successfully closed ten acquisitions since 1992. We will continue to pursue strategic acquisitions that we believe will provide added value to our core businesses.
- o DESIGN AND INTRODUCE INNOVATIVE NEW PRODUCTS TO PENETRATE NEW MARKETS. We intend to grow our product lines and increase market share by producing new products. For example, we recently developed a complete line of pool chemical containers specifically designed for Arch. We also introduced a 16 oz. insulated coffee mug and lid, with enhanced functionality and styling, in 1999 and a single-serve soft ice cream dispensing container that was recently accepted for use by Healthy Choice.
- o EMPHASIZE OUTSTANDING PRODUCT QUALITY AND CUSTOMER SERVICE. Through our dedication to product quality and service, we intend to grow our base business through growth in the marketplace and by gaining

business from our competitors. Our field sales, production and support staff meet with customers to understand their needs and improve our product offerings and services. Each of our customers has designated sales and customer service representatives responsible for their individual needs. Sophisticated technology is an ongoing part of our traditional quality assurance activities. We extensively test parts for size, color, strength and material quality using statistical process control techniques.

Our address is 101 Oakley Street, Evansville, Indiana 47710. Our telephone number is (812) 424-2904.

ACQUISITIONS

CARDINAL

Cardinal, which is headquartered in Streetsboro, Ohio, operates three manufacturing locations and is the nation's leading producer and marketer of plastic containers for ice cream and other frozen desserts. Cardinal also sells containers for other consumer products, such as refrigerated dairy products and non-dairy foods. Cardinal has filling equipment in many of its customers' plants and provides the services needed to operate this equipment. By providing its customers with both containers and the filling machine equipment, Cardinal significantly increases customer retention.

In July 1999, we acquired Cardinal for about \$72.0 million, including related acquisition costs. For the year ended November 30, 1998, Cardinal reported net sales of \$54.0 million. As in our nine previous acquisitions, we believe that we can lower Cardinal's costs by consolidating plants, purchasing resin in greater volume, using larger, more cost-efficient injection-molding equipment and improving Cardinal's systems.

1998 ACQUISITIONS

In July 1998, we acquired Norwich Injection Moulders Limited for about \$14 million. Norwich, which is headquartered in Norwich, England, manufactures and markets plastic injection-molded overcaps and closures for the European market. For the year ended October 31, 1997, Norwich reported net sales of about \$13.4 million. Norwich provides us with a European production platform that allows us to better serve our global overcap customers and to introduce our other product lines in Europe.

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In October 1998, we acquired the Knight Engineering and Plastics Division of Courtaulds Packaging Inc. for about \$18 million. Knight, which is headquartered in Woodstock, Illinois, manufactures and markets plastic injection-molded aerosol overcaps. We believe that this acquisition enhanced our aerosol overcap business and better positioned us to meet the needs of our domestic customers. For the year ended March 31, 1998, Knight reported net sales of \$23.8 million. Since the acquisition, we have significantly reduced Knight's manufacturing and operating costs, principally by closing one of its two manufacturing plants.

1997 ACQUISITIONS

During 1997 we completed four acquisitions, including PackerWare Corporation and Venture Packaging, Inc. PackerWare, which is headquartered in Lawrence, Kansas, is a major producer of drink cups and housewares. For the year ended October 31, 1996, PackerWare reported net sales of \$42.8 million. The acquisition of PackerWare enabled us to enter the housewares business and strengthened our position in the plastic drink cup market. Venture Packaging, which is headquartered in Monroeville, Ohio, reported net sales of \$42.3 million for the year ended September 30, 1996 and is one of the nation's largest producers of plastic injection-molded containers for the food and dairy markets.

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THE EXCHANGE OFFER

REGISTRATION RIGHTS AGREEMENT..... The Old Notes were sold by us on August 24, 1998 to Donaldson, Lufkin & Jenrette Securities Corporation (the "Initial Purchaser"), who placed the Old Notes with institutional investors. In connection therewith, Berry, the Guarantors and the Initial Purchaser executed and delivered for the benefit of the holders of the Old Notes a registration rights agreement (the "Registration Rights Agreement") providing, among other things, for the Exchange Offer.

THE EXCHANGE OFFER..... New Notes are being offered in

exchange for a like principal amount of Old Notes. As of the date hereof, \$25,000,000 aggregate principal amount of Old Notes are outstanding. We will issue the New Notes to Holders promptly following the Expiration Date. See "Risk Factors -- Consequences of Failure to Exchange."

EXPIRATION DATE..... 5:00 p.m., New York City time, on October , 1999, unless the Exchange Offer is extended as provided herein, in which case the term "Expiration Date" means the latest date and time to which the Exchange Offer is extended.

INTEREST..... Each New Note will bear interest from October 15, 1999. Interest will be payable on the Old Notes accepted for exchange to, but not including, October 15, 1999.

CONDITIONS TO THE EXCHANGE OFFER..... The Exchange Offer is subject to certain customary conditions, which may be waived by Berry. We reserve the right to amend, terminate or extend the Exchange Offer at any time prior to the Expiration Date upon the occurrence of any such condition. See "The Exchange Offer-- Conditions."

PROCEDURES FOR TENDERING OLD NOTES..... Each Holder of Old Notes wishing to accept the Exchange Offer must complete, sign and date the Letter of Transmittal, or a facsimile thereof, in accordance with the instructions contained herein and therein, and mail or otherwise deliver such Letter of Transmittal, or such facsimile, or an Agent's Message (as defined herein) together with the Old Notes and any other required documentation to the exchange agent (the "Exchange Agent") at the address set forth herein. By executing the Letter of Transmittal or delivering an Agent's Message, each Holder will represent to us, among other things, that (i) the New Notes acquired pursuant to the Exchange Offer by the Holder and any beneficial owners of Old Notes are being obtained in the ordinary course of business of the person receiving such New Notes, (ii) neither the Holder nor such beneficial owner has an arrangement with any person to participate in the distribution of such New Notes, (iii) neither the Holder nor such beneficial owner nor any such other person is engaging in or intends to engage in a distribution of such New Notes and (iv) neither the Holder nor such beneficial owner is an "affiliate," as defined under Rule 405 promulgated under the Securities Act, of Berry. Each

broker-dealer that receives New Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than Old Notes acquired directly from Berry), may participate in the Exchange Offer but may be deemed an "underwriter" under the Securities Act and, therefore, must acknowledge in the Letter of Transmittal that it will deliver a prospectus in connection with any resale of such New Notes. The Letter of Transmittal states that

by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. See "The Exchange Offer-- Procedures for Tendering" and "Plan of Distribution."

SPECIAL PROCEDURES FOR BENEFICIAL OWNERS.....

Any beneficial owner whose Old Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered Holder promptly and instruct such registered Holder to tender on such beneficial owner's behalf. If such beneficial owner wishes to tender on such beneficial owner's own behalf, such beneficial owner must, prior to completing and executing the Letter of Transmittal or delivering an Agent's Message and delivering his Old Notes, either make appropriate arrangements to register ownership of the Old Notes in such beneficial owner's name or obtain a properly completed bond power from the registered Holder. The transfer of registered ownership may take considerable time. See "The Exchange -- Procedures for Tendering."

GUARANTEED DELIVERY PROCEDURES.....

Holders of Old Notes who wish to tender their Old Notes and whose Old Notes are not immediately available or who cannot deliver their Old Notes, the Letter of Transmittal or an Agent's Message or any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date must tender their Old Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer -- Guaranteed Delivery Procedures."

WITHDRAWAL RIGHTS.....

Tenders may be withdrawn as provided herein at any time prior to 5:00 p.m., New York City time, on the Expiration Date. See "The Exchange Offer -- Withdrawal of Tenders."

ACCEPTANCE OF OLD NOTES AND DELIVERY OF NEW NOTES.....

We will accept for exchange any and all Old Notes which are properly tendered in the Exchange Offer prior to 5:00 p.m., New York City time, on the Expiration Date. The New Notes issued pursuant to the Exchange Offer will be delivered promptly following the Expiration Date. See "The Exchange Offer -- Terms of the Exchange Offer."

EXCHANGE AGENT.....

United States Trust Company of New York is serving as Exchange Agent in connection with the Exchange Offer. See "The Exchange Offer -- Exchange Agent."

USE OF PROCEEDS.....

There will be no cash proceeds to us from the exchange pursuant to the Exchange Offer.

FEDERAL INCOME TAX CONSEQUENCES.....

The exchange of Old Notes for New Notes will not be a taxable exchange for Federal income tax purposes. See "Certain Federal Income Tax Considerations."

CONSEQUENCES OF FAILURE TO EXCHANGE....

Holders of Old Notes who do not exchange their Old Notes for New Notes pursuant to the Exchange Offer will continue to be subject to the

restrictions on transfer of such Old Notes as set forth in the legend thereon as a consequence of the issuance of the Old Notes pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, Old Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws.

SUMMARY DESCRIPTION OF THE NEW NOTES

The Exchange Offer applies to \$25,000,000 aggregate principal amount of Old Notes. The terms of the New Notes are identical in all material respects to the Old Notes, except that the New Notes have been registered under the Securities Act and, therefore, will not bear legends restricting their transfer and will not contain certain provisions providing for an increase in the interest rate on the Old Notes under certain circumstances relating to the Registration Rights Agreement, which provisions will terminate as to all of the Notes upon the consummation of the Exchange Offer. The New Notes will evidence the same debt as the Old Notes and, except as set forth in the immediately preceding sentence, will be entitled to the benefits of the Indenture, under which both the Old Notes were, and the New Notes will be, issued. See "Description of New Notes."

THE NEW NOTES..... \$25 million in aggregate principal amount at maturity of 12 1/4% Series C Senior Subordinated Notes due 2004.

MATURITY DATE..... April 15, 2004.

INTEREST PAYMENT DATES..... October 15 and April 15 of each year, commencing on October 15, 1999.

MANDATORY REDEMPTION..... We are not required to make mandatory redemption or sinking fund payments with respect to the New Notes.

OPTIONAL REDEMPTION..... On or after April 15, 1999, the Notes will be redeemable at any time at our option, in whole or in part, at the redemption prices set forth herein, plus accrued and unpaid interest, if any, to the date of redemption.

CHANGE OF CONTROL..... In the event of a Change of Control, each Holder of the Notes will have the right to require us to repurchase such Holder's Notes, in whole or in part, at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase.

GUARANTEES..... The New Notes will be guaranteed by the Guarantors. The Note Guarantees will be unconditional joint and several obligations of each Guarantor and will be subordinated as described below under "Ranking."

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RANKING..... The New Notes will be unsecured senior subordinated obligations of Berry, will rank PARI PASSU with the 1994 Notes and the 1999 Notes and will be subordinate in right of payment to all Senior Indebtedness of Berry, which will include borrowings under the Credit Facility. The New Notes will be senior to any indebtedness which by its terms is subordinate to the New Notes, regardless of when such indebtedness is incurred. Each Note Guarantee will be subordinate in right of payment to all Senior Indebtedness of each respective Guarantor. Senior Indebtedness of Berry consists of

borrowings under the Credit Facility and the Nevada Bonds. Senior Indebtedness of the Guarantors consists of their joint and several guarantee of the obligations of Berry under the Credit Facility and obligations with respect to the Nevada Bonds and, in the case of Holding, the 1996 Notes. As of July 3, 1999, the aggregate amount of outstanding Senior Indebtedness of Berry would have been \$89.0 million, the aggregate amount of outstanding total indebtedness of the Company, including the 1994 Notes and the 1999 Notes, would have been \$290.5 million, and the indebtedness of the Guarantors senior to the Note Guarantees would have been \$395.5 million. As of July 3, 1999, all indebtedness of the Company other than the Senior Indebtedness was PARI PASSU in right of payment to the New Notes, and there was no indebtedness subordinated to the New Notes.

CERTAIN COVENANTS..... The Indenture pursuant to which the Old Notes were, and the New Notes will be, issued (the "Indenture") contains covenants, including, but not limited to, covenants with respect to the following matters: (i) limitations on the retention of proceeds from asset sales; (ii) limitations on the incurrence of additional indebtedness and the issuance of disqualified stock; (iii) limitations on restricted payments; (iv) limitations on transactions with affiliates; (v) limitations on liens; (vi) limitations on dividends and other payment restrictions affecting subsidiaries; and (vii) limitations on mergers, consolidations and sales of assets. In addition, while the Indenture contains, among other things, the foregoing covenants as well as a requirement to offer to purchase New Notes upon a Change of Control, the Indenture does not contain any provisions specifically intended to protect Holders of the New Notes in the event of a future highly leveraged transaction involving Berry or any Guarantor. See "Description of Notes."

RISK FACTORS

SEE "RISK FACTORS" BEGINNING ON PAGE 12 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY HOLDERS PRIOR TO TENDERING OLD NOTES IN THE EXCHANGE OFFER, INCLUDING HIGHLY LEVERAGED CONDITION, OPERATING RESTRICTIONS, GROWTH AND RISKS RELATED TO ACQUISITIONS, LIMITED ABILITY OF HOLDING TO PERFORM UNDER NOTE GUARANTEE, HISTORICAL NET LOSSES, SUBORDINATION OF THE NOTES AND NOTE GUARANTEES, UNSECURED STATUS OF NOTES, RANKING OF NOTES WITH 1994 NOTES AND THE 1999 NOTES, FLUCTUATING INTEREST EXPENSE ON SENIOR INDEBTEDNESS, FRAUDULENT CONVEYANCE RISK, POSSIBLE ADVERSE EFFECT OF INCREASE IN RESIN PRICES, RELIANCE ON CERTAIN SUPPLIER, CONTROLLING STOCKHOLDERS, COMPETITION, ENVIRONMENTAL MATTERS, POTENTIAL LACK OF FUNDING FOR CHANGE OF CONTROL OFFER, LACK OF A PUBLIC MARKET FOR THE NEW NOTES, CONSEQUENCES OF FAILURE TO EXCHANGE, NECESSITY TO COMPLY WITH EXCHANGE OFFER PROCEDURES AND BLUE SKY RESTRICTIONS ON RESALE OF NEW NOTES.

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA

The following table presents summary financial data for Holding and its subsidiaries. The summary historical financial data for fiscal 1994, fiscal 1995, fiscal 1996, fiscal 1997 and fiscal 1998 come from Holding's audited consolidated financial statements. Holding's and its subsidiaries' audited consolidated financial statements as of and for fiscal 1997 and fiscal 1998 and the audited consolidated statements of operations and cash flows for fiscal 1996 are included in this prospectus. The summary unaudited pro forma financial data give effect to our acquisitions of Cardinal, Knight and Norwich, and issuance of

the 1999 Notes and the Notes. The summary unaudited pro forma financial data are not necessarily indicative of the operating results or the financial position that would have been achieved had the events given effect therein been consummated and should not be construed as representative of future operating results or financial position.

<TABLE>
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	1994	1995	FISCAL 1996	1997	1998	PRO FORMA FISCAL 1998	PRO FORMA 26 WEEKS ENDED JULY 3, 1999
(DOLLARS IN THOUSANDS)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED OPERATIONS STATEMENT							
DATA:							
Net sales	\$ 106,141	\$ 140,681	\$ 151,058	\$ 226,953	\$ 271,830	\$ 352,670	\$ 188,317
Cost of goods sold	73,997	102,484	110,110	180,249	199,227	265,079	136,189
Gross margin	32,144	38,197	40,948	46,704	72,603	87,591	52,128
Operating expenses	15,160	17,670	23,679	30,505	44,001	55,851	30,079
Operating income	16,984	20,527	17,269	16,199	28,602	31,740	22,049
Other expenses(1)	184	127	302	226	1,865	1,861	778
Interest expense, net (2)	10,972	13,389	20,075	30,246	34,556	45,604	22,174
Income (loss) before income taxes and extraordinary charge	5,828	7,011	(3,108)	(14,273)	(7,819)	(15,725)	(903)
Income taxes (benefit)	11	678	239	138	(249)	90	482
Income (loss) before extraordinary charge	5,817	6,333	(3,347)	(14,411)	(7,570)	(15,815)	(1,385)
Extraordinary charge(3)	3,652	--	--	--	--	--	--
Net income (loss)	\$ 2,165	\$ 6,333	\$ (3,347)	\$ (14,411)	\$ (7,570)	\$ (15,815)	\$ (1,385)
CONSOLIDATED OTHER DATA:							
Adjusted EBITDA(4)	\$ 26,380	\$ 31,569	\$ 34,718	\$ 40,268	\$ 59,768	\$ 77,526	\$ 42,964
Adjusted EBITDA margin(5)	24.9%	22.4%	23.0%	17.7%	22.0%	22.0%	22.8%
Cash provided by operating activities	15,556	12,969	14,426	14,154	34,131	47,745	20,876
Cash used for investing activities	(9,495)	(25,385)	(14,639)	(102,102)	(52,120)	(133,059)	(90,258)
Cash provided by financing activities	2,184	11,124	2,370	80,444	17,619	84,944	79,943
Depreciation and amortization(6)	8,176	9,536	11,331	19,026	24,830	32,496	16,350
Capital expenditures	9,118	11,247	13,581	16,774	22,595	28,759	15,666
Ratios of earnings to fixed charges (7)	1.5x	1.5x	--	--	--	--	--
BERRY PLASTICS DATA:							
Cash interest expense, net	\$ 9,795	\$ 12,439	\$ 12,854	\$ 17,187	\$ 20,569	\$ 31,243	\$ 14,699
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Ratio of Adjusted EBITDA to cash interest expense, net.....					2.9x	2.5x	2.9x
Ratio of net debt to Adjusted EBITDA.....					3.6x	3.8x	--

	AT JULY 3, 1999	
	HISTORICAL	PRO FORMA
<S>	<C>	<C>
BERRY PLASTICS CONSOLIDATED BALANCE SHEET DATA:		
Cash and cash equivalents.....	\$ 2,622	\$ 2,622
Working capital.....	12,597	24,620
Total assets.....	254,331	336,453
Total long-term debt, including current portion.....	215,484	290,484
Stockholders' equity (deficit).....	(17,456)	(17,456)

</TABLE>

- (1) Other expenses consist of loss on disposal of property and equipment for the respective periods.
- (2) Includes non-cash interest expense of \$1,178 in fiscal 1994, \$950 in fiscal 1995, \$1,212 in fiscal 1996, \$2,005 in fiscal 1997, \$1,765 in fiscal 1998, \$2,140 in pro forma fiscal 1998 and \$1,061 for the pro forma 26 weeks ended July 3, 1999.
- (3) During 1994, an extraordinary charge of \$3.7 million was recognized as a result of the retirement of debt concurrently with the issuance of the 1994 Notes.

(4) Adjusted EBITDA should not be considered in isolation or as an alternative to income from operations or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, our calculation of Adjusted EBITDA differs from that presented by certain other companies and thus is not necessarily comparable to similarly titled measures used by other companies. The following table reconciles operating income to EBITDA and Adjusted EBITDA for each respective period:

<TABLE>
<CAPTION>

	FISCAL					PRO FORMA FISCAL	PRO FORMA 26 WEEKS ENDED JULY 3, 1999
	1994	1995	1996	1997	1998	1998	
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Operating income	\$ 16,984	\$ 20,527	\$ 17,269	\$ 16,199	\$ 28,602	\$ 31,740	\$ 22,049
Depreciation and amortization	8,176	9,536	11,331	19,026	24,830	32,496	16,350
EBITDA	25,160	30,063	28,600	35,225	53,432	64,236	38,399
One-time expenses:							
1996 transaction compensation expenses	--	--	2,762	--	--	--	--
Plant shutdown expenses	--	--	907	848	2,559	2,559	576
Acquisition integration expenses	116	867	692	3,267	1,525	1,525	1,091
Litigation expenses related to drink cup patent ..	--	--	650	100	631	631	--
Corporate expenses:							
Non-cash compensation expenses (benefit)	358	(214)	358	--	749	749	197
Management fees and expenses	746	853	749	828	872	872	437
Pro Forma adjustments relating to the acquisitions:							
Raw material savings						3,368	1,256
Plant consolidations						1,906	508
Tooling consolidation						416	--
Discontinued sales						(340)	--
Expense reductions (i.e. legal, management fees)						766	500
Staff reductions						838	--
Adjusted EBITDA	\$ 26,380	\$ 31,569	\$ 34,718	\$ 40,268	\$ 59,768	\$ 77,526	\$ 42,964

</TABLE>

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

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

(7) In calculating the ratio of earnings to fixed charges, earnings consist of (i) income (loss) before income taxes, plus (ii) fixed charges consisting of interest on debt (including amortization of deferred financing fees), plus (iii) that portion of lease rental expense representative of the interest factor. Earnings were inadequate to cover fixed charges by \$2,883 in fiscal 1996, by \$13,932 in fiscal 1997, by \$7,042 in fiscal 1998, by \$14,948 in pro forma fiscal 1998 and by \$1,644 for the pro forma twenty-six weeks ended July 3, 1999.

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RISK FACTORS

IN ADDITION TO THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, THE FOLLOWING FACTORS SHOULD BE CONSIDERED CAREFULLY BY HOLDERS OF OLD NOTES BEFORE MAKING A DECISION TO TENDER THEIR OLD NOTES IN THE EXCHANGE OFFER.

WE HAVE A SIGNIFICANT AMOUNT OF DEBT.

We have now and will continue to have a large amount of debt. We may also incur additional debt from time to time to finance acquisitions or capital expenditures or for other purposes subject to the restrictions in our credit facility and the indentures governing the Notes, the 1994 Notes and the 1999 Notes. See "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources," "Description of Certain Indebtedness" and "Description of Notes."

Our high degree of debt has important consequences for us, including the following:

- o It may be more difficult for us to satisfy our obligations under the Notes;
- o Our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;

- o We will need a substantial portion of our cash flow to pay the principal and interest on our debt, including debt that we may incur in the future;
- o Payments on our debt will reduce the funds that would otherwise be available for our operations and future business opportunities;
- o A substantial decrease in our net operating cash flows could make it difficult for us to meet our debt service requirements and force us to modify our operations;
- o We may be more highly leveraged than our competitors, which may place us at a competitive disadvantage; and
- o We may be more vulnerable to a downturn in our business or the economy generally.

If we are unable to service our debt or obtain additional financing, as needed, our business and financial condition would be materially adversely affected.

WE MAY NOT BE ABLE TO SERVICE OR REFINANCE OUR DEBT.

Our ability to pay principal and interest on the Notes and to satisfy our other obligations will depend upon:

- o Our future financial and operating performance, which performance will be affected by prevailing economic conditions and financial, business and other factors, certain of which are beyond our control; and
- o The future availability of revolving credit borrowings under our credit facility or any successor facility, the availability of which is dependent or may depend on, among other things, our complying with certain covenants and meeting certain specified borrowing base prerequisites. See "Description of Certain Indebtedness - The Credit Facility."

Based on our current and expected levels of operations, we expect that our operating cash flow and borrowings under our credit facility should be sufficient for us to meet our operating expenses, to make necessary capital expenditures and to service our debt requirements as they become due. However, our operating results and

borrowings under our credit facility may not be sufficient to service our debt, including the Notes. If we cannot service our debt, we will be forced to take actions such as reducing or delaying acquisitions and/or capital expenditures, selling assets, restructuring or refinancing our debt (which could include the Notes), or seeking additional equity capital or bankruptcy protection. We cannot assure you that any of these remedies can be effected on satisfactory terms, if at all.

RESTRICTIVE DEBT COVENANTS IN OUR INDENTURES AND CREDIT FACILITY MAY ADVERSELY AFFECT US.

The indenture governing the Notes will restrict, among other things, our ability to:

- o incur additional debt;
- o pay dividends;
- o redeem capital stock;
- o create liens, dispose of certain assets, engage in mergers;
- o make contributions, loans or advances; and
- o enter into certain transactions with affiliates.

The Credit facility and the indenture governing the 1994 Notes (the "1994 Indenture") and the Indenture governing the 1999 Notes (the "1999 Indenture") contain similar restrictions. If our cash flow and existing working capital are insufficient to fund our expenditures or to service our debt, including the Notes, the 1994 Notes, the 1999 Notes and borrowings under the Credit Facility, we would have to raise additional funds through capital contributions from Holding, or by refinancing all or a part of our debt or by a sale of assets or subsidiaries. The restrictions contained in the indentures governing the Notes, the 1994 Notes and the 1999 Notes and the Credit Facility, in combination with

our high level of debt, could severely limit our ability to raise such additional funds, respond to changing market and economic conditions, provide for capital expenditures or take advantage of business opportunities that may arise. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources," "Description of Certain Indebtedness" and "Description of Notes."

OUR ACQUISITION STRATEGY MAY BE UNSUCCESSFUL.

As part of our growth strategy, we plan to pursue the acquisition of other companies, assets and product lines that either complement or expand our existing business. We continually evaluate potential acquisition opportunities, particularly those that could be material in size and scope. Acquisitions involve a number of special risks and factors, including:

- o the focus of management's attention to the assimilation of the acquired companies and their employees and on the management of expanding operations;
- o the incorporation of acquired products into our product line;
- o the increasing demands on our operational systems;
- o adverse effects on our reported operating results;
- o the amortization of acquired intangible assets; and
- o the loss of key employees and the difficulty of presenting a unified corporate image.

We may be unable to make appropriate acquisitions because of competition for the specific acquisition. In pursuing acquisitions, we compete against other plastic product manufacturers, some of which are larger than we are

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and have greater financial and other resources than we have. We compete for potential acquisitions based on a number of factors, including price, terms and conditions, size and ability to offer cash, stock or other forms of consideration. In addition, the negotiation of potential acquisitions may require members of management to divert their time and resources away from our operations.

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

We may not be able to successfully integrate our acquisitions without substantial costs, delays or other problems. We will have to continue to expend substantial managerial, operating, financial and other resources to integrate our businesses. The costs of such integration could have an adverse effect on short-term operating results. Such costs include non-recurring acquisition costs including accounting and legal fees, investment banking fees, recognition of transaction-related obligations and various other acquisition-related costs.

In addition, the rapid pace of our acquisitions of other businesses may adversely affect our efforts to integrate acquisitions and manage those acquisitions profitably. We may seek to recruit additional managers to supplement the incumbent management of the acquired businesses, but we may not have the ability to recruit additional candidates with the necessary skills.

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

- o the possibility that it will be difficult to integrate the operations into our other operations;
- o the possibility that we have acquired substantial undisclosed liabilities;
- o the risks of entering markets or offering services for which we have no prior experience; and
- o the potential loss of customers as a result of changes in management.

We may not be successful in overcoming these risks.

HOLDING HAS EXPERIENCED CONSOLIDATED NET LOSSES, AND EXPECTS TO CONTINUE TO DO SO.

Holding has not generated enough revenue on a consolidated basis to make a profit. Consolidated earnings have been insufficient to cover fixed charges by \$2.9 million for fiscal 1996, by \$13.9 million for fiscal 1997 and by \$7.0 million for fiscal 1998. In addition, Holding has experienced consolidated net losses during each of such periods principally as a result of expenses and

charges incurred in connection with our acquisitions. These net losses were \$3.3 million for fiscal 1996, \$14.4 million for fiscal 1997, and \$7.6 million for fiscal 1998. Holding expects that it will continue to experience consolidated net losses for the foreseeable future.

HOLDING RELIES ON DIVIDENDS FROM US TO MEET ITS DEBT OBLIGATIONS AND MAY NOT BE ABLE TO SATISFY ITS OBLIGATIONS UNDER ITS GUARANTEE OF THE NOTES.

Holding is a holding company and is entirely dependent on our paying it dividends to pay its obligations, including its obligations under its Guarantee. Under the terms of our credit facility, there are severe restrictions on our ability to declare dividends to Holding. In addition, the indenture governing the \$105 million aggregate principal amount of Holding's 12 1/2 % Senior Secured Notes due 2006 (the "1996 Notes") limits the ability of Holding to make certain payments, including payments under its Guarantee. Accordingly, absent a substantial increase in our operating results and a refinancing of the 1996 Notes or an equity offering, we do not expect Holding to be able to perform under its Guarantee.

In addition, without a substantial increase in our net income above historical levels, we anticipate that we will be unable to generate sufficient cash flow to permit a dividend to Holding under the limitations placed on us by our debt indentures in an amount sufficient to meet Holding's interest payment obligations under the 1996 Notes.

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We must pay the interest obligations of the 1996 Notes in cash beginning December 15, 2001. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

YOUR RIGHT TO RECEIVE PAYMENTS ON THE NOTES IS JUNIOR TO OUR SENIOR DEBT, WHICH BEARS INTEREST AT FLUCTUATING RATES, AND POSSIBLY OUR FUTURE INDEBTEDNESS.

Under the indenture, payments on the Notes will be subordinated to the prior payment of all of our Senior Indebtedness, totaling \$89.0 million on July 3, 1999. Our Senior Indebtedness currently includes borrowings under the Credit Facility and the Nevada Bonds (which bear interest at a variable rate, require annual principal payments of \$0.5 million on April 1, and mature in April 2007). As of July 3, 1999, \$35.8 million was available for borrowing under the Credit Facility (subject to applicable borrowing base limitations), and there was no debt subordinated to the Notes. See "Description of Certain Other Indebtedness--The Credit Facility." The indenture permits us to incur additional senior debt under our credit facility provided that certain conditions are met. See "Description of Notes."

By reason of such subordination, in the event of our insolvency, liquidation, reorganization, dissolution or winding up, or in the event that the senior debt is otherwise accelerated, holders of senior debt must be paid in full before we may pay you. In such event, there may be insufficient assets remaining to satisfy claims. In addition, we will not be permitted to make any payment with respect to the Notes or our other senior subordinated debt for a substantial period of time if defaults under the Credit Facility or certain other senior debt exist and are continuing and certain other conditions are satisfied. The Notes rank PARI PASSU with the 1994 Notes and the 1999 Notes and PARI PASSU with, or senior to, all other future subordinated debt of Berry. In addition, the Guarantees are subordinated to all existing and future senior debt of each Guarantor, including the guarantees under the Credit Facility, and, in the case of Holding, the 1996 Notes.

In addition, Berry Plastics' and the Guarantors' respective obligations under the Credit Facility and the Nevada Bonds bear interest at rates that may be expected to fluctuate over time. Accordingly, a substantial increase in interest rates could adversely affect our ability to service our debt obligations, including our obligations with respect to the Notes.

THE NOTES ARE NOT SECURED BY ANY OF OUR ASSETS.

The Notes and Guarantees are unsecured obligations of Berry and the Guarantors, respectively. The indenture will permit us to incur certain secured debt, including debt under the Credit Facility, which is secured by a lien on substantially all of the assets of Berry and the Guarantors. The holders of any secured debt will have a claim prior to the holders of the Notes with respect to any assets pledged by us as security for such debt. Upon an event of default under the credit facility, the lender would be entitled to foreclose on the assets of Berry and the Guarantors. In such event, the assets of Berry and the Guarantors remaining after repayment of such secured debt may be insufficient to satisfy our obligations with respect to the Notes.

WE HAVE \$100 MILLION IN PRINCIPAL AMOUNT OF NOTES OUTSTANDING THAT WILL BE PAID BEFORE THE NOTES IN THE EVENT OF CERTAIN ASSETS SALES.

The 1994 Notes have a priority upon the payment of proceeds pursuant to certain asset sales. See "Description of Notes--Repurchase at the Option of Holders--Asset Sales."

WE DO NOT HAVE FIRM CONTRACTS WITH PLASTIC RESIN SUPPLIERS.

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

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

To produce our products we use various plastic resins, which in fiscal 1998 cost us about \$62 million, or 31% of our total cost of goods sold. In order for us to do well financially we must pass this cost on to our customers in a timely manner. Plastic resins are subject to cyclical price fluctuations, including those arising from supply shortages and changes in the prices of natural gas, crude oil and other petrochemical intermediates from which resins are produced. Historically, we have been able to pass on increases in resin prices to our customers over a period of time. However, we may not be able to continue to do so on a timely basis, if at all, or there could be a significant increase in resin prices, which would have a material adverse effect on our financial performance. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--General Economic Conditions and Inflation" and "Business--Sources and Availability of Raw Materials."

WE ARE CONTROLLED BY A SMALL GROUP OF STOCKHOLDERS.

Atlantic Equity Partners International II, L.P., a Delaware limited partnership, owns about 54% (on a voting common stock equivalent basis) of Holding's outstanding voting capital stock. As such, subject to the terms of our Stockholders Agreement, Atlantic Equity Partners International II has the ability to elect all of the members of BPC Holding's board of directors and can determine the outcome of any corporate transaction or other matter submitted to the stockholders of Holding or Berry for approval, including mergers, consolidations and the sale of Berry Plastics or all or substantially all of our assets. See "Certain Transactions--Stockholders Agreements." Atlantic Equity Associates International II, L.P., a Delaware limited partnership, is the sole general partner of Atlantic Equity Partners International II. Roberto Buaron, the Chairman and a director of Berry Plastics, is the sole shareholder of Buaron Holdings Ltd. Buaron Holdings is the sole general partner of Atlantic Equity Associates International II. Through his affiliations with Buaron Holdings and Atlantic Equity Associates International II, Mr. Buaron may be deemed to control Atlantic Equity Partners International II.

Including the shares of capital stock owned by Atlantic Equity Partners International II, all executive officers and directors of Berry as a group beneficially own about 96.3% (on a voting common stock equivalent basis) of Holding's outstanding voting capital stock.

WE ARE SUBJECT TO VARIOUS ENVIRONMENTAL LAWS AND MAY BE ADVERSELY AFFECTED BY NEW ENVIRONMENTAL LAWS OR THE COSTS OF COMPLIANCE WITH ANY SUCH LAWS.

Federal, state and local governments could enact laws or regulations concerning environmental matters that increase the cost of producing, or otherwise adversely affect the demand for, plastic products. We are aware that certain local governments have adopted ordinances prohibiting or restricting the use or disposal of certain plastic products that are among the types of products that we produce. If such prohibitions or restrictions were widely adopted, they could have a material adverse effect on us. Furthermore, a decline in consumer preference for plastic products due to environmental considerations could have a negative effect on our business. In addition, certain of our operations are subject to federal, state and local environmental laws and regulations that impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of solid and hazardous wastes. While we have not been required historically to make significant capital expenditures in order to comply with applicable environmental laws and regulations, we cannot predict with any certainty our future capital expenditure requirements because of continually changing compliance standards and environmental technology. Furthermore, violations or contaminated sites that we do not know about (including contamination caused by prior owners and operators of such sites) could result in additional compliance or remediation costs or other liabilities. We do not have insurance coverage for environmental liabilities and do not anticipate obtaining such coverage in the future. See "Business--Environmental Matters and Governmental Regulation."

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

In the event of certain change of control events, we will be required,

subject to certain conditions, to offer to purchase all outstanding Notes, 1994 Notes and 1999 Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued interest and any liquidated damages to the date of repurchase. In addition, Holding will also be required, subject to certain conditions, to offer to purchase all outstanding 1996 Notes at a purchase price

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equal to 101% of the principal amount thereof (or 101% of \$105,000,000), plus accrued interest to the date of repurchase. There can be no assurance that we will have sufficient funds available to make the required purchases. Moreover, the Credit Facility and the indenture governing the 1996 Notes restrict such a purchase and the offer would require the approval of the lender or securityholders thereunder, as the case may be. As a result of this potential lack of funds and the restrictions contained in the Credit Facility and the indenture governing the 1996 Notes, the indenture governing the Notes may offer little, if any, protection to you in the event of a change of control. If we failed to purchase Notes tendered upon a change of control it would constitute an event of default under the indenture. The Credit Facility provides that events similar to a change of control will constitute an event of default thereunder. Upon the occurrence of an event of default under the Credit Facility, all amounts outstanding thereunder may become due and payable. All debt of Berry under the Credit Facility is senior debt, which, as of July 3, 1999, on a pro forma basis giving effect to the acquisition of Cardinal and a \$20.0 million concurrent increase in the Credit Facility, could have been as much as \$132.5 million under the borrowing base calculation. The subordination provisions contained in the Indenture will prohibit us (if the holders of senior debt issue a notice to us to such effect) from making any payment on the Notes until such event of default is cured or upon the expiration of 179 days (unless the holders of senior debt accelerate the maturity of the senior debt). We could, in the future enter into certain transactions, including acquisitions, refinancings or other recapitalizations or highly leveraged transactions, that would not result in a change of control but would increase the amount of debt outstanding or otherwise affect our capital structure or credit ratings or otherwise adversely affect holders of the Notes. See "Description of Certain Indebtedness" and "Description of Notes--Repurchase at the Option of Holders--Change of Control."

WE MAY NOT BE ABLE TO COMPETE SUCCESSFULLY.

We face intense competition in the sale of our products. We compete with several companies, including divisions or subsidiaries of larger companies, on the basis of price, service, quality and the ability to supply products to customers in a timely manner. Many of our competitors have financial and other resources that are substantially greater than ours. Our customers may opt to purchase a different production type of product, such as those made by thermoforming. We may not be able to compete successfully with respect to any of the foregoing factors. Competition could result in our products losing market share or our having to reduce our prices, either of which would have a material adverse effect on our business and results of operations.

UNDER SPECIFIC CIRCUMSTANCES, THE NOTES AND GUARANTEES MAY BE VOIDED.

Federal and state statutes allow courts, under specific circumstances, to void the Notes and the Guarantees and require you to return payments received from us or the Guarantors. If a court of competent jurisdiction in a suit by an unpaid creditor or a representative of creditors (such as a trustee in bankruptcy or a debtor-in-possession) were to find that, at the time of the incurrence of the debt represented by the Notes and the Guarantees, Berry or a Guarantor:

- o was insolvent or was rendered insolvent by reason of such incurrence;
- o was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital;
- o intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured;
- o intended to hinder, delay or defraud its creditors; or
- o incurred the debt for less than reasonably equivalent value or fair consideration;

then such court could, among other things:

- o void all or a portion of our or such Guarantor's obligations to the holders of the Notes, the effect of which could be that you might not be repaid in full; and/or

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- o subordinate our or such Guarantor's obligations to the holders of the Notes to other existing and future debt of Berry or such Guarantor, as the case may be, the effect of which would be to entitle such other creditors to be paid in full before any payment could be made to you.

The measure of insolvency for purposes of the foregoing will vary depending upon the law applied in such case. Generally, however, we would be considered insolvent if:

- o the sum of our debts, including contingent liabilities, was greater than all of our assets at a fair valuation or if the present fair saleable value of our assets was less than the amount that would be required to pay the probable liabilities on our existing debts, including contingent liabilities, as they become absolute and matured; or
- o we could not pay our debts as they became due.

LACK OF A PUBLIC MARKET FOR THE NEW NOTES

The New Notes will constitute a new class of securities with no established trading market. We do not intend to list the New Notes on any national securities exchange or to seek the admission thereof to trading in the Nasdaq National Market. The Old Notes are designated for trading in the PORTAL market. We have been advised by DLJ that DLJ currently intends to make a market in the New Notes. DLJ is not obligated to do so, however, and any market-making activities with respect to the New Notes may be discontinued at any time without notice. In addition, such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act, and may be limited during the Exchange Offer and the pendency of any Shelf Registration Statement (as defined herein). Accordingly, no assurance can be given that an active public or other market will develop for the New Notes or as to the liquidity of the trading market for the New Notes. If a trading market does not develop or is not maintained, holders of the New Notes may experience difficulty in reselling the New Notes or may be unable to sell them at all. If a market develops for the New Notes, future trading prices of the New Notes will depend on many factors, including among other things, prevailing interest rates, Berry's and Holding's consolidated financial condition and results of operations and the market for similar notes. Depending on those and other factors, the New Notes may trade at a discount from their principal amount.

CONSEQUENCES OF FAILURE TO EXCHANGE

Holders of Old Notes who do not exchange the Old Notes for New Notes pursuant to the Exchange Offer will continue to be subject to the restrictions on transfer of such Old Notes as set forth in the legend thereon as a consequence of the issuance of the Old Notes pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, the Old Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently anticipate that we will register the Old Notes under the Securities Act. In addition, any trading market for the Old Notes not exchanged for New Notes will be adversely affected to the extent that Old Notes are tendered and accepted in the Exchange Offer. Based on interpretations by the staff of the Commission set forth in no-action letters issued to third parties, we believe that the New Notes issued pursuant to the Exchange Offer in exchange for Old Notes may be offered for resale, resold or otherwise transferred by any holder thereof (other than any such holder that is an "affiliate" of Berry within the meaning of Rule 405 promulgated under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, PROVIDED that such New Notes are acquired in the ordinary course of such holder's business, such holder has no arrangement with any person to participate in the distribution of such New Notes and neither such holder nor any such other person is engaging in or intends to engage in a distribution of such New Notes. Notwithstanding the foregoing, each broker-dealer that receives New Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with any resale of New Notes received in exchange for Old Notes where such Old Notes

were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than Old Notes acquired directly from Berry). Berry and the Guarantors have agreed that, for a period of one year from the date of this Prospectus, they will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution." However, the ability of any Holder to resell the New Notes is subject to applicable state securities laws as described in "Risk Factors --

NECESSITY TO COMPLY WITH EXCHANGE OFFER PROCEDURES

To participate in the Exchange Offer, and to avoid the restrictions on transfer of the Old Notes, Holders of Old Notes must transmit a properly completed Letter of Transmittal or an Agent's Message, including all other documents required by such Letter of Transmittal, to the Exchange Agent at one of the addresses set forth below under "The Exchange Offer -- Exchange Agent" on or prior to the Expiration Date. In addition, either (i) certificates for such Old Notes must be received by the Exchange Agent along with the Letter of Transmittal or (ii) a timely confirmation of a book-entry transfer of such Old Notes, if such procedure is available, into the Exchange Agent's account at The Depository Trust Company pursuant to the procedure for book-entry transfer described herein, must be received by the Exchange Agent prior to the Expiration Date or (iii) the Holder must comply with the guaranteed delivery procedures described herein. The method of delivery of the Old Notes and the Letter of Transmittal and all other required documents to the Exchange Agent is at the election and risk of the Holder. Neither the Company, the Exchange Agent nor any other person shall incur any liability for failure to notify Holders of defects or irregularities with respect to tenders of Old Notes. See "The Exchange Offer."

BLUE SKY RESTRICTIONS ON RESALE OF NEW NOTES

In order to comply with the securities laws of certain jurisdictions, the New Notes may not be offered or resold by any holder unless they have been registered or qualified for sale in such jurisdictions or an exemption from registration or qualification is available and the requirements of such exemption have been satisfied. We do not currently intend to register or qualify the resale of the New Notes in any such jurisdictions. However, an exemption is generally available for sales to registered broker-dealers and certain institutional buyers. Other exemptions under applicable state securities laws may also be available.

COMPANY HISTORY

HISTORY

Imperial Plastics, the Company's predecessor, was established in 1967 in Evansville, Indiana. Berry Plastics, Inc. ("Old Berry") was formed in 1983 to purchase substantially all of the assets of Imperial Plastics. In 1988, Old Berry acquired Gilbert Plastics of New Brunswick, New Jersey, a leading manufacturer of aerosol overcaps, and subsequently relocated Gilbert Plastics' production to Old Berry's Evansville, Indiana facility. In 1990, the Company and Holding, the holder of 100% of the outstanding capital stock of the Company, were formed to purchase the assets of Old Berry. We acquired substantially all of the assets (the "Mammoth Acquisition") of the Mammoth Containers division of Genpak Corporation in February 1992, adding plants in Forest City, North Carolina (which we subsequently sold) and Iowa Falls, Iowa.

In March 1995, Berry Sterling, a newly formed, wholly owned subsidiary of Berry, acquired substantially all of the assets of Sterling Products, Inc. (the "Sterling Products Acquisition"), a producer of injection molded plastic drink cups and lids. We believe that the Sterling Products Acquisition gave us immediate penetration into a rapidly expanding plastic drink cup market.

In December 1995, Berry Tri-Plas (formerly Berry-CPI Corp.) acquired substantially all of the assets of Tri-Plas, Inc. (the "Tri-Plas Acquisition"), a manufacturer of injection molded containers and lids, and added manufacturing plants in Charlotte, North Carolina and York, Pennsylvania. We believe that the Tri-Plas Acquisition gave us an immediate presence in the polypropylene container product line, which is mainly used for food and "hot fill" applications.

In January 1996, we acquired the assets relating to the plastic drink cup product line and decorating equipment of Alpha Products, Inc., a subsidiary of Aladdin Industries, Inc. The addition of these assets complemented the drink cup product line acquired in the Sterling Products Acquisition.

In January 1997, we acquired PackerWare Corporation of Lawrence, Kansas and certain assets of Container Industries, Inc. of Pacoima, California. In May 1997, Berry Design acquired substantially all of the assets of Virginia Design Packaging Corp. of Suffolk, Virginia. In August 1997, we acquired Venture Packaging, Inc. of Monroeville, Ohio. See "Summary of Prospectus --Acquisitions."

1998 ACQUISITIONS

In July 1998, we acquired Norwich Injection Moulders Limited for about \$14 million. Norwich, which is headquartered in Norwich, England, manufactures and markets plastic injection-molded overcaps and closures for the European market. For the year ended October 31, 1997, Norwich reported net sales of about \$13.4

million. Norwich provides us with a European production platform that allows us to better serve our global overcap customers and to introduce our other product lines in Europe.

In October 1998, we acquired the Knight Engineering and Plastics Division of Courtaulds Packaging Inc. for about \$18 million. Knight Plastics, which is headquartered in Woodstock, Illinois, manufactures and markets plastic injection-molded aerosol overcaps. We believe that this acquisition enhanced our aerosol overcap business and better positioned us to meet the needs of our domestic customers. For the year ended March 31, 1998, Knight Plastics reported net sales of \$23.8 million. Since the acquisition, we have significantly reduced its manufacturing and operating costs, principally by closing one of its two manufacturing plants.

1999 ACQUISITION

In July 1999, we acquired Cardinal for about \$72.0 million, including related acquisition costs. Cardinal which is headquartered in Streetsboro, Ohio, operates three manufacturing locations and is the nation's leading producer and marketer of plastic containers for ice cream and other frozen desserts. For the year ended November 30, 1998, Cardinal reported net sales of \$54.0 million. As in our nine previous acquisitions, we believe that we can lower Cardinal's costs by consolidating plants, purchasing resin in greater volume, using larger, more cost-efficient injection-molding equipment and improving Cardinal's operating systems.

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THE 1996 TRANSACTION

On June 18, 1996, Holding consummated the transaction described below (the "1996 Transaction"). BPC Mergerco, Inc. ("Mergerco") was organized by International, Chase Venture Capital Associates, L.P. ("CVCA") and certain other institutional investors to effect the acquisition of a majority of the outstanding capital stock of Holding. Pursuant to the terms of a Stock Purchase and Recapitalization Agreement dated as of June 12, 1996, each of International, CVCA and certain other equity investors (collectively, the "Common Stock Purchasers") subscribed for shares of common stock of Mergerco. In addition, pursuant to the terms of a Preferred Stock and Warrant Purchase Agreement dated as of June 12, 1996, CVCA and the Northwestern Mutual Life Insurance Company (the "Preferred Stock Purchasers") purchased shares of preferred stock of Mergerco (the "Preferred Stock") and warrants (the "1996 Warrants") to purchase shares of common stock of Mergerco. Immediately after the purchase of the common stock, the preferred stock and the 1996 Warrants of Mergerco, Mergerco merged (the "Merger") with and into Holding, with Holding being the surviving corporation. Upon the consummation of the Merger, (i) each share of Class A Common Stock, \$.00005 par value, and Class B Common Stock, \$.00005 par value, of Holding and certain privately held warrants exercisable for such Class A and Class B Common Stock were converted into the right to receive cash equal to the purchase price per share for the common stock into which such warrants were exercisable less the amount of the nominal exercise price therefor, (ii) all other classes of common stock of Holding, a majority of which was held by certain members of management, were converted into shares of common stock of the surviving corporation (constituting approximately 19% of the post-merger common stock of the surviving corporation) and (iii) each share of common stock and preferred stock and each warrant of Mergerco was converted into one share of common stock, one share of preferred stock and one warrant of the surviving corporation, respectively. In addition, upon the consummation of the Merger, the holders of the warrants (the "1994 Warrants") to purchase capital stock of Holding that were issued in connection with the offering in April 1994 by Berry of \$100 million aggregate principal amount of the 1994 Notes (such transaction being the "1994 Transaction"), became entitled to receive cash equal to the purchase price per share for the common stock into which such warrants were exercisable less the amount of the exercise price therefor.

The aggregate consideration paid to the sellers of the equity interests in Holding, including the holders of the 1994 Warrants, was approximately \$119.6 million in cash and was determined based on arms'-length negotiations with the new investors. In order to finance the 1996 Transaction, including the payment of related fees and expenses: (i) Holding issued 12.50% Senior Secured Notes due 2006 (with such Notes being exchanged in October 1996 for the 12.50% Series B Senior Secured Notes due 2006 (the "1996 Notes")) for net proceeds of approximately \$100.2 million (or \$64.6 million after deducting the amount of such net proceeds used to purchase marketable securities available for payment of interest on the 1996 Notes); (ii) the Common Stock Purchasers, the Preferred Stock Purchasers and certain members of management made equity and rollover investments in the aggregate amount of \$70.0 million (which amount included rollover investments of approximately \$7.1 million by certain members of management and \$3.0 million by an existing institutional shareholder); and (iii) Holding received an aggregate of approximately \$0.9 million in connection with the exercise of certain management stock options to purchase common stock of Holding.

In connection with the 1996 Transaction, International, CVCA, certain other institutional investors and certain members of management entered into the

New Stockholders Agreement pursuant to which certain stockholders, among other things, (i) were granted certain registration rights and (ii) under certain circumstances, have the right to force a sale of Holding. See "Certain Transactions -- Stockholders Agreements."

THE EXCHANGE OFFER

PURPOSE AND EFFECT OF THE EXCHANGE OFFER

The Old Notes were sold by Berry on August 24, 1998 to the Initial Purchaser, who placed the Old Notes with institutional investors. In connection therewith, Berry, the Guarantors and the Initial Purchaser entered into the Registration Rights Agreement, pursuant to which Berry and the Guarantors agreed, for the benefit of the Holders of the Old Notes, that Berry and the Guarantors would, at their sole cost, among other things, (i) within 90 days following the original issuance of the Old Notes, file with the Commission the Registration Statement (of which this Prospectus is a part) under the Securities Act with respect to an issue of a series of new notes of Berry identical in all material respects to the series of Old Notes (except that such New Notes would not contain terms with respect to transfer restrictions) and (ii) cause such Registration Statement to be declared effective under the Securities Act within 150 days following the original issuance of the Old Notes. Upon the effectiveness of the Registration Statement, Berry will offer, pursuant to this Prospectus, to the Holders of Transfer Restricted Securities (as defined herein) who are able to make certain representations the opportunity to exchange their Transfer Restricted Securities for a like principal amount of New Notes, to be issued without a restrictive legend and which may, generally, be reoffered and resold by the holder without restrictions or limitations under the Securities Act. The term "Holder" with respect to the Exchange Offer means any person in whose name Old Notes are registered on the books of Berry or any other person who has obtained a properly completed bond power from the registered holder.

Berry has not requested, and does not intend to request, an interpretation by the staff of the Commission with respect to whether the New Notes issued pursuant to the Exchange Offer in exchange for the Transfer Restricted Securities may be offered for sale, resold or otherwise transferred by any holder without compliance with the registration and prospectus delivery provisions of the Securities Act. Instead, based on interpretations by the staff of the Commission set forth in no-action letters issued to third parties, Berry believes that New Notes issued pursuant to the Exchange Offer in exchange for Transfer Restricted Securities may be offered for resale, resold and otherwise transferred by any holder of such New Notes (other than any such holder that is an "affiliate" Berry within the meaning of Rule 405 promulgated under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, PROVIDED that such New Notes are acquired in the ordinary course of such holder's business, such holder has no arrangement or understanding with any person to participate in the distribution of such New Notes and neither such holder nor any other such person is engaging in or intends to engage in a distribution of such New Notes. Since the Commission has not considered the Exchange Offer in the context of a no-action letter, there can be no assurance that the staff of the Commission would make a similar determination with respect to the Exchange Offer. Any Holder who is an affiliate of Berry or who tenders in the Exchange Offer for the purpose of participating in a distribution of the New Notes cannot rely on such interpretations by the staff of the Commission and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale transaction.

Each broker-dealer that receives New Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Transfer Restricted Securities where such Transfer Restricted Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than Transfer Restricted Securities acquired directly from the Company). Berry and the Guarantors have agreed that, for a period of one year after the date of this Prospectus, they will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

If (i) Berry and the Guarantors are not permitted to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy or (ii) any holder of Transfer Restricted Securities notifies Berry prior to the 20th day following consummation of the Exchange Offer that (A) it is prohibited by law or Commission policy from participating in the Exchange Offer or (B) that it may not resell the New Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and this Prospectus is not appropriate or available for such resales or (C) that it is a broker-dealer and owns Notes acquired directly from Berry or an affiliate of

Registration Statement") to cover resales of the Notes by the holders thereof who satisfy certain conditions relating to the provision of information in connection with the Shelf Registration Statement. Berry and the Guarantors will use their best efforts to cause the applicable registration statement to be declared effective as promptly as possible by the Commission. For purposes of the foregoing, "Transfer Restricted Securities" means each Old Note (together with any related note guarantees) until (i) the date on which such Old Note has been exchanged by a person other than a broker-dealer for a New Note in the Exchange Offer, (ii) following the exchange by a broker-dealer in the Exchange Offer of an Old Note for a New Note, the date on which such New Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of this Prospectus, (iii) the date on which such Old Note has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Old Note is distributed to the public pursuant to Rule 144 under the Securities Act.

The Registration Rights Agreement provides that (i) Berry and the Guarantors will file the Registration Statement with the Commission on or prior to 90 days after the original issuance of the Old Notes, (ii) Berry will use its best efforts to have the Registration Statement declared effective by the Commission on or prior to 150 days after the original issuance of the Old Notes, (iii) unless the Exchange Offer would not be permitted by applicable law or Commission policy, Berry and the Guarantors will commence the Exchange Offer and use their best efforts to issue, on or prior to 30 business days after the date on which the Registration Statement was declared effective by the Commission, New Notes in exchange for all Old Notes tendered prior thereto in the Exchange Offer and (iv) if obligated to file the Shelf Registration Statement, Berry and the Guarantors will use their best efforts to file the Shelf Registration Statement with the Commission on or prior to 45 days after such filing obligation arises and to cause the Shelf Registration Statement to be declared effective by the Commission on or prior to 90 days after such obligation arises. If (a) Berry and the Guarantors fail to file any of the registration statements required by the Registration Rights Agreement on or before the date specified for such filing, (b) any of such registration statements is not declared effective by the Commission on or prior to the date specified for such effectiveness (the "Effectiveness Target Date"), or (c) Berry and the Guarantors fail to consummate the Exchange Offer within 30 business days of the Effectiveness Target Date with respect to the Registration Statement, or (d) the Shelf Registration Statement or the Registration Statement is declared effective but thereafter ceases to be effective or usable in connection with resales of Transfer Restricted Securities during the periods specified in the Registration Rights Agreement (each such event referred to in clauses (a) through (d) above a "Registration Default"), then Berry and the Guarantors will pay Liquidated Damages to each Holder of Old Notes with respect to the first 90-day period immediately following the occurrence of the first Registration Default in an amount equal to \$.05 per week per \$1,000 principal amount of Old Notes held by such Holder. The amount of the Liquidated Damages will increase by an additional \$.05 per week per \$1,000 principal amount of Old Notes with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of Liquidated Damages for all Registration Defaults of \$.50 per week per \$1,000 principal amount of Old Notes. All accrued Liquidated Damages will be paid by Berry and the Guarantors on each Damages Payment Date to the Global Note Holder (as defined herein) by wire transfer of immediately available funds or by Federal funds check and to Holders of Certificated Securities (as defined herein) by wire transfer to the accounts specified by them or by mailing checks to their registered addresses if no such accounts have been specified. Following the cure of all Registration Defaults, the accrual of Liquidated Damages will cease.

Holder of Old Notes will be required to make certain representations to Berry and the Guarantors in order to participate in the Exchange Offer and will be required to deliver certain information to be used in connection with the Shelf Registration Statement and to provide comments on the Shelf Registration Statement within the time periods set forth in the Registration Rights Agreement in order to have their Old Notes included in the Shelf Registration Statement and benefit from the provisions regarding Liquidated Damages set forth above.

The summary herein of certain provisions of the Registration Rights Agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Registration Rights Agreement, a copy of which has been filed as an exhibit to the Registration Statement of which this Prospectus forms a part.

The Old Notes are designated for trading in the PORTAL market. To the extent Old Notes are tendered and accepted in the Exchange Offer, the principal amount of outstanding Old Notes will decrease with a resulting decrease in the liquidity in the market therefor. Following the consummation of the Exchange Offer, Holders of Old

Notes who were eligible to participate in the Exchange Offer but who did not tender their Old Notes will not be entitled to further rights under the Registration Rights Agreement and such Old Notes will continue to be subject to certain restrictions on transfer. Accordingly, the liquidity of the market for the Old Notes could be adversely affected.

TERMS OF THE EXCHANGE OFFER

Upon the terms and subject to the conditions set forth in this Prospectus and in the Letter of Transmittal, Berry will accept any and all Old Notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the Expiration Date. Berry will issue \$1,000 principal amount of New Notes in exchange for each \$1,000 principal amount of outstanding Old Notes accepted in the Exchange Offer. Holders may tender some or all of their Old Notes pursuant to the Exchange Offer. However, Old Notes may be tendered only in integral multiples of \$1,000.

The form and terms of the New Notes will be identical in all material respects to the form and terms of the Old Notes, except that the New Notes have been registered under the Securities Act and therefore will not bear legends restricting their transfer and will not contain certain provisions providing for an increase in the interest rate on the Old Notes under certain circumstances relating to the Registration Rights Agreement, which provisions will terminate upon the consummation of the Exchange Offer. The New Notes will evidence the same debt as the Old Notes and will be entitled to the benefits of the Indenture under which the Old Notes were, and the New Notes will be, issued.

As of the date of this Prospectus, \$25,000,000 aggregate principal amount of the Old Notes are outstanding. Berry has fixed the close of business on September , 1999 as the record date for the Exchange Offer for purposes of determining the persons to whom this Prospectus, together with the Letter of Transmittal, will initially be sent. As of such date, there were registered Holders of the Old Notes.

Holders of the Old Notes do not have any appraisal or dissenters' rights under the Delaware General Corporation Law (the "DGCL") or the Indenture in connection with the Exchange Offer. Berry intends to conduct the Exchange Offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the Commission promulgated thereunder.

Berry shall be deemed to have accepted validly tendered Old Notes when, as and if Berry has given oral notice (confirmed in writing) or written notice thereof to the Exchange Agent. The Exchange Agent will act as agent for the tendering Holders for the purpose of the exchange of Old Notes.

If any tendered Old Notes are not accepted for exchange because of an invalid tender, the occurrence of certain other events set forth herein or otherwise, any such unaccepted Old Notes will be returned, without expense, to the tendering Holder thereof as promptly as practicable after the Expiration Date.

Holders who tender Old Notes in the Exchange Offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of Old Notes pursuant to the Exchange Offer. Berry will pay all charges and expenses, other than certain applicable taxes, in connection with the Exchange Offer. See "The Exchange Offer -- Fees and Expenses."

EXPIRATION DATE; EXTENSIONS; AMENDMENTS

The term "Expiration Date" shall mean 5:00 p.m., New York City time, on September , 1999, unless Berry, in its sole discretion, extends the Exchange Offer, in which case the term "Expiration Date" shall mean the latest date and time to which the Exchange Offer is extended.

In order to extend the Exchange Offer, Berry will notify the Exchange Agent of any extension by oral notice (confirmed in writing) or written notice and will make a public announcement thereof prior to 9:00 a.m., New York City time, on the next business day after each previously scheduled expiration date.

Berry reserves the right, in its sole discretion, (i) to delay accepting any Old Notes, to extend the Exchange Offer or, if any of the conditions set forth below under "The Exchange Offer -- Conditions" shall not have been satisfied, to terminate the Exchange Offer, by giving oral notice (confirmed in writing) or written notice of such delay, extension or termination to the Exchange Agent or (ii) to amend the terms of the Exchange Offer in any manner. Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by a public announcement thereof. If the Exchange Offer is amended in a manner determined by Berry to constitute a material change, Berry will promptly disclose such amendment by means of a prospectus supplement that will be distributed to the registered Holders, and Berry will extend the Exchange Offer for a period of five to 10 business days, depending upon the significance of the amendment and the manner of disclosure to

the registered Holders, if the Exchange Offer would otherwise expire during such five- to 10-business-day period.

Without limiting the manner in which Berry may choose to make public announcement of any delay, extension, termination or amendment of the Exchange Offer, Berry shall have no obligation to publish, advertise or otherwise communicate any such public announcement, other than by making a timely release to the Dow Jones News Service.

INTEREST ON THE NEW NOTES

The New Notes will bear interest from April 15, 1999. Interest will be payable on the Old Notes accepted for exchange to, but not including, April 15, 1999.

PROCEDURES FOR TENDERING

The tender of Old Notes by a Holder thereof pursuant to one of the procedures set forth below and the acceptance thereof by Berry will constitute a binding agreement between such Holder and Berry in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal. This Prospectus, together with the Letter of Transmittal, will first be sent on or about September , 1999, to all Holders of Old Notes known to Berry and the Exchange Agent.

Only a Holder of the Old Notes may tender such Old Notes in the Exchange Offer. A Holder who wishes to tender any Old Notes for exchange pursuant to the Exchange Offer must transmit a properly completed and duly executed Letter of Transmittal, or a facsimile thereof, or an Agent's Message, including any other required documents, to the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. In addition, either (i) the certificates for such Old Notes must be received by the Exchange Agent along with the Letter of Transmittal or (ii) a timely confirmation of a book-entry transfer (a "Book-Entry Confirmation") of such Old Notes, if such procedure is available, into the Exchange Agent's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedure for book-entry transfer described below, must be received by the Exchange Agent prior to the Expiration Date or (iii) the Holder must comply with the guaranteed delivery procedures described below. To be tendered effectively, the Old Notes, Letter of Transmittal or Agent's Message and other required documents must be received by the Exchange Agent at the address set forth below under "Exchange Agent" prior to 5:00 p.m., New York City time, on the Expiration Date.

The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to, and received by, the Exchange Agent and forming a part of a Book-Entry Confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering Old Notes which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal, and that Berry may enforce such agreement against such participant.

THE METHOD OF DELIVERY OF OLD NOTES AND THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE HOLDER. INSTEAD OF DELIVERY BY MAIL, IT IS RECOMMENDED THAT HOLDERS USE AN OVERNIGHT OR HAND DELIVERY SERVICE. IF SENT BY MAIL, IT IS RECOMMENDED THAT REGISTERED MAIL, RETURN RECEIPT REQUESTED, BE USED AND PROPER INSURANCE BE OBTAINED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE DELIVERY TO THE EXCHANGE AGENT BEFORE THE EXPIRATION DATE. NO LETTERS OF TRANSMITTAL OR OLD NOTES SHOULD BE SENT TO BERRY.

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Any beneficial owner whose Old Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered Holder promptly and instruct such registered Holder to tender on such beneficial owner's behalf. If such beneficial owner wishes to tender on such beneficial owner's own behalf, such beneficial owner must, prior to completing and executing the Letter of Transmittal or delivering an Agent's Message and delivering such beneficial owner's Old Notes, either make appropriate arrangements to register ownership of the Old Notes in such beneficial owner's name or obtain a properly completed bond power from the registered Holder. The transfer of registered ownership may take considerable time.

Signatures on a Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by an Eligible Institution (as defined herein) unless the Old Notes tendered pursuant thereto are tendered (i) by a registered Holder who has not completed the box entitled "Special Registration Instructions" or "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. In the event that signatures on a Letter of Transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, such guarantee must be by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or

correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 promulgated under the Exchange Act (an "Eligible Institution").

If the Letter of Transmittal is signed by a person other than the registered Holder of any Old Notes listed therein, such Old Notes must be endorsed or accompanied by a properly completed bond power, signed by such registered Holder as such registered Holder's name appears on such Old Notes.

If the Letter of Transmittal or any Old Notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by Berry, evidence satisfactory Berry of their authority to so act must be submitted with the Letter of Transmittal.

All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered Old Notes will be determined by Berry in its sole discretion, which determination will be final and binding. Berry reserves the absolute right to reject any and all Old Notes not properly tendered or any Old Berry's acceptance of which would, in the opinion of counsel for Berry, be unlawful. Berry also reserves the right to waive any defects, irregularities or conditions of tender as to particular Old Notes. Berry's interpretation of the terms and conditions of the Exchange Offer (including the instructions in the Letter of Transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Old Notes must be cured within such time as Berry shall determine. Although Berry intends to notify Holders of defects or irregularities with respect to tenders of Old Notes, neither Berry, the Exchange Agent nor any other person shall incur any liability for failure to give such notification. Tenders of Old Notes will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Old Notes received by the Exchange Agent that Berry determines are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering Holders, unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

By tendering, each Holder will represent to Berry, among other things, that (i) the New Notes acquired by the Holder and any beneficial owners of Old Notes pursuant to the Exchange Offer are being obtained in the ordinary course of business of the persons receiving such New Notes, (ii) neither the Holder nor such beneficial owner has an arrangement with any person to participate in the distribution of such New Notes, (iii) neither the Holder nor such beneficial owner nor any such other person is engaging in or intends to engage in a distribution of such New Notes and (iv) neither the Holder nor any such other person is an "affiliate," as defined under Rule 405 promulgated under the Securities Act, of Berry. Each broker-dealer that receives New Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than Old Notes acquired directly from Berry), may participate in the Exchange Offer but may be deemed an "underwriter" under the Securities Act and, therefore, must acknowledge in the Letter of Transmittal that it will deliver a prospectus in connection with any resale of such New Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. See "Plan of Distribution."

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BOOK-ENTRY TRANSFER

The Exchange Agent will make a request to establish an account with respect to the Old Notes at the Book-Entry Transfer Facility for purposes of the Exchange Offer within two business days after the date of this Prospectus, and any financial institution that is a participant in the Book-Entry Transfer Facility's system may make book-entry delivery of Old Notes by causing the Book-Entry Transfer Facility to transfer such Old Notes into the Exchange Agent's account at the Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures for transfer. However, although delivery of Old Notes may be effected through book-entry transfer at the Book-Entry Transfer Facility, the Letter of Transmittal or facsimile thereof, or an Agent's Message, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the Exchange Agent at one of the addresses set forth below under "The Exchange Offer -- Exchange Agent" on or prior to the Expiration Date or the guaranteed delivery procedures described below must be complied with.

GUARANTEED DELIVERY PROCEDURES

Holders who wish to tender their Old Notes and (i) whose Old Notes are not immediately available or (ii) who cannot deliver their Old Notes, the Letter of Transmittal or any other required documents to the Exchange Agent prior to the Expiration Date may effect a tender if:

- (a) the tender is made through an Eligible Institution;

(b) prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the Holder, the certificate number(s) of such Old Notes and the principal amount of Old Notes tendered, stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the Expiration Date, the Letter of Transmittal (or facsimile thereof) or an Agent's Message, together with the certificate(s) representing the Old Notes, or a Book-Entry Confirmation, and any other documents required by the Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent; and

(c) such properly completed and executed Letter of Transmittal (or facsimile thereof) or an Agent's Message, as well as the certificate(s) representing all tendered Old Notes in proper form for transfer, or a Book-Entry Confirmation, as the case may be, and all other document required by the Letter of Transmittal are received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date.

Upon request to the Exchange Agent, a Notice of Guaranteed Delivery will be sent to Holders who wish to tender their Old Notes according to the guaranteed delivery procedures set forth above.

WITHDRAWAL OF TENDERS

To withdraw a tender of Old Notes in the Exchange Offer, a written or facsimile transmission notice of withdrawal must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having deposited the Old Notes to be withdrawn (the "Depositor"), (ii) identify the Old Notes to be withdrawn (including the certificate number or numbers and principal amount of such Old Notes), (iii) be signed by the Holder in the same manner as the original signature on the Letter of Transmittal by which such Old Notes were tendered (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Trustee with respect to the Old Notes register the transfer of such Old Notes into the name of the persons withdrawing the tender and (iv) specify the name in which any such Old Notes are to be registered, if different from that of the Depositor. If certificates for Old Notes have been delivered or otherwise identified to the Exchange Agent, then, prior to the release of such certificates, the withdrawing Holder must also submit the serial numbers of the particular certificates

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to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an Eligible Institution unless such Holder is an Eligible Institution. If Old Notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Old Notes and otherwise comply with the procedures of such facility. All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by Berry in its sole discretion, which determination shall be final and binding on all parties. Any Old Notes so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer and no New Notes will be issued with respect thereto unless the Old Notes so withdrawn are validly retendered. Properly withdrawn Old Notes may be retendered by following one of the procedures described above under "The Exchange Offer -- Procedures for Tendering" at any time prior to the Expiration Date.

Any Old Notes which have been tendered but which are not accepted for payment due to withdrawal, rejection of tender or termination of the Exchange Offer will be returned as soon as practicable to the Holder thereof without cost to such Holder (or, in the case of Old Notes tendered by book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility pursuant to the book-entry transfer procedures described above, such Old Notes will be credited to an account maintained with such Book-Entry Transfer Facility for the Old Notes).

CONDITIONS

Notwithstanding any other term of the Exchange Offer, Berry shall not be required to accept for exchange, or exchange New Notes for, any Old Notes, and may terminate the Exchange Offer as provided herein before the acceptance of such Old Notes, if:

(a) the Exchange Offer shall violate applicable law or any applicable interpretation of the staff of the Commission; or

(b) any action or proceeding is instituted or threatened in any court or by any governmental agency that might materially impair the ability of Berry to proceed with the Exchange Offer or any material

adverse development has occurred in any existing action or proceeding with respect to Berry; or

(c) any governmental approval has not been obtained, which approval Berry shall deem necessary for the consummation of the Exchange Offer.

If Berry determines in its sole discretion that any of the conditions are not satisfied, Berry may (i) refuse to accept any Old Notes and return all tendered Old Notes to the tendering Holders (or, in the case of Old Notes tendered by book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility pursuant to the book-entry transfer procedures described above, such Old Notes will be credited to an account maintained with such Book-Entry Transfer Facility), (ii) extend the Exchange Offer and retain all Old Notes tendered prior to the expiration of the Exchange Offer, subject, however, to the rights of Holders to withdraw such Old Notes (see "The Exchange Offer -- Withdrawal of Tenders") or (iii) waive such unsatisfied conditions with respect to the Exchange Offer and accept all properly tendered Old Notes which have not been withdrawn. If such waiver constitutes a material change to the Exchange Offer, Berry will promptly disclose such waiver by means of a prospectus supplement that will be distributed to the registered Holders, and Berry will extend the Exchange Offer for a period of five to 10 business days, depending upon the significance of the waiver and the manner of disclosure to the registered Holders, if the Exchange Offer would otherwise expire during such five- to 10-business-day period.

EXCHANGE AGENT

The United States Trust Company of New York has been appointed as Exchange Agent for the Exchange Offer. Questions and requests for assistance, requests for additional copies of this Prospectus or of the Letter of Transmittal and requests for Notices of Guaranteed Delivery should be directed to the Exchange Agent addressed as follows:

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To: United States Trust Company of New York, as Exchange Agent

BY REGISTERED OR CERTIFIED MAIL: United States Trust Company of New York P.O. Box 843 Cooper Station New York, New York 10276 Attention: Corporate Trust Services	BY FACSIMILE: (212) 780-0592 Attention: Customer Service	BY HAND BEFORE 4:30 P.M.: United States Trust Company of New York 111 Broadway New York, New York 10006 Attention: Lower Level Corporate Trust Window
---	---	---

CONFIRM BY TELEPHONE TO: (800) 548-6565	BY OVERNIGHT COURIER AND BY HAND AFTER 4:30 P.M. ON THE EXPIRATION DATE: United States Trust Company of New York 770 Broadway New York, New York 10003
---	--

FEES AND EXPENSES

The expenses of soliciting tenders will be borne by Berry. The principal solicitation is being made by mail; however, additional solicitation may be made by telegraph, telephone or in person by officers and regular employees of Berry and our affiliates.

Berry has not retained any dealer-manager in connection with the Exchange Offer and will not make any payments to brokers, dealers or others soliciting acceptances of the Exchange Offer. Berry, however, will pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith.

The cash expenses to be incurred in connection with the Exchange Offer will be paid by Berry. Such expenses include fees and expenses of the Exchange Agent and Trustee, accounting and legal fees and printing costs, among others.

Berry will pay all transfer taxes, if any, applicable to the exchange of Old Notes pursuant to the Exchange Offer. If, however, certificates representing New Notes or Old Notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered Holder of the Old Notes tendered, or if tendered Old Notes are registered in the name of any person other than the person signing the Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Old Notes pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered Holder or any other person) will be payable by the tendering Holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering Holder.

ACCOUNTING TREATMENT

The New Notes will be recorded at the same carrying value as the Old Notes as reflected in Berry's accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized. The expenses of the Exchange Offer and the unamortized expenses related to the issuance of the Old Notes will be amortized over the term of the New Notes.

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CAPITALIZATION

The following table sets forth the consolidated capitalization of Holding and its subsidiaries at July 3, 1999 and the pro forma capitalization of Holding and its subsidiaries as of such date after giving effect to acquisition of Cardinal and the issuance of the 1999 Notes. You should read the information in the table below in conjunction with the historical consolidated financial statements of Holding and the related notes included elsewhere in this prospectus.

<TABLE>

<CAPTION>

	AT JULY 3, 1999	
	HISTORICAL	PRO FORMA
	(DOLLARS IN THOUSANDS)	
<S>	<C>	<C>
Long-term debt, including current portion:		
BERRY CORPORATION:		
Revolving credit facility	\$ 23,835	\$ 23,835
Term loans	61,151	61,151
Nevada Bonds	4,000	4,000
Capital lease obligations	740	740
1994 Notes	100,000	100,000
1998 Notes	25,000	25,000
1999 Notes	--	75,000
Debt premium	758	758
	-----	-----
Total Berry long-term debt, including current portion	215,484	290,484
HOLDING:		
1996 Notes	105,000	105,000
	-----	-----
Total consolidated long-term debt, including current portion	320,484	395,484
Total stockholders' equity (deficit)	(120,667)	(120,667)
	-----	-----
Total capitalization	\$ 199,817	\$ 274,817

</TABLE>

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PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated statement of operations and condensed consolidated balance sheet of Holding (collectively, the "Pro Forma Statements") give effect to (1) our acquisition of Cardinal and issuance of the 1999 Notes (2) our acquisitions of Knight and Norwich (the 1998 Acquisitions) and (3) our issuance of the Notes and the application of the proceeds therefrom as if the transactions had occurred as of the beginning of the respective periods for the pro forma statement of operations data and other pro forma data, and, in the case of the 1999 Notes and our acquisition of Cardinal, as if the transactions had occurred on July 3, 1999 for the pro forma balance sheet data. Fiscal year data reflect Cardinal's financial data for its fiscal year ended November 30, 1998. Six month period data reflect Cardinal's financial data for its period ended May 31, 1999. The Pro Forma Statements do not purport to represent what Holding's consolidated financial position or results of operations would actually have been if such transactions had in fact occurred on such dates or to project Holding's consolidated financial position or results of operations for any future date or period. The pro forma adjustments are based on information and upon assumptions that management believes to be reasonable. The Pro Forma Statements and accompanying notes should be read in conjunction with the historical consolidated financial statements and other financial information pertaining to Holding and related notes thereto included elsewhere in this prospectus.

HOLDING

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FISCAL YEAR ENDED JANUARY 2, 1999

<TABLE>

<CAPTION>

CARDINAL
ACQUISITIONPRO FORMA
FOR THE

	HOLDING HISTORICAL	AND 1999 NOTES ADJUSTMENTS	1998 ACQUISITIONS ADJUSTMENTS	ACQUISITIONS AND 1999 NOTES	OFFERING ADJUSTMENTS	PRO FORMA
(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net sales	\$ 271,830	\$ 53,971	\$ 26,869	\$ 352,670	\$ --	\$ 352,670
Cost of goods sold	199,227	43,066	22,786	265,079	--	265,079
Gross margin	72,603	10,905	4,083	87,591	--	87,591
Operating expenses	44,001	8,166 (1)	3,684 (6)	55,851	--	55,851
Operating income	28,602	2,739	399	31,740	--	31,740
Other expenses (income)	1,865	(6)	2	1,861	--	1,861
Interest expense, net	34,556	8,625 (2)	1,697 (7)	44,878	726 (11)	45,604
Income (loss) before income taxes	(7,819)	(5,880)	(1,300)	(14,999)	(726)	(15,725)
Income taxes (benefit)	(249)	-- (3)	339 (8)	90	--	90
Net income (loss)	\$ (7,570)	\$ (5,880)	\$ (1,639)	\$ (15,089)	\$ (726)	\$ (15,815)
OTHER DATA:						
Depreciation and amortization ...	\$ 24,830	\$ 5,880 (4)	\$ 1,838 (9)	\$ 32,496	\$ --	\$ 32,496
BERRY DATA:						
Cash interest expense, net	\$ 20,569	\$ 8,250 (5)	\$ 1,670 (10)	\$ 30,489	\$ 753	\$ 31,243
Total interest expense, net	21,835	8,625	1,697	32,157	726 (11)	32,883

</TABLE>

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BPC HOLDING CORPORATION
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
26 WEEKS ENDED JULY 3, 1999

	HOLDING HISTORICAL	CARDINAL ACQUISITION AND 1999 NOTES ADJUSTMENTS	PRO FORMA
(DOLLARS IN THOUSANDS)			
Net sales	\$159,852	\$ 28,465	\$ 188,317
Cost of goods sold	112,782	23,407	136,189
Gross margin	47,070	5,058	52,128
Operating expenses	25,828	4,251 (1)	30,079
Operating income	21,242	807	22,049
Other expenses	778	--	778
Interest expense, net	17,860	4,314 (2)	22,174
Income (loss) before income taxes	2,604	(3,507)	(903)
Income taxes	482	--	482
Net income (loss)	\$ 2,122	\$ (3,507)	\$ (1,385)
OTHER DATA:			
Depreciation and amortization	\$ 14,110	\$ 3,372 (4)	\$ 16,350
BERRY DATA:			
Cash interest expense, net	\$ 10,574	4,125 (5)	\$ 14,699
Total interest expense, net	11,196	4,314	15,510

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BPC HOLDING CORPORATION
NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED JANUARY 2, 1999	26 WEEKS ENDED JULY 3, 1999
(DOLLARS IN THOUSANDS)		
<S>	<C>	<C>
CARDINAL ACQUISITION AND ISSUANCE OF 1999 NOTES ADJUSTMENTS:		
(1) Actual operating expenses	\$ 6,291	\$ 3,119
Add amortization of goodwill resulting from the acquisition	1,875	1,132
Adjusted operating expenses	\$ 8,166	\$ 4,251

(2)Actual interest expense	\$	3,384	\$	1,400
Deduct interest on extinguished debt		(3,384)		(1,400)
Add incremental interest expense		8,625		4,314
Adjusted interest expense	\$	8,625	\$	4,314
=====				
(3)Actual provision for income taxes	\$	439	\$	202
Adjust taxes for the acquisition		(439)		(202)
Adjusted income tax expense	\$	--	\$	--
=====				
(4)Actual depreciation and amortization acquisition	\$	3,953	\$	2,240
Add amortization of goodwill resulting from the acquisition		1,875		1,132
Adjusted depreciation and amortization	\$	5,828	\$	3,372
=====				
(5)Actual net cash interest expense	\$	3,170	\$	1,292
Deduct interest on extinguished debt		(3,170)		(1,292)
Add incremental cash interest		8,250		4,125
Adjusted net cash interest expense	\$	8,250	\$	4,125
=====				

NORWICH AND KNIGHT PLASTICS 1998 ACQUISITION ADJUSTMENTS:

<S>	<C>
(6)Actual operating expenses	\$ 3,350
Add amortization of goodwill resulting from the acquisitions	334
Adjusted operating expenses	\$ 3,684
=====	
(7)Actual interest expense	\$ 48
Add incremental interest expense from the acquisitions	1,649
Adjusted interest expense	\$ 1,697
=====	
(8)Actual provision for income taxes	\$ 196
Adjust taxes for the acquisitions	143
Adjusted tax expense	\$ 339
=====	
(9)Actual depreciation and amortization	\$ 1,504
Add amortization of goodwill resulting from the acquisitions	334
Adjusted depreciation and amortization	\$ 1,838
=====	

</TABLE>

<TABLE>
<CAPTION>

FISCAL
YEAR ENDED
JANUARY 2, 1999

(DOLLARS IN THOUSANDS)

<S>	<C>
(10)Actual net cash interest expense.....	\$ 48
Add incremental net cash interest expense from acquisitions.....	1,622
Adjusted net cash interest expense.....	\$ 1,670
=====	

OFFERING ADJUSTMENTS:

(11)Adjustment of net interest expense:	
Interest on the Notes.....	\$ 2,041
Interest on debt reduction.....	(1,288)
Amortization of premium on Notes.....	(159)
Amortization of deferred financing costs associated with the offering of the Notes.....	132
Change in net interest expense.....	\$ 726
=====	

</TABLE>

<TABLE>

<CAPTION>

AT JULY 3, 1999

	CARDINAL ACQUISITION AND 1999 NOTES		
	HOLDING HISTORICAL	NOTES ADJUSTMENTS (1)	PRO FORMA
	(DOLLARS IN THOUSANDS)		
<S>	<C>	<C>	<C>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,993	\$ 31	\$ 3,024
Accounts receivable	40,842	6,910	47,752
Inventories	32,314	8,043	40,357
Other current assets	2,658	628	3,286
Total current assets	78,807	15,612	94,419
Assets held in trust	252	--	252
Property and equipment	120,271	31,956	152,227
Intangible assets	55,950	34,596	90,546
Other assets	3,129	112	3,241
Total assets	\$ 258,409	\$ 82,276	\$ 340,685
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ 20,297	--	\$ 20,297
Accounts payable	20,664	4,205	24,869
Accrued liabilities	26,075	157	26,232
Total current liabilities	67,036	4,362	71,398
Long-term debt:			
Industrial revenue bonds (Nevada)	4,000	--	4,000
Term loans	61,151	--	61,151
Revolving line of credit	23,835	--	23,835
Capital lease obligations	740	--	740
1994 Notes	100,000	--	100,000
1998 Notes	25,000	--	25,000
1999 Notes	--	75,000	75,000
1996 Notes	105,000	--	105,000
Debt premium	758	--	758
Less: current portion	(20,297)	--	(20,297)
Total long-term debt	300,187	75,000	375,187
Other liabilities	11,853	2,914	14,767
Total liabilities	379,076	82,276	461,352
Stockholders' equity:			
Total stockholders' equity (deficit)	(120,667)	--	(120,667)
Total liabilities and stockholders' equity (deficit) .	\$ 258,409	\$ 82,276	\$ 340,685

</TABLE>

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BPC HOLDING CORPORATION
NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

(1) The aggregate purchase price of the Cardinal acquisition is expected to be \$72,000 (including \$2,500 of fees and expenses related to the acquisition). In addition, debt issuance costs associated with the 1999 Notes were \$3,000. The preliminary allocation of the purchase price to historical assets and liabilities of Cardinal was as follows:

AT JULY 3, 1999

(Dollars in thousands)	
Net assets at predecessor historical costs...	\$ 19,814
Elimination of intangible assets.....	(14,743)
Extinguishment of debt.....	33,065
Decrease in other liabilities.....	2,268
Deferred debt issuance costs.....	3,000
Excess of cost over net assets acquired.....	31,596
Total	\$ 75,000

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SELECTED HISTORICAL FINANCIAL DATA

The following selected financial data of Holding and its subsidiaries as of and for the five fiscal years ended January 2, 1999 are derived from the

consolidated financial statements of Holding that have been audited by Ernst & Young LLP, independent auditors. The following selected consolidated financial data for the 26 weeks ended June 27, 1998 and July 3, 1999 are derived from the unaudited condensed consolidated financial statements of Holding and, in our opinion, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of such data. Operating results for the 26 weeks ended July 3, 1999 are not necessarily indicative of the results that may be achieved for Holding's fiscal year ending January 1, 2000. You should read this selected financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements, related notes and other financial information included in this prospectus.

<TABLE>

<CAPTION>

	FISCAL					TWENTY-SIX WEEKS ENDED	
	1994	1995	1996	1997	1998	JUNE 27, 1998	JULY 3, 1999
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:							
Net sales	\$106,141	\$140,681	\$ 151,058	\$ 226,953	\$ 271,830	\$ 136,317	\$ 159,852
Cost of goods sold	73,997	102,484	110,110	180,249	199,227	100,016	112,782
Gross margin	32,144	38,197	40,948	46,704	72,603	36,301	47,070
Operating expenses	15,160	17,670	23,679	30,505	44,001	20,725	25,828
Operating income	16,984	20,527	17,269	16,199	28,602	15,576	21,242
Other expenses(1)	184	127	302	226	1,865	430	778
Interest expense, net (2)	10,972	13,389	20,075	30,246	34,556	16,866	17,860
Income (loss) before income taxes and extraordinary charge	5,828	7,011	(3,108)	(14,273)	(7,819)	(1,720)	2,604
Income taxes (benefit)	11	678	239	138	(249)	26	482
Income (loss) before extraordinary charge	5,817	6,333	(3,347)	(14,411)	(7,570)	(1,746)	2,122
Extraordinary charge(3)	3,652	--	--	--	--	--	--
Net income (loss)	\$ 2,165	\$ 6,333	\$ (3,347)	\$ (14,411)	\$ (7,570)	\$ (1,746)	\$ 2,122
Preferred stock dividends	\$ --	\$ --	\$ 1,116	\$ 2,558	\$ 3,551	\$ 1,783	\$ 1,962
Common stock dividends	50,000	--	--	--	--	--	--
BALANCE SHEET DATA (AT END OF PERIOD):							
Working capital	\$ 13,393	\$ 13,012	\$ 15,910	\$ 20,863	\$ 4,762	\$ 18,763	\$ 11,771
Fixed assets	38,103	52,441	55,664	108,218	120,005	105,260	120,721
Total assets	91,790	103,465	145,798	239,444	255,317	231,171	258,409
Total debt	112,287	111,676	216,046	306,335	323,298	299,855	320,484
Stockholders' equity (deficit)	(38,838)	(32,484)	(97,550)	(108,975)	(120,357)	(112,563)	(120,667)
OTHER DATA:							
Adjusted EBITDA(4)	\$ 26,380	\$ 31,569	\$ 34,718	\$ 40,268	\$ 59,768	\$ 30,066	\$ 37,653
Adjusted EBITDA margin	24.9%	22.4%	23.0%	17.7%	22.0%	22.1%	23.6%
Cash provided by operating activities	15,556	12,969	14,426	14,154	34,131	14,380	16,136
Cash used for investing activities	(9,495)	(25,385)	(14,639)	(102,102)	(52,120)	(7,759)	(13,053)
Cash provided by (used for) financing activities	2,184	11,124	2,370	80,444	17,619	(6,629)	(2,402)
Depreciation and amortization(5)	8,176	9,536	11,331	19,026	24,830	11,783	14,110
Capital expenditures	9,118	11,247	13,581	16,774	22,595	7,854	13,461
Ratio of earnings to fixed charges(6)	1.5x	1.5x	--	--	--	--	1.1x

</TABLE>

(1) Other expenses consist of loss on disposal of property and equipment for the respective periods.

(2) Includes non-cash interest expense of \$1,178 in fiscal 1994, \$950 in fiscal 1995, \$1,212 in fiscal 1996, \$2,005 in fiscal 1997, \$1,765 in fiscal 1998 and \$884 and \$872 for the thirteen weeks ended June 27, 1998 and July 3, 1999.

(3) During 1994, an extraordinary charge of \$3.7 million was recognized as a result of the retirement of debt concurrently with the issuance of the 1994 Notes.

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(4) Adjusted EBITDA should not be considered in isolation or as an alternative to income from operations or to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) and should not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, our calculation of Adjusted EBITDA differs from that presented by certain other companies and thus is not necessarily comparable to similarly titled measures used by other companies. The following table reconciles operating income to EBITDA and Adjusted EBITDA

for each respective period:
 <TABLE>
 <CAPTION>

	FISCAL					TWENTY-SIX WEEKS ENDED	
	1994	1995	1996	1997	1998	JUNE 27, 1998	JULY 3, 1999
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Operating income	\$ 16,984	\$ 20,527	\$ 17,269	\$ 16,199	\$ 28,602	\$ 15,576	\$ 21,242
Depreciation and amortization	8,176	9,536	11,331	19,026	24,830	11,783	14,110
EBITDA	25,160	30,063	28,600	35,225	53,432	27,359	35,352
One-time expenses related to acquisitions:							
1996 transaction compensation expenses	--	--	2,762	--	--	--	--
Acquisition integration expenses	116	867	692	3,267	1,525	1,035	1,091
Plant shutdown expenses	--	--	907	848	2,559	1,328	576
Litigation expenses related to drink cup patent	--	--	650	100	631	--	--
Corporate expenses:							
Non-cash compensation expenses (benefit)	358	(214)	358	--	749	(91)	197
Management fees and expenses	746	853	749	828	872	435	437
Adjusted EBITDA	\$ 26,380	\$ 31,569	\$ 34,718	\$ 40,268	\$ 59,768	\$ 30,066	\$ 37,653

</TABLE>

- (5) Depreciation and amortization excludes non-cash amortization of deferred financing and origination fees and debt premium/discount amortization which are included in interest expense.
- (6) In calculating the ratio of earnings to fixed charges, earnings consist of (i) income (loss) before income taxes, plus (ii) fixed charges consisting of interest on debt (including amortization of deferred financing fees), plus (iii) that portion of lease rental expense representative of the interest factor. Earnings were inadequate to cover fixed charges by \$2,883 in fiscal 1996, by \$13,932 in fiscal 1997, by \$7,042 in fiscal 1998 and by \$2,046 for the 26 weeks ended June 27, 1998.

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

The following information should be read in conjunction with "Selected Historical Financial Data" and the consolidated financial statements and the notes thereto included elsewhere in this Prospectus.

RESULTS OF OPERATIONS

26 WEEKS ENDED JULY 3, 1999
 COMPARED TO 26 WEEKS ENDED JUNE 27, 1998

NET SALES. Net sales increased \$23.6 million, or 17%, to \$159.9 million for the 26 weeks ended July 3, 1999 from \$136.3 million for the 26 weeks ended July 27, 1998 with an approximate 2% decrease in net selling prices due primarily to contractual decreases associated with lower raw material costs. Plastic packaging product net sales increased \$19.6 million from the 26 weeks ended July 27, 1998. Within this segment, the addition of Norwich and Knight provided net sales for the 26 weeks ended July 3, 1999 of \$7.3 million and \$9.6 million, respectively. In addition, overcaps sales, excluding Knight, increased \$2.1 million. Drink cup sales for the 26 weeks ended July 3, 1999 were \$3.0 million off the 26 weeks ended July 27, 1998 due to a \$3.5 million promotion during the 26 weeks ended July 27, 1998. Container sales increased \$0.1 million from the 26 weeks ended July 27, 1998 despite the Company's decision to exit certain low margin business. Custom sales, including tooling, increased \$3.4 million from the 26 weeks ended July 27, 1998 with a large promotion in the 26 weeks ended July 3, 1999. Plastic housewares product sales for the 26 weeks ended July 27, 1998 increased \$4.0 million from the 26 weeks ended July 3, 1999 due to strong internal growth including several new products.

GROSS MARGIN. Gross margin increased by \$10.8 million to \$47.1 million (29% of net sales) for the 26 weeks ended July 3, 1999 from \$36.3 million (27% of net sales) from the 26 weeks ended July 27, 1998. This increase of 30% includes the combined impact of the added Norwich and Knight sales volume, acquisition integration, productivity improvement initiatives, and the cyclical impact of lower raw material costs compared to the 26 weeks ended July 27, 1998. A major focus continues to be the consolidation of products and business of recent acquisitions to the most efficient tooling, providing customers with improved products and customer service. As part of the integration, we closed the Anderson, South Carolina facility in 1998 with the majority of the business being transferred to the Charlotte, North Carolina plant. In addition, we closed the Arlington Heights, Illinois facility, which was acquired in the Knight acquisition, in 1999 with the majority of the business being transferred to the Woodstock, Illinois plant. Also, significant productivity improvements have been made, including the addition of state-of-the-art injection molding equipment,

molds and printing equipment at several of our facilities.

OPERATING EXPENSES. Selling expenses increased by \$1.5 million to \$8.6 million for the 26 weeks ended July 3, 1999 from \$7.1 million for the 26 weeks ended July 27, 1998 principally as a result of expanded sales coverage and increased marketing expenses. General and administrative expenses increased by \$3.1 million to \$11.9 million for the 26 weeks ended July 3, 1999 from \$8.8 million for the prior 26 weeks ended July 27, 1998. The increase is primarily attributable to the Norwich and Knight acquisitions and increased accrued bonus expenses. One-time transition expenses for the 26 weeks ended July 3, 1999 include \$0.6 million related to the shutdown of the Anderson and Arlington Heights facilities and \$1.1 million related to acquisitions. One-time transition expenses for 26 weeks ended July 27, 1998 were \$1.1 million related to acquisitions and \$1.3 million related to the Anderson plant consolidation.

INTEREST EXPENSE. Interest expense increased \$0.6 million to \$18.0 million for the 26 weeks ended July 3, 1999 compared to \$17.4 million for the 26 weeks ended July 27, 1998 primarily due to additional borrowings to support the Norwich Moulders and Knight acquisitions.

INCOME TAX. Our income tax expense was \$0.5 million for the 26 weeks ended July 3, 1999. We continue to operate in a net operating loss carryforward position for Federal income tax purposes.

NET INCOME (LOSS). Net income for the 26 weeks ended July 3, 1999 of \$2.1 million improved \$3.8 million from a net loss of \$1.7 million for the 26 weeks ended June 27, 1999 for the reasons discussed above.

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YEAR ENDED JANUARY 2, 1999
COMPARED TO YEAR ENDED DECEMBER 27, 1997

NET SALES. Net sales increased 19.8% to \$271.8 million in 1998, up \$44.9 million from \$227.0 million in 1997, despite an approximate 2% decrease in net selling price due mainly to competitive market conditions. Container sales increased \$34.5 million in 1998, primarily due to the continued market strength of base products and the acquisition of Venture Packaging. Net sales in the drink cup product line increased \$2.3 million in 1998 as a result of a large promotion. Net sales for aerosol overcaps increased about \$2.0 million due to the acquisition of Knight.

Housewares net sales increased \$4.0 million or 23% in 1998 due primarily to new products and strong market demands. The acquisition of Norwich also brought us into the U.K. market, primarily closures product sales, which provided an additional \$7.3 million of net sales in 1998. Other product lines, including custom molded products and custom mold building, decreased \$5.2 million due to large custom programs that occurred in 1997.

GROSS MARGIN. Gross margin increased \$25.9 million, or 55.5%, from \$46.7 million (20.6% of net sales) in 1997 to \$72.6 million (26.7% of net sales) in 1998. The increase in gross margin was primarily attributed to increased sales volume as described above, acquisition integration, productivity improvements and lower raw material costs. A major focus during 1998 was the consolidation of products and business of the subsidiaries that we acquired in 1997 to the most efficient tooling, providing customers with the best product and customer service. As part of the integration, we closed the Anderson, South Carolina facility, which was acquired in the acquisition of Venture, in 1998. The majority of the business was transferred to our Charlotte, North Carolina plant. Also, productivity improvements were made during the year, including the addition of state-of-the-art injection molding equipment, molds and printing equipment at several of our facilities.

OPERATING EXPENSES. Operating expenses during 1998 were \$44.0 million (16.2% of net sales), compared with \$30.5 million (13.4% of net sales) for 1997. Sales related expenses, including the cost of expanded sales coverage and higher product development and marketing expenses, increased \$3.5 million, almost all a result of our 1997 acquisitions. General and administrative expenses increased \$7.8 million in 1998 primarily as a result of acquisitions made in 1997 and 1998, increased patent litigation expenses and increased employee profit sharing expense. Intangible amortization increased from \$2.2 million in 1997 to \$4.1 million for 1998, primarily as a result of the amortization of goodwill ascribed to acquired companies in 1997 and 1998. Other expense was \$4.1 million for 1998 and 1997. Our 1997 acquisitions resulted in start-up related expenses of \$3.2 million in 1997 and \$1.3 million in 1998. The assets acquired with the acquisition of PackerWare included a facility in Reno, Nevada that was closed in 1997. Expenses related to the closing of the Reno facility were \$0.5 million in 1997 and \$0.2 million in 1998. Plant closing expenses related to the Winchester, Virginia facility resulted in expenses of \$0.4 million for 1997. The closing of the Anderson, South Carolina facility resulted in 1998 expenses of \$2.4 million.

INTEREST EXPENSE AND INCOME. Net interest expense, including amortization of deferred financing costs for 1998 was \$34.6 million (12.7% of net sales) compared to \$30.2 million (13.3% of net sales) in 1997, an increase of \$4.3 million. This increase is attributed to interest on borrowings related to the

1997 and 1998 acquisitions offset partially by principal reductions. Cash interest paid in 1998 was \$33.2 million as compared to \$29.9 million for 1997. Interest income for 1998 was \$1.0 million, down from \$2.0 million in 1997, which is attributable to an additional year of interest payments on the 1996 Notes from the escrow account.

INCOME TAXES. During fiscal 1998, we recorded a benefit of \$0.2 million in federal and state income tax, primarily due to a carryback claim, compared to an expense of \$0.1 million for fiscal 1997. We continue to operate in a net operating loss carryforward position for federal income tax purposes.

NET LOSS. We recorded a net loss of \$7.6 million in 1998 compared to a \$14.4 million net loss in 1997 for the reasons stated above.

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YEAR ENDED DECEMBER 27, 1997
COMPARED TO YEAR ENDED DECEMBER 28, 1996

NET SALES. Net sales increased 50.2% to \$227.0 million in 1997, up \$75.9 million from \$151.1 million in 1996, which sales included an approximate 2% increase in net selling price due mainly to the impact of cyclical adjustments in the price of plastic resin. Container sales increased \$30.1 million in 1997, primarily due to the continued market strength of base products and the acquisitions of Venture Packaging, Virginia Design and Container Industries. Net sales in the drink cup product line increased \$23.8 million in 1997 as a result of the acquisition of PackerWare and a strong increase in existing drink cup business. Net sales of aerosol overcaps were relatively flat, decreasing about \$2.6 million. The acquisition of PackerWare also brought us into the housewares product market, which provided an additional \$17.5 million of net sales in 1997. Other product lines, including custom molded products and custom mold building, increased \$7.1 million due to large custom programs that occurred in 1997.

GROSS MARGIN. Gross margin increased \$5.8 million or 14.1% from \$40.9 million (27.1% of net sales) in 1996 to \$46.7 million (20.6% of net sales) in 1997. The increase in gross margin is primarily attributable to increased sales volume as described above. The gross margin as a percent of net sales derived from our 1997 acquisitions was about 10.6% compared to 23.8% for non-acquisition related sales. Significant productivity improvements were made during the year, including the addition of state-of-the-art injection molding equipment, molds and printing equipment at several of our facilities. These productivity improvements were offset by increased resin prices in 1997 and the transition expenses of our 1997 acquisitions.

OPERATING EXPENSES. Operating expenses during 1997 were \$30.5 million (13.4% of net sales), compared with \$23.7 million (15.7% of net sales) for 1996. Sales related expenses, including the cost of expanded sales coverage and higher product development and marketing expenses, increased \$4.4 million, primarily as a result of the business acquisitions that we made in 1997 (\$3.3 million). General and administrative expenses decreased \$2.3 million in 1997 primarily as a result of the \$2.8 million one-time compensation expense incurred in 1996 which related to the recapitalization of Holding. Intangible amortization increased from \$0.5 million in 1996 to \$2.2 million for 1997, primarily as a result of the amortization of \$1.6 million related to our 1997 acquisitions.

Other expenses increased \$2.6 million from \$1.6 million for 1996 to \$4.1 million in 1997. Our 1997 acquisitions resulted in a charge of \$3.2 million in 1997 for start-up related expenses. The acquisition of PackerWare included a facility in Reno, Nevada, which was closed in 1997. Expenses related to the closing of the Reno facility were \$0.5 million in 1997. Plant closing expenses related to the Winchester, Virginia facility resulted in expenses of \$0.4 million for 1997. Included in 1996 was a charge of \$0.7 million of start-up related expenses associated with the acquisition of Tri-Plas and \$0.9 million related to the Winchester plant closing.

INTEREST EXPENSE AND INCOME. Net interest expense, including amortization of deferred financing costs for 1997, was \$30.2 million (13.3% of net sales) compared to \$20.1 million (13.3% of net sales) in 1996, an increase of \$10.1 million. This increase is due to the full year impact of the recapitalization of Holding, which occurred in June 1996. The recapitalization of Holding included an offering of \$105.0 million aggregate principal amount of the 1996 Notes, which bear interest at 12.5% annually. \$35.6 million of the proceeds from the 1996 Notes were placed in escrow to pay the first three years of interest on the 1996 Notes. Interest is payable semi-annually on June 15 and December 15 of each year. Cash interest paid in 1997 was \$29.9 million as compared to \$19.7 million for 1996. Interest income for 1997 was \$2.0 million, up from \$1.3 million in 1996, also attributed to the full year impact of the recapitalization of Holding.

INCOME TAXES. During fiscal 1997, we incurred \$0.1 million in federal and state income tax compared to \$0.2 million for fiscal 1996. We continue to operate in a net operating loss carryforward position for federal income tax purposes.

NET LOSS. We recorded a net loss of \$14.4 million in 1997 compared to

a \$3.3 million net loss in 1996 for the reasons stated above.

INCOME TAX MATTERS

Holding has unused operating loss carryforwards of \$26.0 million for federal income tax purposes which begin to expire in 2010. Alternative minimum tax credit carryforwards of about \$2.8 million are available to Holding indefinitely to reduce future years' federal income taxes.

LIQUIDITY AND CAPITAL RESOURCES

We have a credit facility for a senior secured line of credit. Giving effect to the \$20.0 million increase in our credit facility in connection with the Cardinal acquisition, the credit facility provides for aggregate borrowings up to a maximum of about \$142.9 million including: (1) a \$70.0 million revolving line of credit, subject to a borrowing base formula; (2) a (pound)1.5 million revolving line of credit, subject to a borrowing base; (3) a \$58.6 million term loan facility; (4) a (pound)3.8 million term loan facility; and (5) a \$5.6 million standby letter of credit to support our and our subsidiaries' obligations under the Nevada Bonds. The debt under the Credit Facility is guaranteed by our parent, Holding, and our subsidiaries. The credit facility requires us to comply with specified financial ratios and tests, including a minimum Tangible Capital Funds (as defined in the credit facility) test, maximum leverage ratio, interest coverage ratio, debt service coverage ratio and a fixed charge coverage ratio. At April 3, 1999, our credit facility required us to have Tangible Capital Funds of not less than \$22.5 million and a maximum leverage ratio of 4.0 to 1.0. In addition, the interest ratio could not be less than 2.0 to 1.0, the debt service ratio could not be less than 1.5 to 1.0 and the fixed charge coverage ratio could not be less than 1.0 to 1.0. The requirements of these tests may change on a quarterly basis. These covenants were waived as of July 3, 1999, as a result of the Cardinal acquisition. See "Description of Certain Indebtedness--The Credit Facility".

The 1994 Indenture, the 1996 Indenture, the 1999 Indenture and the Indenture restrict our ability to incur additional debt and contain other provisions that could limit our liquidity. At July 3, 1999, on a pro forma basis giving effect to the acquisition of Cardinal and a \$20.0 million concurrent increase in the credit facility, we had unused borrowing capacity under the credit facility's borrowing base of \$35.8 million, which is not considered additional indebtedness under the 1994 Indenture, 1996 Indenture, 1999 Indenture or the Indenture. Any additional debt above the borrowing base requires approval from the credit facility's lenders.

Net cash provided by operating activities was \$34.1 million in 1998 as compared to \$14.2 million in 1997. The increase was primarily the result of a decreased consolidated net loss in 1998 and additional depreciation and amortization as the result of acquisitions in 1997 and 1998. Net cash provided by operating activities was \$16.1 million for the 26 weeks ended July 3, 1999, an increase of \$1.7 million from the 26 weeks ended June 27, 1998. The increase is primarily the result of improved operating performance with income before depreciation and amortization increasing \$6.1 million from the 26 weeks ended June 27, 1998. Net working capital charges (defined as accounts receivable, inventories, prepaid expenses, other receivables, accounts payable and accrued expenses) decreased net cash \$4.8 million from the 26 weeks ended June 17, 1998 due to our growth.

Capital expenditures in 1998 were \$22.6 million, an increase of \$5.8 million from \$16.8 million in 1997. Included in capital expenditures during 1998 was \$6.2 million relating to the addition of a new warehouse, production systems and offices necessary to support production operating levels throughout Berry. Capital expenditures also included investment of \$11.7 million for molds, \$2.2 million for molding and printing machines, and \$2.5 million for miscellaneous accessory equipment and systems. The capital expenditure budget for 1999 is expected to be \$25.8 million, including about \$8.1 million for building and systems which includes a major plant renovation, \$10.5 million for molds, \$4.2 million for molding and printing machines, and \$3.0 million for miscellaneous accessory equipment. Capital expenditures for the 26 weeks ended July 3, 1999 included \$5.5 million for molds, \$0.7 million for molding and printing machines, \$4.4 million for buildings and systems, and \$2.9 million for accessory equipment and systems.

Net cash provided by financing activities was \$17.6 million in 1998 as compared to \$80.4 million in 1997. The \$62.8 million decrease can be attributed primarily to a \$52.4 million decrease in borrowings to finance acquisitions. Net cash used by financing activities was \$2.4 million for the 26 weeks ended July 3, 1999, representing a decrease of \$4.2 million from the 26 weeks ended June 27, 1998. This decrease can be attributed to a decrease in borrowings from the revolving line of credit as a result of the improved operating performance noted above.

Increased working capital needs occur whenever we experience strong incremental demand or a significant rise in the cost of raw material, particularly plastic resin. However, we anticipate that our cash interest, working capital and capital expenditure requirements for 1999 will be satisfied through a combination of funds generated from operating activities and cash on hand, together with funds available under our credit facility. Management bases such belief on historical experience and the substantial funds available under our credit facility. However, we cannot predict our future results of operations.

The indentures governing the 1994 Notes, the 1999 Notes and the Notes restrict, and the Credit Facility prohibits, our ability to pay any dividend or make any distribution of funds to Holding to satisfy interest and other obligations on the 1996 Notes. Based upon historical operating results, without a substantial increase in the net income of Berry, we anticipate that we will be unable to generate sufficient net income to permit a dividend to Holding in an amount sufficient to meet Holding's interest payment obligations under the 1996 Notes. Interest on the 1996 Notes is payable semi-annually on June 15 and December 15 of each year. However, from December 15, 1999 until June 15, 2001, Holding may, at its option, pay interest, at an increased rate of 0.75% per annum, in additional 1996 Notes valued at 100% of the principal amount thereof. After June 15, 2001 or in the event that Holding does not pay interest in additional notes, management anticipates that such interest obligations will only be met by refinancing the 1996 Notes or raising capital through equity offerings. We can not assure you that then-current market conditions would permit Holding to consummate a refinancing or equity offering. In addition, we have now and will continue to have a large amount of debt which may limit our or Holding's ability to consummate a refinancing or equity offering.

At July 3, 1999, our cash balance was \$3.0 million and, on a pro forma basis giving effect to the acquisition of Cardinal and a \$20 million concurrent increase in our credit facility, we had unused borrowing capacity under our credit facility's borrowing base of about \$35.8 million.

GENERAL ECONOMIC CONDITIONS AND INFLATION

We face various economic risks ranging from an economic downturn adversely impacting our primary markets to market fluctuations in plastic resin prices. In the short-term, rapid increases in the cost of resin may not be recovered through price increases to customers. Also, shortages of raw materials may occur from time to time. In the long-term, however, raw material availability and price changes generally do not have a material adverse effect on gross margin. Cost changes generally are passed through to customers over a period of time. In addition, we believe that our sensitivity to economic downturns in our primary markets is less significant due to our diverse customer base and our ability to provide a wide array of products to numerous end markets.

We believe that we are not affected by inflation except to the extent that the economy in general is thereby affected. Should inflationary pressures drive costs higher, we believe that general industry competitive price increases would sustain operating results, although we can not assure you that this will be the case.

IMPACT OF YEAR 2000

We have been modifying or replacing portions of our software since 1991 so that our computer systems will function properly with respect to dates in the Year 2000 and thereafter. Because we commenced this process early, the costs incurred to address this issue in any single year have not been significant. Our current business applications are Year 2000 compliant. Acquired businesses are converted to our applications for Year 2000 compliance and consistency in applications and reporting. Except for Cardinal, the most recent acquired business, Knight Plastics, was converted to our applications on March 1, 1999. We plan to convert Cardinal to our applications by November 1999.

However, we are currently in the process of replacing our current business software with another Year 2000 compliant package. This replacement is not due to any Year 2000 issues, but is needed to accommodate the changes that we have experienced in our business due to acquisitions in recent years. The anticipated cost of this conversion is about \$2.5 million. The accounting phase of this conversion was completed for all plants in January 1999. The remaining phases are scheduled to be completed by the end of 1999.

We believe that we have an effective program in place to resolve all internal Year 2000 issues. An inventory of computer based systems has been compiled and verified through testing and supplier verification. All identified non-compliant equipment and software will be corrected before December 1999. The current estimated cost for this resolution is \$110,000. These systems include personal computers, postage machines, plant automation and telephone system components.

The major Year 2000 risk that we face is the Year 2000 readiness of external suppliers of goods and services. We could have material disruption in

our ability to produce and deliver product should there be major disruptions in the economy or failure of key suppliers. While it is impossible to account for the effectiveness of every supplier's Year 2000 efforts, the following steps are in the process of being completed:

- o We are identifying key suppliers, which include suppliers of raw material, banking, transportation, service, and utility providers and surveying these suppliers as to their Year 2000 status;
- o We are identifying which suppliers are not compliant or at risk; and
- o We are engaging in risk assessment and contingency planning for these key suppliers.

These steps will not be completed until some time during the 3rd quarter of 1999 because some of our suppliers are not targeting Year 2000 compliance until the summer of 1999.

The amount of potential liability and lost revenue due to Year 2000 issues cannot be reasonably estimated at this time. We will continue to work throughout the year to minimize any Year 2000 risks.

BUSINESS

We are the nation's leading manufacturer and supplier of plastic injection- molded aerosol overcaps, drink cups and rigid thinwall open-top containers for a wide variety of end-use markets. We are also a leading manufacturer and supplier of plastic injection-molded semi-disposable housewares. In addition, with sales of over two billion aerosol overcaps in fiscal 1998, we believe that we are the largest supplier of plastic aerosol overcaps in the world. In our plastic packaging business, we focus primarily on three markets: aerosol overcaps, rigid thinwall open-top containers and drink cups. Our housewares business produces home products such as dinnerware, tumblers and garden items. We concentrate on manufacturing high-quality items sold to image-conscious marketers of consumer and industrial products. With over 1,000 proprietary molds, superior color matching capabilities, sophisticated multi- color printing techniques and nationwide plant locations, we consistently produce and deliver mass quantities of high-quality products on a cost-efficient basis.

Our total net sales among our product categories is as follows:

	FISCAL				
	1994	1995	1996	1997	1998
	(DOLLARS IN MILLIONS)				
PLASTIC PACKAGING PRODUCTS:					
Aerosol overcaps.....	\$ 38.0	\$ 43.6	\$ 49.7	\$ 47.1	\$ 49.1
Rigid open-top..... containers.....	61.6	71.1	80.8	111.5	145.9
Drink cups.....		17.3	14.1	37.6	39.9
Other.....	6.5	8.7	6.5	13.3	15.3
PLASTIC HOUSEWARES PRODUCTS:				17.5	21.6
Total net sales.....	\$ 106.1	\$ 140.7	\$ 151.1	\$ 227.0	\$271.8

We supply aerosol overcaps to a wide variety of customers and for a wide variety of products, including such well-known brand names as Faultless starch, Gillette personal care products, Pam cooking spray, Pledge furniture polish, Raid insect repellants, Rustoleum and Sherwin-Williams paints and Sure deodorant. Similarly, our containers are used for packaging a broad spectrum of consumer and commercial products, including Arch (Olin) pool chemicals, Elmer's home repair products, Hershey's cocoa, McDonald's children's meals, Milliken adhesives, Pillsbury cookie dough and promotional containers for a variety of customers, including the National Football League, Walt Disney and Warner Brothers. Our drink cups are sold to fast food and family-dining restaurants, convenience stores, stadiums and retail stores. Our largest drink cup customers are Circle K, Coca-Cola, McDonald's, Pepsi-Cola and Steak 'n Shake. Our housewares products are primarily seasonal, semi-disposable housewares and lawn and garden items such as plates, bowls, pitchers, tumblers and flower pots. Our largest housewares customer, Wal-Mart, named us their housewares "Supplier of the Year" for 1998.

COMPETITIVE STRENGTHS

We believe that we are a strong competitor in our industry for the following reasons:

- o SUCCESSFUL INTEGRATION OF NUMEROUS STRATEGIC ACQUISITIONS. We have historically acquired businesses that we believe will improve our financial performance in the long-term and, in some cases, provide us with a new or complementary product line. We have successfully closed ten acquisitions since 1992. Our acquired businesses had aggregate pre-acquisition revenues of about \$239 million. We believe that our acquisitions have strengthened our core businesses, as well as opened up new product lines and markets for us. Moreover, we believe that we have materially reduced the manufacturing and overhead costs of the companies that we acquired by introducing high technology manufacturing processes, closing excess facilities and taking advantage of economies of scale.
- o HIGH-CAPACITY, STATE-OF-THE-ART PRODUCTION CAPABILITIES. We operate over 300 injection molding machines in 12 locations in the United States and one location in Europe. These machines, many of

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which are high-speed, specialized machines, range in clamp tonnage from 80 to 825 tons. Our wide range of state-of-the-art molding machines and national distribution system allow us to economically mass produce high-quality products. In addition, we believe that our post-molding capabilities are among the most modern and extensive in the industry. These capabilities include printing, labeling, assembly, packing and distribution.

- o FULL PRODUCT LINES AND STRONG MARKET POSITION. A substantial majority of our sales are in product categories in which we are the nation's largest supplier. We use over 1,000 active molds, providing our customers with a wide range of products from which to choose. For a majority of our customers we are the sole or largest supplier of plastic injection-molded products. We believe that our extensive product lines, market experience, product quality and focus on customer satisfaction allow us to maintain our strong position in our key markets.
- o LARGE, DIRECT SALES FORCE. Our sales force is comprised of over 40 dedicated professionals and is among the largest in-house sales forces in our industry. Our sales force is focused on working both with customers and with our internal production and product design personnel to develop customized packaging. We believe that the size of our sales force allows us to maintain close working relationships with our customers.
- o IN-HOUSE PRODUCT DESIGN AND GRAPHIC ARTS CAPABILITIES. We have an in-house staff of 16 product development engineers and 22 graphic artists. These professionals work closely with customers to develop new products and designs. We also believe that our customized designs often help our customers differentiate their products in the marketplace and improve their product's performance. We believe that these capabilities have given us a significant competitive advantage in certain high-margin niche container product markets where the ability to produce sophisticated and colorful graphics is crucial to a product's success.
- o DEDICATION TO SERVICE AND QUALITY. As a result of our dedication to service and quality, we have received several awards from our top ten customers including, in 1998, Wal-Mart's "Supplier of the Year" award in its housewares division and SC Johnson Wax's "Supplier Quality Achievement Award." In addition, four of our plants are ISO 9000 certified. Our remaining nine facilities are working to obtain their ISO 9000 certification. ISO 9000 certification is only given to companies that meet the requirements of a quality management system established by the International Standardization Organization.
- o LARGE, DIVERSE CUSTOMER BASE. We sell our plastic packaging and housewares products to over 7,000 customers who are engaged in a variety of businesses. We believe that this provides us with a stable client base that is not materially affected by particular end-use market fluctuations. We also believe that we are the single-source or largest supplier of plastic aerosol overcaps, containers and drink cups to a majority of our customers. Our top ten customers represented only about 18% of our fiscal 1998 net sales on a pro forma basis. Our largest customer represented only about 4% of our fiscal 1998 net sales on a pro forma basis.

GROWTH STRATEGY

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

- o PURSUE STRATEGIC ACQUISITIONS IN OUR CORE BUSINESSES. We have

successfully closed ten acquisitions since 1992. We will continue to pursue strategic acquisitions that we believe will provide added value to our core businesses.

- o DESIGN AND INTRODUCE INNOVATIVE NEW PRODUCTS TO PENETRATE NEW MARKETS. We intend to grow our product lines and increase market share by producing new products. For example, we recently developed a complete line of pool chemical containers specifically designed for Arch. We also introduced a 16 oz.

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insulated coffee mug and lid, with enhanced functionality and styling, in 1999 and a single-serve soft ice cream dispensing container that was recently accepted for use by Healthy Choice.

- o EMPHASIZE OUTSTANDING PRODUCT QUALITY AND CUSTOMER SERVICE. Through our dedication to product quality and service, we intend to grow our base business through growth in the marketplace and by gaining business from our competitors. Our field sales, production, and support staff meet with customers to understand their needs and improve our product offerings and services. Each of our customers has designated sales and customer service representatives responsible for their individual needs. Sophisticated technology is an ongoing part of our traditional quality assurance activities. We extensively test parts for size, color, strength and material quality using statistical process control techniques.

PLASTIC PACKAGING PRODUCTS

AEROSOL OVERCAPS

We believe that we are the worldwide leader in the production of aerosol overcaps. About 20% of the U.S. market consists of marketers who produce overcaps for use on their own products. We believe that a portion of these in-house producers will outsource the manufacture of aerosol overcaps in order to reduce their inventory of manufacturing assets and to focus on their core businesses. We believe that these companies will look to outsource the manufacture of overcaps to high technology, low cost manufacturers, such as Berry.

The aerosol overcaps that we produce are used in a wide variety of consumer goods including spray paints, household and personal care products, insecticides and numerous other commercial and consumer products. Most U.S. manufacturers and contract fillers of aerosol products purchase some portion of their needs from us. In fiscal 1998, no single aerosol overcap customer accounted for more than 3% of our total net sales.

We believe that, over the years, Berry has developed several significant competitive advantages including the following:

- o a reputation for outstanding quality;
- o short lead-time requirements to fill customer orders;
- o long-standing relationships with major customers;
- o the ability to quickly and accurately reproduce over 3,500 colors;
- o proprietary packing technology that minimizes freight cost and warehouse space;
- o high-speed, low-cost molding and decorating capability; and
- o a broad product line of proprietary molds.

We received a "Supplier Quality Achievement Award" in 1998 from SC Johnson Wax. We continue to develop new products in the plastic aerosol overcap market, including the "spray-thru" line of aerosol overcaps, such as that used for Pledge furniture polish.

Major competitors in this market include Dubuque Plastics, Cobra and Transcontainer. In addition, a number of companies, including several of our customers (e.g., S.C. Johnson and Reckitt & Colman), currently produce plastic aerosol overcaps for their own use.

RIGID OPEN-TOP CONTAINERS

We produce six different types of containers, classified as follows:

- o thinwall;
- o child-resistant;
- o pry-off;
- o dairy;
- o polypropylene; and
- o industrial.

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We believe that we are the leading U.S. manufacturer in thinwall, child-resistant, pry-off and frozen dessert containers. We consider industrial containers to be a market with little differentiation between products and an absence of higher margin niches. The following table describes each of our six container product lines:

<TABLE>

<CAPTION>

PRODUCT LINE	DESCRIPTION	SIZE OF CONTAINER	USES OF PRODUCT
<S> Thinwall	<C> Thinwalled, multi-purpose containers with or without handles and lids	<C> 6 oz. to 2 gallons	<C> Food, promotional products, toys and a wide variety of other uses
Child-resistant	Containers that meet Consumer Product Safety Commission standards for child safety	2 lbs. to 2 gallons	Pool and other chemicals
Pry-off	Containers having a tight lid-fit and requiring an opening device	4 oz. to 2 gallons	Building products, adhesives, other industrial uses
Dairy	Thinwall containers in traditional dairy market sizes and styles	6 oz. to 1.25 gallons, Multi-pack	Cultured dairy products including yogurt, cottage cheese, sour cream and dips, frozen desserts
Polypropylene	Usually clear containers in round, oblong or rectangular shapes	6 oz. to 5 lbs.	Food, deli, sauces, salads
Industrial	Thick-walled, larger pails designed to accommodate heavy loads	2.5 to 5 gallons	Building products, chemicals, paints, other industrial uses

</TABLE>

The largest uses for our containers are for food products, building products, chemicals and dairy products. We have a diverse customer base for our container lines, and no single container customer exceeded 3% of our total net sales in fiscal 1998.

We believe that we offer the broadest product line among U.S.-based injection-molded plastic container manufacturers. Our container capacities range from 4 ounces to 5 gallons and are offered in various styles with accompanying lids, bails and handles, as well as a wide array of decorating options. In addition to a complete product line, we offer sophisticated printing capabilities, an in-house graphic arts department, low cost manufacturing capability with 12 plants strategically located throughout the U.S. and a dedication to high-quality products and customer service. Our product engineers, located in most of our facilities, work with customers to design and commercialize new containers.

We seek to develop niche container products and new applications for our products by taking advantage of our state-of-the-art decorating and graphic arts capabilities and dedication to service and quality. We believe that these capabilities have given us a significant competitive advantage in certain high-margin niche container product markets where the ability to produce sophisticated and colorful graphics is crucial to the product's success. Examples of these products are popcorn containers for new movie promotions and professional and college sporting and entertainment events. In order to identify new applications for existing products, we rely extensively on our national sales force. Once opportunities are identified, the sales force works with our product design engineers to satisfy customers' needs.

In the non-industrial container market, our strongest competitors include Airlite, Sweetheart, Landis and Polyainers. We also produce industrial pails for a market that is dominated by large volume competitors such as Letlea, Plasticscan, NAMPAC and Ropak. We do not participate heavily in this market due to its generally lower margins. We intend to selectively participate in the industrial container market when higher margin opportunities, equipment utilization or customer requirements make participation an attractive option.

DRINK CUPS

We believe that we are the leading provider of injection-molded plastic drink cups in the United States. As beverage producers, convenience stores and fast food restaurants increase their marketing efforts for larger sized drinks, we believe that the plastic drink cup market will expand because of plastic's desirability over paper for larger drink cups. We produce injection-molded plastic cups that range in size from 12 to 64 ounces. Our primary markets are fast food and family-dining restaurants, convenience stores, stadiums, and retail stores. Virtually all of our cups are decorated, often as promotional items, and we are known in the industry for our innovative, state-of-the-art graphics capability.

We have historically supplied a full line of traditional straight-sided and drive-through style drink cups from 12 to 64 ounces with disposable and reusable lids primarily to fast food and convenience store chains. With the acquisition of PackerWare, we expanded our presence in this market while

diversifying into the stadium and family-dining restaurant markets. The 64 ounce cup, which has been highly successful with convenience stores, is one of our fastest growing drink cups. Our major competitors in the drink cup market include Packaging Resources Incorporated, Pescor Plastics and WNA (formerly Cups Illustrated).

CUSTOM MOLDED PRODUCTS AND CLOSURES PRODUCTS

We also make custom molded products by using molds provided by our customers as the model. Typically, the low cost of entry in the custom molded products market creates an open marketplace in which many companies can compete. Rather than pursue the overall custom molded products market, we focus our custom molding efforts on those customers who value our mold and product design expertise, superior color matching abilities and sophisticated multi-color printing capabilities. The majority of our custom business requires specialized equipment and expertise.

We entered the closures market as a result of our acquisition of Norwich in July 1998. We only sell closure products in the United Kingdom. The primary closure product that we sell is a foil sealed milk cap. Demand for this product has increased in recent years as the U.K.'s milk market is using more plastic containers. Through Norwich, we offer a broad product line that includes dispensing, tamper evident and custom molded closures.

PLASTIC HOUSEWARES PRODUCTS

Our participation in the multi-billion dollar plastic housewares market is focused on producing and selling seasonal (spring and summer) semi-disposable plastic housewares (e.g., plates, bowls, pitchers and tumblers) and plastic lawn and garden products (primarily outdoor flower pots). We sell virtually all of our products in this market through major national retail marketers and national chain stores including Wal-Mart and Target. PackerWare is a recognized brand name in these markets and our PackerWare branded products are often co-branded by our customers.

Historically, our PackerWare subsidiary has provided high-quality products to consumers at a relatively modest price that is consistent with the pricing targets of our retail marketers. We believe that outstanding service and ability to deliver products with timely combination of color and design further enhance our position in this market. We received an award as the "Supplier of the Year" in 1998 by Wal-Mart in its housewares division.

MARKETING AND SALES

We reach our large and diversified base of over 7,000 customers primarily through our direct field sales force of over 40 professionals. These field sales representatives are focused on individual product lines, but are encouraged to sell all of our products to serve the needs of our customers. We believe that a direct field sales force is able to focus on target markets and customers, with the added benefit of permitting us to control pricing decisions centrally. We also use the services of manufacturing representatives to assist our direct sales force.

We believe that we produce a high level of customer satisfaction. Highly skilled customer service representatives are located in each of our facilities to support the national field sales force. In addition, telemarketing representatives, marketing managers and sales/marketing executives oversee marketing and sales efforts.

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Manufacturing and engineering personnel work closely with field sales personnel to satisfy customers' needs through the production of high quality, value-added products and on-time deliveries.

Additional marketing and sales techniques include promoting the benefits that our Graphic Arts department with computer-assisted graphic design capabilities and in-house production of photopolymer printing plates can offer our customers. Our centralized color matching and materials blending department uses a computerized spectrophotometer to ensure that colors produced match those requested by customers.

MANUFACTURING

GENERAL

We manufacture our products using a plastic injection molding process. In this process, plastic resin, in the form of small pellets, is fed into an injection molding machine. The injection molding machine melts the plastic resin and injects it into a multi-cavity steel mold, which forces the plastic resin to take the final shape of the product. After they solidify, which generally takes between five and 25 seconds, the plastic parts are ejected from the mold into automated handling systems from which they are packed in corrugated containers for further processing or shipment. After molding, the product may be either decorated (printing, silk-screening, labeling) or assembled (e.g., bail handles

fitted to containers). We believe that our molding and decorating capabilities are among the best in the industry.

Our overall manufacturing philosophy is to be a low-cost producer by using high-speed molding machines, modern multi-cavity hot runner, cold runner and insulated runner molds, extensive material handling automation and sophisticated printing technology. We package large volume products using state-of-the-art robotic packaging processes. This technology enables us to deliver a higher quality product (due to reduced breakage) and lowers warehousing and shipping costs (due to more efficient use of space). At each of our plants we have complete tooling maintenance capability to support our molding and decorating operations. We historically have made, and intend to continue to make, significant capital investments in plant and equipment because of our objectives to grow, to improve productivity, to maintain competitive advantages, and to maintain the large base of equipment and other assets necessary for our business.

PRODUCT DEVELOPMENT

Our full-time product engineers use three-dimensional computer-aided-design technology to design and modify new products and prepare mold drawings. Engineers use an in-house model shop that includes a thermoforming machine to produce prototypes and sample parts. They simulate the molding environment by running prototype molds in a small injection molding machine dedicated to the research and development of new products. Production molds are then designed and outsourced for production by various companies in the U.S. and Canada with whom we have extensive experience and established relationships. Our engineers oversee the mold-building process from start to finish.

QUALITY ASSURANCE

Each of our plants uses Total Quality Management philosophies. These philosophies include the use of statistical process control and extensive involvement of employees to increase productivity. This team approach to problem-solving increases employee participation and provides necessary training at all levels. Four of our plants have ISO 9000 certification, which certifies compliance by a company in meeting the requirements of a quality management system established by the International Standardization Organization. Our Evansville plant was certified in 1994, our Henderson plant was certified in 1995, our Iowa Falls plant was certified in 1996 and our Lawrence plant was certified in 1998. We are pursuing ISO certification in all of our other facilities. Extensive testing of parts for size, color, strength and material quality using statistical process control techniques and sophisticated technology is also an ongoing part of our traditional quality assurance activities.

SYSTEMS

We use a fully integrated computer software system at our plants that is capable of producing complete financial and operational reports. This accounting and control system may be expanded to add new features and/or

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locations as we grow. In addition, we have a sophisticated quality assurance system based on ISO 9000 certification, a bar code based material management system and an integrated manufacturing system.

SOURCES AND AVAILABILITY OF RAW MATERIALS

Plastic resin is the most important raw material that we purchase. We purchased about \$62 million of resin in fiscal 1998 (excluding specialty resins), of which 70% was high density polyethylene, 12% linear low density polyethylene and 18% polypropylene. Our purchasing strategy is to buy from only high-quality, dependable suppliers, such as Dow, Union Carbide, Chevron, Phillips, Equistar, and Mobil. Although we do not have any supply contracts with our key suppliers, we believe that we have maintained outstanding relationships with these key suppliers over the past several years and expect that such relationships will continue into the foreseeable future. Based on our experience, we believe that adequate quantities of plastic resins will be available, but we cannot assure you of that. See "Risk Factors--We do not have firm contracts with plastic resin supplies."

EMPLOYEES

We have about 2,800 employees. None of our employees are covered by collective bargaining agreements. On February 5, 1998, the employees in Monroeville, Ohio voted to decertify the union in the facility. This facility was acquired as a result of the acquisition of Venture and was our only plant with a collective bargaining agreement during 1998.

PATENTS AND TRADEMARKS

We have numerous patents and trademarks on our products. None of the

patents or trademarks are considered by management to be material to our business. See "Legal Proceedings" below.

ENVIRONMENTAL MATTERS AND GOVERNMENT REGULATION

Our past and present operations and the past and present ownership and operations of real property by Berry are subject to extensive and changing federal, state and local environmental laws and regulations pertaining to the discharge of materials into the environment, the handling and disposition of wastes or otherwise relating to the protection of the environment. We believe that we are in substantial compliance with applicable environmental laws and regulations. However, we cannot predict whether we will incur liability in the future under environmental statutes and regulations with respect to non-compliance with environmental laws, contamination of sites formerly or currently owned or operated by us (including contamination caused by prior owners and operators of such sites) or the off-site disposal of hazardous substances.

Based upon a May 1998 compliance inspection, the Ohio Environmental Protection Agency issued a Notice of Violation dated June 23, 1998 to Venture alleging that its Monroeville, Ohio facility failed to file certain reports required pursuant to the Federal Emergency Planning and Community Right-To-Know Act of 1986 (also known as "SARA Title III") for the reporting years 1994 and 1995. This matter has since been closed by the Ohio Environmental Protection Agency. No fines or penalties were assessed.

Like any manufacturer, we may receive notices of potential liability, pursuant to CERCLA or analogous state laws, for cleanup costs associated with offsite waste recycling or disposal facilities at which wastes associated with its operations have allegedly come to be located. Liability under CERCLA is strict, retroactive and joint and several. No such notices are currently pending.

The Food and Drug Administration regulates the material content of direct-contact food containers and packages, including certain thinwall containers that we manufacture. We use approved resins and pigments in our direct contact food products and believe we are in material compliance with all such applicable FDA regulations.

The plastics industry, including Berry, also is subject to existing and potential federal, state, local and foreign legislation designed to reduce solid wastes by requiring, among other things, plastics to be degradable in landfills, minimum levels of recycled content, various recycling requirements, disposal fees and limits on the use of plastic products. In addition, various consumer and special interest groups have lobbied from time to time for the implementation of these and other similar measures. The principal resin used in our products, high-density

polyethylene, is recyclable, and, accordingly, we believe that the legislation promulgated to date and such initiatives to date have not affected us negatively. It is possible that any future legislative or regulatory efforts or future initiatives may affect us adversely. Beginning January 1, 1995, legislation in Oregon, California and Wisconsin requires products packaged in rigid plastic containers to comply with standards intended to encourage recycling and to increase the use of recycled materials. Although the regulations vary by state, the principal requirement is typically the use of recycled plastic as an ingredient in containers sold for non-food uses. Additionally, Oregon and California allow lightweighting of the container or concentrating the product sold in the container as options for compliance. Oregon and California provide for an exemption from all these regulations if statewide recycling reaches or exceeds 25% of rigid plastic containers. In September 1996, California passed a new bill permanently exempting food and cosmetics containers from this requirement. However, non-food containers are still required to comply.

In December 1996, the Department of Environmental Quality estimated that Oregon had met its recycling goal of 25% for 1997 (based on 1996 data), and accordingly, was in compliance for the 1997 calendar year. However, in January 1998, California formally approved a 23.2% recycling rate for the state during 1996, and since this falls below the required 25% rate for exemption of non-food containers, the state can now begin enforcing its recycled content mandate on any non-food plastic containers from 8 oz. to 5 gallons. In order to facilitate individual customer compliance with these regulations, we provide our customers with the option to purchase containers that are lower weight.

PROPERTIES

The following table sets forth our principal facilities:

LOCATION	ACRES	SQUARE FOOTAGE	USE	OWNED/LEASED
Lawrence, KS.....	19.3	423,000	Manufacturing	Owned

Evansville, IN....	13.4	420,000	Headquarters and Manufacturing	Owned
Ontario, CA.....	10.0	200,000	Manufacturing	Leased (expires August 2003)
Henderson, NV....	12.0	168,000	Manufacturing	Owned
Charlotte, NC....	32.0	148,000	Manufacturing	Owned
Streetsboro, OH...	12.0	140,000	Manufacturing	Owned
Monroeville, OH...	19.0	112,000	Manufacturing	Owned
Minneapolis, MN...	3.0	110,000	Manufacturing	Leased (expires December 1999)
Suffolk, VA.....	14.0	102,000	Manufacturing	Owned
Iowa Falls, IA....	14.0	101,000	Manufacturing	Owned
Woodstock, IL....	11.7	98,000	Manufacturing	Owned
Norwich, England..	5.0	44,000	Manufacturing	Owned
York, PA.....	10.0	40,000	Manufacturing	Leased (expires December 2001)

We believe that our property and equipment are well-maintained, in good operating condition and adequate for our present needs.

LEGAL PROCEEDINGS

We are party to various legal proceedings involving routine claims which are incidental to our business. Although our legal and financial liability with respect to such proceedings cannot be estimated with certainty, we believe that any ultimate liability would not be material to our financial condition.

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MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information with respect to the executive officers, directors and certain key personnel of our parent, Holding and its subsidiaries:

NAME	AGE	TITLE	ENTITY
<S>	<C>	<C>	<C>
Roberto Buaron(1) (4)	52	Chairman and Director	Berry and Holding
Martin R. Imbler(1) (4)	51	President, Chief Executive Officer and Director	Berry
Ira G. Boots.....	45	President and Director	Holding
James M. Kratochvil.....	42	Executive Vice President - Operations and Director	Berry
James M. Kratochvil.....	42	Executive Vice President, Chief Financial Officer, Treasurer and Secretary	Berry
James M. Kratochvil.....	42	Executive Vice President - Chief Financial Officer and Secretary	Holding
R. Brent Beeler.....	46	Executive Vice President, Sales and Marketing	Berry
Randy Hobson.....	32	Vice President - Sales and Marketing	Berry
Ruth Richmond.....	36	Vice President - Planning and Administration and Assistant Secretary	Berry
David Weaver.....	36	Vice President and Plant Manager - Lawrence	Berry
Fredrick A. Heseman.....	46	Vice President and Plant Manager - Evansville	Berry
Bruce J. Sims.....	49	Vice President - Sales and Marketing, Housewares	Berry
George A. Willbrandt.....	54	Vice President - Sales and Marketing	Berry
Lawrence G. Graev(2) (3).....	54	Director	Berry and Holding
Joseph S. Levy(2) (3).....	31	Vice President, Assistant Secretary and Director	Berry and Holding
Donald J. Hofmann, Jr.(1) (2) (3) (4) ..	41	Director	Berry and Holding
Mathew J. Lori.....	35	Director	Berry and Holding
David M. Clarke.....	48	Director	Berry and Holding

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- (1) Member of the Stock Option Committee of Holding.
 - (2) Member of the Audit Committee of Holding.
 - (3) Member of the Audit Committee of Berry.
 - (4) Member of the Compensation Committee of Berry.

ROBERTO BUARON has been Chairman and a Director of Berry since it was organized in December 1990. He has also served as Chairman and a Director of Holding since 1990. He is the Chairman and Chief Executive Officer of First Atlantic Capital, Ltd., which he founded in 1989. From 1987 to 1989, he was an

Executive Vice President with Overseas Partners, Inc., an investment management firm. From 1983 to 1986, he was First Vice President of Smith Barney, Inc., and a General Partner of First Century Partnership, its venture capital affiliate. Prior to 1983, he was a Principal at McKinsey & Company. Mr. Buaron is also a director of CFP Holdings, Inc., a processed meat company.

MARTIN R. IMBLER has been President, Chief Executive Officer and a Director of Berry since January 1991. He has also served as a Director of Holding since January 1991, and as President of Holding since May 1996. From June 1987 to December 1990, he was President and Chief Executive Officer of Risdon Corporation, a cosmetic packaging company. Mr. Imbler was employed by American Can Company from 1981 to 1987, as Vice President

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and General Manager of the East/South Region Food and General Line Packaging business from 1985 to 1987 and as Vice President -Marketing, from 1981 to 1985.

IRA G. BOOTS has been Executive Vice President-Operations, and a Director of Berry since April 1992. Prior to that, Mr. Boots was Vice President of Operations, Engineering and Product Development of the Company from December 1990 to April 1992. Mr. Boots was employed by Berry Plastics, Inc. from 1984 to December 1990 as Vice President-Operations.

JAMES M. KRATOCHVIL was promoted to Executive Vice President, Chief Financial Officer, Secretary and Treasurer of Berry in December 1997. He formerly served as Vice President, Chief Financial Officer and Secretary of Berry since 1991, and as Treasurer of Berry since May 1996. He was also promoted to Executive Vice President, Chief Financial Officer and Secretary of Holding in December 1997. He formerly served as Vice President, Chief Financial Officer and Secretary of Holding since 1991. Mr. Kratochvil was employed by Berry Plastics, Inc. from 1985 to 1991 as Controller.

R. BRENT BEELER was promoted to Executive Vice President-Sales and Marketing in February 1996. He formerly served as Vice President, Sales and Marketing of Berry since December 1990. Mr. Beeler was employed by Berry Plastics, Inc. from October 1988 to December 1990 as Vice President, Sales and Marketing.

RANDY HOBSON has been Vice President-Sales and Marketing of Berry since June 1998. Mr. Hobson was Marketing Manager-Containers for Berry from November 1997 to June 1998. Prior to that, he was a Regional Sales Manager from 1992 to November 1997. Mr. Hobson joined Berry Plastics, Inc. in 1988.

RUTH RICHMOND has been Assistant Secretary of Holding and Berry since April 1998. Ms. Richmond has been Vice President-Planning and Administration of Berry since January 1995. From January 1994 to December 1994, Ms. Richmond was Vice President and Plant Manager-Henderson. Ms. Richmond was Plant Manager-Henderson from February 1993 to January 1994 and Assistant General Manager-Henderson from February 1991 to February 1993. Ms. Richmond joined the accounting department of Berry Plastics, Inc. in 1986.

DAVID WEAVER has been Vice President and Plant Manager-Lawrence of Berry since January 1997. From January 1993 to January 1997, he was Vice President and Plant Manager-Iowa Falls. From February 1992 to January 1993, Mr. Weaver was Plant Manager-Iowa Falls and, prior to that, he was Maintenance Engineering Supervisor from July 1990 to February 1992. Mr. Weaver was a Project Engineer from January 1989 to July 1990 for Berry Plastics, Inc.

FREDRICK A. HESEMAN was promoted to Vice President and Plant Manager-Evansville of Berry in December 1997. From October 1996 to December 1997, Mr. Heseman was Plant Manager-Evansville, and prior to that, he was Engineering Manager from December 1990 to October 1996. Mr. Heseman was employed by Berry Plastics, Inc. from June 1987 to December 1990 as Engineering Manager.

BRUCE J. SIMS has been Vice President-Sales and Marketing, Housewares of Berry since January 1997. Prior to the acquisition of PackerWare, Mr. Sims served as President of PackerWare from March 1996 to January 1997 and as Vice President from October 1994 to March 1996. From January 1990 to October 1994 he was Vice President of the Miner Container Corporation, a national injection molder. Mr. Sims was Executive Vice President of MKM Distribution Company from 1985 to 1990.

GEORGE A. WILLBRANDT was promoted to Vice President-Sales and Marketing of Berry in April 1997. He formerly served as Vice President, Sales and Marketing of Berry Sterling since 1995. Prior to that he was President and co-owner of Sterling Products, which he founded in 1983.

LAWRENCE G. GRAEV has been a Director of Berry and Holding since August 1995. Mr. Graev is the Chairman of the law firm of O'Sullivan Graev & Karabell, LLP of New York, where he has been a partner since 1974. Mr. Graev is also a Director of First Atlantic.

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JOSEPH S. LEVY has been Vice President and Assistant Secretary of Berry and Holding since April 1995. Mr. Levy has been a Director of Holding and the Company since April 1998. Mr. Levy has been a Vice President of First Atlantic Capital, Ltd. since December 1994. From 1991 to December 1994, Mr. Levy was an Associate at First Atlantic.

DONALD J. HOFMANN, JR. has been a Director of Holding and Berry since June 1996. Mr. Hofmann has been a General Partner of Chase Capital Partners since 1992. Prior to that, he was head of MH Capital Partners Inc., the equity investment arm of Manufacturers Hanover. Mr. Hofmann is also a director of Advanced Accessory Systems, LLC, a manufacturer of towing and rack systems and related accessories for automobiles.

MATHEW J. LORI has been a Director of Holding and Berry since October 1996. Mr. Lori has been a Principal with Chase Capital Partners since January 1998, and prior to that, Mr. Lori had been an Associate since April 1996. From September 1993 to March 1996, he was an Associate in the Merchant Banking Group of The Chase Manhattan Bank, N.A.

DAVID M. CLARKE has been a Director of Holding and Berry since June 1996. Mr. Clarke is a Managing Director with Aetna, Inc., a private equity investment group and, prior to that, he had been a Vice President in the Investment Group of Aetna Life Insurance Company from 1988 to 1996.

A stockholders agreement contains provisions regarding the election of directors. See "Certain Transactions--Stockholders Agreements."

BOARD COMMITTEES

The Board of Directors of Holding has an Audit Committee and a Stock Option Committee, and the Board of Directors of Berry has an Audit Committee and a Compensation Committee. In each case, the Audit Committees oversee the activities of the independent auditors and internal controls. The Stock Option Committee administers the Holding 1996 Stock Option Plan. The Compensation Committee makes recommendations to the Board of Directors of Berry concerning salaries and incentive compensation for our officers and employees.

EXECUTIVE COMPENSATION

The following table sets forth a summary of the compensation paid by Berry to our Chief Executive Officer and our four other most highly compensated executive officers (collectively, the "Named Executive Officers") for services rendered in all capacities to Berry during fiscal 1998, 1997 and 1996.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	FISCAL YEAR	ANNUAL COMPENSATION		LONG TERM COMPENSATION	OTHER COMPENSATION (1)
		SALARY	BONUS	SECURITIES UNDERLYING OPTIONS (#)	
<S>	<C>	<C>	<C>		<C>
Martin R. Imbler..... President and Chief Executive Officer	1998	\$327,397	\$ 46,697	--	\$1,650
	1997	307,396	87,623	--	1,520
	1996	292,078	128,993	8,472	595,848
Ira G. Boots..... Executive Vice President - Operations	1998	176,631	39,024	--	1,650
	1997	151,691	72,868	--	1,520
	1996	145,735	94,205	5,214	239,335
James M. Kratochvil..... Executive Vice President, Chief Financial Officer, Treasurer and Secretary	1998	142,483	30,413	--	1,650
	1997	119,459	56,307	--	1,520
	1996	112,614	72,796	3,259	120,427
R. Brent Beeler..... Executive Vice President - Sales and Marketing	1998	145,218	32,621	--	1,650
	1997	125,973	60,554	--	1,520
	1996	121,108	72,796	3,259	120,427
George A. Willbrandt..... Vice President - Sales and Marketing	1998	182,823	39,024	--	1,650
	1997	214,788	--	--	11,303
	1996	182,077	100,000	--	201,420

</TABLE>

(1) Amounts shown reflect contributions by us under our 401(k) plan and payments made under a one-time deferred bonus award plan. See "Certain Transactions -- Management." "

The following table provides information on the number of exercisable and unexercisable management stock options held by the Named Executive Officers at January 2, 1999.

<TABLE>
<CAPTION>

NAME	NUMBER OF UNEXERCISED OPTIONS AT FISCAL YEAR-END EXERCISABLE/UNEXERCISABLE (#)	VALUE OF UNEXERCISED IN-THE- MONEY OPTIONS AT FISCAL YEAR-END EXERCISABLE/UNEXERCISABLE (2)
<S>	<C>	<C>
Martin R. Imbler.....	5,083/3,389	\$355,810/237,230
Ira G. Boots.....	3,128/2,086	218,960/146,020
James M. Kratochvil.....	1,955/1,304	136,850/91,280
R. Brent Beeler.....	1,955/1,304	136,850/91,280
George A. Willbrandt.....	780/520	54,600/36,400

</TABLE>

(1) None of Holding's capital stock is currently publicly traded. The values reflect management's estimate of the fair market value of the Class B Nonvoting Common Stock of Holding at January 2, 1999.

(2) All options granted to management of Berry Plastics are exercisable for shares of Class B Nonvoting Common Stock, par value \$.01 per share, of Holding.

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DIRECTOR COMPENSATION

Directors receive no cash consideration for serving on the Board of Directors of Holding or Berry, but directors are reimbursed for out-of-pocket expenses incurred in connection with their duties as directors.

EMPLOYMENT AGREEMENTS

We have an employment agreement with Mr. Imbler that expires on June 30, 2001. Base compensation under the agreement for fiscal 1998 was \$327,397. The agreement also provides for an annual performance bonus of \$50,000 to \$175,000 based upon Berry's attainment of certain financial targets. We may terminate Mr. Imbler's employment for "cause" or upon a "disability" (as such terms are defined in the agreement). If we terminate Mr. Imbler "without cause" (as defined in the agreement) Mr. Imbler is entitled to receive, among other things, the greater of one year's salary or 1/12 of one year's salary for each year (not to exceed 24 years in the aggregate) of employment with Berry. The agreement also contains customary noncompetition, nondisclosure and nonsolicitation provisions.

We also have employment agreements with each of Messrs. Boots, Kratochvil, Beeler and Willbrandt each of which expires on June 30, 2001. The agreements provided for fiscal 1998 base compensation of \$176,631 for Mr. Boots, \$142,483 for Mr. Kratochvil, \$145,218 for Mr. Beeler and \$182,823 for Mr. Willbrandt. Salaries are subject in each case to annual adjustment at the discretion of the Compensation Committee of our Board of Directors. The agreements entitle each executive to participate in all other incentive compensation plans established for executive officers of Berry. We may terminate each agreement for "cause" or a "disability" (as such terms are defined in the agreements). If we terminate an executive's employment without "cause" (as defined in the agreements), the agreements require that we pay certain amounts to the terminated executive, including (1) the greater of (A) one year's salary or (B) 1/12 of one year's salary for each year (not to exceed 24 years in the aggregate) of employment with Berry (other than Mr. Willbrandt, who would receive one year's salary), and (2) certain benefits under applicable incentive compensation plans. Each agreement also includes customary noncompetition, nondisclosure and nonsolicitation provisions.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

We established the Compensation Committee comprised of Messrs. Buaron, Imbler and Hofmann, in October 1996. The annual salary and bonus paid to Messrs. Imbler, Boots, Kratochvil, Beeler and Willbrandt for fiscal 1998 were determined by the Compensation Committee in accordance with their respective employment agreements. All other compensation decisions with respect to officers of Berry are made by Mr. Imbler pursuant to policies established in consultation with the Compensation Committee.

We are party to an Amended and Restated Management Agreement with First Atlantic Capital, Ltd. pursuant to which First Atlantic Capital provides us with financial advisory and management consulting services in exchange for an annual fee of \$750,000 and reimbursement for out-of-pocket costs and expenses. In consideration of such services, we paid First Atlantic Capital fees and expenses of \$835,000 for fiscal 1998, \$771,200 for fiscal 1997, and \$787,600 for fiscal 1996. In connection with the recapitalization of Holding in 1996, the Management Agreement was amended to provide for a fee for services rendered in connection with certain transactions equal to the lesser of (1) 1% of the total transaction value and (2) \$1,250,000 for any such transaction consummated plus out-of-pocket expenses in respect of such transaction, whether or not consummated. Also in connection with the recapitalization of Holding in 1996, Holding paid a fee of \$1,250,000 plus reimbursement for out-of-pocket expenses to First Atlantic Capital for advisory services, including originating, structuring and negotiating the transaction. In January 1997, First Atlantic Capital received

advisory fees of about \$287,500 for originating, structuring and negotiating the acquisition of PackerWare and about \$28,700 for providing similar services in connection with the acquisition of Container Industries. In May 1997, First Atlantic Capital received advisory fees of about \$117,900 for originating, structuring and negotiating the acquisition of Virginia Design. In August 1997, First Atlantic Capital received advisory fees of about \$531,600 for providing services in the acquisition of Venture Packaging. First Atlantic Capital received advisory fees of about \$140,000 in July 1998 for originating, structuring and negotiating the acquisition of Norwich. In October 1998, First Atlantic Capital received advisory fees of about \$180,000 for providing services in the acquisition of Knight Plastics. Upon completion of the Cardinal acquisition, First Atlantic received advisory fees of about \$695,000 for services provided with respect to the acquisition. See "Certain Transactions."

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Mr. Buaron, the Chairman and a director of Holding and Berry, is the Chairman and Chief Executive Officer of First Atlantic Capital. Mr. Graev is a director of First Atlantic Capital. As an officer and the sole stockholder of First Atlantic Capital, Mr. Buaron is entitled to receive any bonuses paid and any dividends declared by First Atlantic Capital on its capital stock, including any bonuses paid as a result of, and any dividends paid out of, the \$1,250,000 fee paid by Holding to First Atlantic Capital in connection with the recapitalization of Holding or any of the fees paid with respect to the acquisitions described above. First Atlantic Capital is engaged by Atlantic Equity Partners International II to provide certain financial and management consulting services for which it receives annual fees. First Atlantic Capital and Atlantic Equity Partners International II have completely distinct ownership and equity structures. See "Certain Transactions."

Atlantic Equity Partners, L.P., a stockholder of Holding prior to the consummation of the recapitalization of Holding in 1996, received about \$67.6 million from the sale of its common stock in Holding and warrants to purchase common stock. First Atlantic is engaged by Atlantic Equity Partners to provide certain financial and management consulting services for which it receives annual fees. First Atlantic and Atlantic Equity Partners have completely distinct ownership and equity structures. Atlantic Equity Associates, L.P., a Delaware limited partnership, is the sole general partner of Atlantic Equity Partners. Mr. Buaron is the sole shareholder of Buaron Capital Corporation. Buaron Capital is the managing and sole general partner of Atlantic Equity Associates. By virtue of their direct and indirect ownership interests in Atlantic Equity Partners, Mr. Levy is entitled to receive \$178,000 and Buaron Capital is entitled to receive \$4,672,000 from the proceeds from the sale of equity interests in Holding. See "Certain Transactions."

In connection with the recapitalization of Holding in 1996, Mr. Imbler, a director of Berry and Holding, received about \$5.9 million, Douglas E. Bell, a former director of Berry, received about \$2.5 million, Mr. Boots, a director of Berry, received about \$2.4 million, and Messrs. Beeler and Kratochvil, officers of Berry, each received about \$1.3 million from their sale of certain equity interests in Holding. In connection with the offering in April 1994 of the 1994 Notes (the "1994 Transaction"), we paid a \$50.0 million dividend on our common stock to Holding, and Holding distributed that amount to its holders of equity interests. In connection therewith, Holding agreed to pay cash bonuses, upon the occurrence of certain events, to the members of management who held options under Holding's 1991 Stock Option Plan in amounts equal to the amounts they would have been entitled to had the shares of common stock underlying their unvested options been outstanding at the time of the declaration of the \$50.0 million dividend by Holding. As a result of the recapitalization of Holding, such bonuses were paid to Messrs. Imbler, Bell, and Boots. Mr. Imbler received a bonus in the amount of \$594,000. Messrs. Bell and Boots each received bonuses of \$238,000. See "Certain Transactions."

In connection with the recapitalization of Holding in 1996, Chase Securities Inc., an affiliate of Chase Venture Capital Associates and Messrs. Hofmann and Lori, received a fee of \$500,000 for arranging the sale of \$15.0 million of Holding's Common Stock to Atlantic Equity Partners International II, Chase Venture Capital Associates and certain other equity investors (collectively, the "Common Stock Purchasers") and the sale of \$15.0 million of Holding's Preferred Stock to Chase Venture Capital Associates. Chase Manhattan Investment Holdings, Inc., an affiliate of Chase Securities and Messrs. Hofmann and Lori, received about \$13.6 million from the sale of equity interests of Holding in the 1996 Transaction.

STOCK OPTION PLAN

Employees, directors and certain independent consultants of Berry and its subsidiaries are entitled to participate in the Holding 1996 Stock Option Plan. This Stock Option Plan provides for the grant of both "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, and stock options that are non-qualified under the Code. The total number of shares of Class B Nonvoting Common Stock of Holding for which options may be granted pursuant to the Stock Option Plan is 51,620. The Stock Option Plan will terminate on October 3, 2003 or such earlier date on which the Board

of Directors of Holding, in its sole discretion, determines. The Stock Option Committee of the Board of Directors of Holding administers all aspects of the Stock Option Plan. The Stock Option Committee selects which of Berry' directors, employees and independent consultants will receive options, the time when options are granted, whether the options are incentive stock options or non-qualified stock options, the manner and timing for vesting of such options, the terms of such options, the exercise date of any options and the number of shares subject to such options. Directors who are also employees are eligible to receive options under the Stock Option Plan.

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The exercise price of incentive stock options granted by Holding under the Stock Option Plan may not be less than 100% of the fair market value of the Class B Nonvoting Common Stock at the time of grant and the term of any option may not exceed seven years. With respect to any employee who owns stock representing more than 10% of the voting power of the outstanding capital stock of Holding, the exercise price of any incentive stock option may not be less than 110% of the fair market value of such shares at the time of grant and the term of such option may not exceed five years. The exercise price of a non-qualified stock option is determined by the Stock Option Committee on the date the option is granted. However, the exercise price of a non-qualified stock option may not be less than 100% of the fair market value of Class B Nonvoting Common Stock if the option is granted at any time after the initial public offering of such stock.

Options granted under the Stock Option Plan are nontransferable except by will and the laws of descent and distribution. Options granted under the Stock Option Plan typically expire after seven years and vest over a five-year period based on timing as well as achieving financial performance targets.

Under the Stock Option Plan, as of July 3, 1999, there were outstanding options to purchase an aggregate of 50,354 shares of Class B Nonvoting Common Stock to 67 employees of Berry, at an exercise price between \$100 and \$122 per share. Of that amount, options to purchase an aggregate of 21,504 shares have been issued to the Named Executive Officers in October 1996, at an exercise price of \$100 per share, including 8,472 to Mr. Imbler, 5,214 to each of Messrs. Bell and Boots, 3,259 to each of Messrs. Beeler and Kratochvil, and 1,300 to Mr. Willbrandt.

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PRINCIPAL STOCKHOLDERS

All of our outstanding capital stock is owned by Holding. The following table sets forth certain information regarding the ownership of the capital stock of Holding with respect to the following:

- o each person known by Holding to own beneficially more than 5% of the outstanding shares of any class of its voting capital stock;
- o each of Holding's directors;
- o the Named Executive Officers; and
- o all directors and officers as a group.

Except as otherwise indicated, each of the stockholders has sole voting and investment power with respect to the shares beneficially owned. Unless otherwise indicated, the address for each stockholder is c/o Berry Plastics Corporation, 101 Oakley Street, Evansville, Indiana 47710.

<TABLE>
<CAPTION>

NAME AND ADDRESS OF BENEFICIAL OWNER	SHARES OF VOTING COMMON STOCK (1)		PERCENTAGE OF VOTING COMMON STOCK	SHARES OF NONVOTING COMMON STOCK (1)			PERCENTAGE OF ALL CLASSES OF COMMON STOCK (FULLY- DILUTED)
	CLASS A	CLASS B		CLASS A	CLASS B	CLASS C	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Atlantic Equity Partners International II, L.P. (2)	--	128,142	54.4%	--	3,385	11,470	22.3%
Chase Venture Capital Associates, L.P. (3)	52,000	5,623 (4)	23.9	148,000	17,837	--	34.8
BPC Equity, LLC (5)	31,200	--	13.2	88,800	--	--	18.7
Roberto Buaron (6)	--	128,142	54.4	--	3,385	11,470	22.3
Martin R. Imbler	--	3,629	1.5	--	15,390 (7)	664	3.1
Joseph S. Levy (8)	--	42	*	--	118	14	*
Lawrence G. Graev (9)	--	--	--	--	--	--	--
Donald J. Hofmann, Jr. (10)	52,000	5,623 (4)	23.9	148,000	17,837	--	34.8
Mathew J. Lori (11)	52,000	5,623 (4)	23.8	148,000	17,837	--	34.8
David M. Clarke (12)	31,200	--	13.2	88,800	--	--	18.7

Ira G. Boots	--	1,718	*	--	5,446 (13)	--	1.1
James M. Kratochvil	--	1,196	*	--	5,359 (14)	391	1.1
R. Brent Beeler	--	1,196	*	--	5,359 (15)	391	1.1
George A. Willbrandt	--	520	*	--	2,260 (16)	170	*
All officers and directors as a group. (16 persons) .	83,200	143,644	96.3	236,800	63,330	13,616	84.1

</TABLE>

* Less than one percent.

- (1) Included in the amounts of common stock presented in this chart are warrants to purchase shares of common stock of Holding. The authorized capital stock of Holding consists of 3,500,000 shares of capital stock, including 2,500,000 shares of common stock, \$.01 par value, and 1,000,000 shares of Preferred Stock, \$.01 par value. Of the 2,500,000 shares of common stock of Holding, 500,000 shares are designated Class A Voting Common Stock, 500,000 shares are designated Class A Nonvoting Common Stock, 500,000 shares are designated Class B Voting Common Stock, 500,000 shares are designated Class B Nonvoting Common Stock, and 500,000 shares are designated Class C Nonvoting Common Stock. Of the 1,000,000 shares of preferred stock of Holding, 800,000 shares are designated Series A Senior Cumulative Exchangeable Preferred Stock, and 200,000 shares are designated Series B Cumulative Preferred Stock.
- (2) Address is P. O. Box 847, One Capital Place, Fourth Floor, Grand Cayman, Cayman Islands, British West Indies. Atlantic Equity Associates International II, L.P., a Delaware limited partnership, is the sole general partner of Atlantic Equity Partners International II and as such exercises voting and/or investment power over shares of capital stock owned by Atlantic Equity Partners International II, including the shares of common stock of Holding held by Atlantic Equity Partners International II. Mr. Buaron is the sole shareholder of Buaron Holdings Ltd. Buaron Holdings is the

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- sole general partner of Atlantic Equity Associates International II. As the general partner of Atlantic Equity Associates International II, Buaron Holdings may be deemed to beneficially own the shares of common stock of Holding held by Atlantic Equity Partners International II. Buaron Holdings disclaims any beneficial ownership of any shares of capital stock owned by Atlantic Equity Partners International II, including the shares of common stock of Holding held by Atlantic Equity Partners International II. Through his affiliation with Buaron Holdings and Atlantic Equity Associates International II, Mr. Buaron controls the sole general partner of Atlantic Equity Partners International II and therefore has the authority to control voting and/or investment power over, and may be deemed to beneficially own, the shares of common stock of Holding owned by Atlantic Equity Partners International II. Mr. Buaron disclaims any beneficial ownership of any of these shares.
- (3) Address is 380 Madison Avenue, 12th Floor, New York, New York 10017.
- (4) Represents warrants to purchase such shares of common stock held by Chase Venture Capital Associates that are currently exercisable.
- (5) Address is c/o Aetna Life Insurance Company, Private Equity Group, IG6U, 151 Farmington Avenue, Hartford, Connecticut 06156. Aetna Life Insurance Company exercises voting and/or investment power over shares of capital stock owned by BPC Equity, LLC, including shares of common stock of Holding held by BPC Equity.
- (6) Address is c/o First Atlantic Capital, Ltd., 135 East 57th Street, New York, New York 10022. Represents shares of common stock of Holding owned by Atlantic Equity Partners International II. Mr. Buaron is the sole shareholder of Buaron Holdings. Buaron Holdings is the sole general partner of Atlantic Equity Associates International II. Atlantic Equity Associates International II is the sole general partner of Atlantic Equity Partners International II and as such, exercises voting and/or investment power over shares of capital stock owned by Atlantic Equity Partners International II, including the shares of common stock of Holding held by Atlantic Equity Partners International II. Mr. Buaron, as the sole shareholder and Chief Executive Officer of Buaron Holdings, controls the sole general partner of Atlantic Equity Partners International II and therefore has voting and/or investment power over, and may be deemed to beneficially own, the shares of common stock of Holding held by Atlantic Equity Partners International II. Mr. Buaron disclaims any beneficial ownership of the such shares.
- (7) Includes 5,083 options granted to Mr. Imbler, which are presently exercisable.
- (8) Address is c/o First Atlantic Capital, Ltd., 135 East 57th Street, New York, New York 10022.
- (9) Address is c/o O'Sullivan Graev & Karabell, LLP, 30 Rockefeller Plaza, New York, New York 10112.
- (10) Address is c/o Chase Capital Partners, 380 Madison Avenue, 12th Floor, New York, New York 10017. Represents shares owned by Chase Venture Capital Associates. Mr. Hofmann is a General Partner of Chase Capital Partners, which is the private equity investment arm of Chase Manhattan

- Corporation, which is an affiliate of Chase Venture Capital Associates. Mr. Hofmann disclaims any beneficial ownership of the shares of common stock of Holding held by Chase Venture Capital Associates.
- (11) Address is c/o Chase Capital Partners, 380 Madison Avenue, 12th Floor, New York, New York 10017. Represents shares owned by Chase Venture Capital Associates. Mr. Lori is a Principal of Chase Capital Partners, which is the private equity investment arm of Chase Manhattan Corporation, which is an affiliate of Chase Venture Capital Associates. Mr. Lori disclaims any beneficial ownership of the shares of common stock of Holding held by Chase Venture Capital Associates.
- (12) Address is c/o Aetna Life Insurance Company, Private Equity Group, IG6U, 151 Farmington Avenue, Hartford, Connecticut 06156. Represents shares owned by BPC Equity. Mr. Clarke is a Managing Director of Aetna, Inc., an affiliate of Aetna Life Insurance Company, which is a member of BPC Equity. Mr. Clarke disclaims any beneficial ownership of the shares of common stock of Holding held by BPC Equity.
- (13) Includes 3,128 options granted to Mr. Boots, which are currently exercisable.
- (14) Includes 1,955 options granted to Mr. Kratochvil, which are currently exercisable.
- (15) Includes 1,955 options granted to Mr. Beeler, which are currently exercisable.
- (16) Includes 780 options granted to Mr. Willbrandt, which are currently exercisable.

CERTAIN TRANSACTIONS

FIRST ATLANTIC

Pursuant to the Management Agreement between us and First Atlantic Capital, First Atlantic Capital provides us with financial advisory and management consulting services in exchange for an annual fee of \$750,000 and reimbursement for out-of-pocket costs and expenses. We paid First Atlantic fees and expenses of about \$835,000 for fiscal 1998, \$771,200 for fiscal 1997 and \$787,600 for fiscal 1996 for these services. The management agreement also provides for a fee for services rendered in connection with certain transactions equal to the lesser of 1% of the total transaction value and \$1,250,000 for any such transaction consummated plus out-of-pocket expenses, whether or not consummated. In connection with the recapitalization of Holding in 1996, Holding paid a fee of about \$1,250,000 plus reimbursement for out-of-pocket expenses to First Atlantic Capital for advisory services. These services included originating, structuring and negotiating the recapitalization of Holding. First Atlantic Capital received advisory fees of about \$287,500 for originating, structuring and negotiating the acquisition of PackerWare and about \$28,700 for providing similar services in connection with the acquisition of Container Industries. In May 1997, First Atlantic Capital received advisory fees of about \$117,900 for originating, structuring and negotiating the acquisition of Virginia Design. In August 1997, First Atlantic Capital received advisory fees of about \$531,600 for providing services with respect to the acquisition of Venture. First Atlantic Capital received advisory fees of about \$140,000 in July 1998 for originating, structuring and negotiating the acquisition of Norwich, and in October 1998 First Atlantic Capital received advisory fees of about \$180,000 for providing services with respect to the acquisition of Knight. First Atlantic received advisory fees of about \$695,000 for services provided with respect to the Cardinal acquisition.

Mr. Buaron, the Chairman and a director of Holding and Berry, is the Chairman and Chief Executive Officer of First Atlantic Capital. As an officer and the sole stockholder of First Atlantic Capital, Mr. Buaron is entitled to receive any bonuses paid and any dividends declared by First Atlantic Capital on its capital stock, including any bonuses paid as a result of, and any dividends paid out of, the \$1,250,000 fee paid by Holding to First Atlantic Capital in connection with the recapitalization of Holding in 1996 or any of the fees paid with respect to the acquisitions described above. Mr. Graev is also a director of First Atlantic Capital, and Mr. Levy is an officer of First Atlantic Capital. First Atlantic Capital is engaged by Atlantic Equity Partners International II to provide certain financial and management consulting services for which it receives annual fees. First Atlantic Capital and Atlantic Equity Partners International II have completely distinct ownership and equity structures.

Atlantic Equity Partners, L.P., a stockholder of Holding prior to the consummation of the recapitalization of Holding in 1996, received about \$67.6 million from the sale of its common stock in Holding and warrants to purchase common stock. First Atlantic is engaged by Atlantic Equity Partners to provide certain financial and management consulting services for which it receives annual fees. First Atlantic and Atlantic Equity Partners have completely distinct ownership and equity structures. Atlantic Equity Associates, L.P., is the sole general partner of Atlantic Equity Partners. Mr. Buaron is the sole shareholder of Buaron Capital, and Buaron Capital is the managing and sole general partner of Atlantic Equity Associates. By virtue of their direct and indirect ownership interests in Atlantic Equity Partners, Mr. Levy is entitled to receive \$178,000 and Buaron Capital is entitled to receive \$4,672,000 from the proceeds from the sale of equity interests in Holding.

On June 18, 1996, our parent, Holding, consummated the transaction described below. BPC Mergerco, Inc. was organized by Atlantic Equity Partners International II, Chase Venture Capital Associates, L.P., and other institutional investors to acquire a majority of the outstanding capital stock of Holding. Pursuant to a Stock Purchase and Recapitalization Agreement dated as of June 12, 1996, certain of the Common Stock Purchasers purchased shares of common stock of BPC Mergerco. In addition, pursuant to a Preferred Stock and Warrant Purchase Agreement dated as of June 12, 1996, Chase Venture Capital Associates and the Northwestern Mutual Life Insurance Company (the "Preferred Stock Purchasers") purchased shares of preferred stock of BPC Mergerco and warrants (the "1996 Warrants") to purchase shares of common stock of BPC Mergerco. Immediately after the purchase of the common stock, the preferred stock and the 1996 Warrants of BPC Mergerco, BPC Mergerco merged with and into Holding, with Holding being the surviving corporation. Upon the consummation of this merger, (1) each share of Class A Common Stock, \$.00005 par value, and Class B Common Stock, \$.00005 par value, of Holding and certain previously held warrants exercisable for such Class A and Class B Common Stock were

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converted into the right to receive cash equal to the purchase price per share for the common stock into which such warrants were exercisable less the amount of the nominal exercise price therefor, (2) all other classes of common stock of Holding, a majority of which was held by members of management, were converted into shares of common stock of the surviving corporation (constituting about 19% of the post-merger common stock of the surviving corporation) and (3) each share of common stock, each share of preferred stock and each 1996 Warrant to purchase one share of common stock of Mergerco were converted into one share of common stock, one share of preferred stock and one warrant to purchase one share of common stock of the surviving corporation, respectively. In addition, upon the consummation of the merger, the holders of the warrants (the "1994 Warrants") to purchase capital stock of Holding that were issued in connection with the offering of the 1994 Notes became entitled to receive cash equal to the purchase price per share for the common stock into which such warrants were exercisable less the amount of the exercise price therefor.

The aggregate consideration paid to the sellers of the equity interests in Holding, including the holders of the 1994 Warrants, was about \$119.6 million in cash. The shares of Class A Common Stock and Class B Common Stock that were cashed out in the Merger were valued based on arms' length negotiations with the new investors. In order to finance the recapitalization of Holding, including the payment of related fees and expenses: (1) Holding issued the 1996 Notes for net proceeds of about \$100.2 million (or \$64.6 million after deducting the amount of such net proceeds used to purchase marketable securities available for payment of interest on the 1996 Notes); (2) the Common Stock Purchasers, the Preferred Stock Purchasers and certain members of management made equity and rollover investments in the aggregate amount of \$70.0 million (which amount included rollover investments of about \$7.1 million by certain members of management and \$3.0 million by an existing institutional shareholder); and (3) Holding received an aggregate of about \$0.9 million in connection with the exercise of management stock options to purchase common stock of Holding.

In connection with the recapitalization of Holding, Atlantic Equity Partners International II, Chase Venture Capital Associates, certain other institutional investors and certain members of management entered into a Stockholders Agreement pursuant to which certain stockholders, among other things, (1) were granted certain registration rights and (2) under certain circumstances, have the right to force a sale of Holding.

MANAGEMENT

In connection with the recapitalization of Holding in 1996, Mr. Imbler received about \$5.9 million, Mr. Bell received about \$2.5 million, Mr. Boots received about \$2.4 million, and Messrs. Kratochvil and Beeler each received about \$1.3 million from their sale of certain equity interests in Holding. In connection with the 1994 Transaction, we paid a \$50.0 million dividend on our common stock to Holding, and Holding distributed that amount to its holders of equity interests. In connection therewith, Holding agreed to pay cash bonuses, upon the occurrence of certain events, to the members of management who held options under Holding's 1991 Stock Option Plan in amounts equal to the amounts they would have been entitled to had the shares of common stock underlying their unvested options been outstanding at the time of the declaration of the \$50.0 million dividend by Holding. As a result of the recapitalization of Holding in 1996, bonuses were paid to Mr. Imbler in the amount of about \$594,000, to Mr. Bell in the amount of about \$238,000, to Mr. Boots in the amount of about \$238,000, to Mr. Kratochvil in the amount of about \$119,000 and to Mr. Beeler in the amount of about \$119,000.

STOCKHOLDERS AGREEMENTS

In connection with the recapitalization of Holding, Holding entered into a Stockholders Agreement dated as of June 18, 1996 (the "Stockholders Agreement")

with the Common Stock Purchasers, certain Management Stockholders (as defined herein) and, for limited purposes thereunder, the Preferred Stock Purchasers. The Stockholders Agreement grants the Common Stock Purchasers rights and obligations, including the following: (1) until the occurrence of events specified in the New Stockholders Agreement, to designate the members of a seven person Board of Directors as follows: (A) one director will be Roberto Buaron or his designee; (B) Atlantic Equity Partners International II will have the right to designate three directors (who are currently Messrs. Graev, Imbler and Levy); (C) Chase Venture Capital Associates will have the right to designate two directors (who are currently Messrs. Hofmann and Lori); and (D) the institutional holders (excluding Atlantic Equity Partners International II and Chase Venture Capital Associates) will have the right to designate one director (who is currently Mr. Clarke); (2) in the case of certain Common Stock Purchasers, to subscribe for a proportional share of future

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equity issuances by Holding; (3) under certain circumstances and in the case of Atlantic Equity Partners International II or Chase Venture Capital Associates, to cause the initial public offering of equity securities of Holding or a sale of Holding subsequent to the fifth anniversary of the closing of the recapitalization of Holding and (4) under certain circumstances and in the case of a majority in interest of the institutional holders, to cause the initial public offering of equity securities of Holding or a sale of Holding subsequent to the sixth anniversary of the closing of the recapitalization of Holding. Provisions under the Stockholders Agreement also (1) prohibits Holding from taking certain actions without the consent of holders of a majority of voting stock held by Chase Venture Capital Associates and the institutional holders other than Atlantic Equity Partners International II (or, following the occurrence of certain events, the consent of Atlantic Equity Partners International II), including certain transactions between Holding and any subsidiary, on the one hand, and First Atlantic Capital or any of its affiliates, on the other hand; (2) obligates Holding to provide certain Common Stock Purchasers with financial and other information regarding Holding and to provide access and inspection rights to all Common Stock Purchasers; and (3) restricts transfers of equity by the Common Stock Purchasers, subject to certain exceptions (including transfers of up to 10% of the equity (including warrants to purchase equity) held by each Common Stock Purchaser on the date of the Stockholders Agreement). Pursuant to the Stockholders Agreement, under certain circumstances the Preferred Stock Purchasers (and their transferees) have tag-along rights with respect to the 1996 Warrants and the common stock of Holding issuable upon exercise of the 1996 Warrants. Under specified circumstances and subject to certain exceptions, the Preferred Stock Purchasers (and their transferees) are entitled to include a pro rata share of their preferred stock in a transaction (or series of related transactions) involving the transfer by Atlantic Equity Partners International II, Chase Venture Capital Associates and the specified institutional holders of more than 50% of the aggregate amount of securities held by them immediately following the closing of the 1996 Transaction.

The Stockholders Agreement grants specified registration rights to the Common Stock Purchasers. Atlantic Equity Partners International II and Chase Venture Capital Associates each have the right, on three occasions, to demand registration, at Holding's expense, of their shares of common stock of Holding. Under certain circumstances, a majority in interest of the institutional holders (excluding Atlantic Equity Partners International II and Chase Venture Capital Associates) have the right, on one occasion, to demand registration, at Holding's expense, of their shares of common stock of Holding. The Stockholders Agreement provides that if Holding proposes to register any of its securities, either for its own account or for the account of other stockholders, Holding will be required to notify all Common Stock Purchasers and to include in such registration the shares of common stock of Holding requested to be included by them. All shares of common stock of Holding owned by the Common Stock Purchasers requested to be included in a registration will be subject to cutbacks under specified circumstances in connection with an underwritten public offering.

The provisions of the Stockholders Agreement regarding voting rights, negative covenants, information/inspection rights, the right to force a sale of Holding, preemptive rights and transfer restrictions generally will expire on the earlier to occur of:

- o the fifth anniversary of the closing of the recapitalization of Holding in 1996, if an underwritten public offering of equity securities of Holding resulting in gross proceeds of at least \$20.0 million occurs prior to such fifth anniversary;
- o the occurrence of such underwritten public offering that occurs subsequent to such fifth anniversary of the closing of the recapitalization of Holding in 1996;
- o the twentieth anniversary of the closing of the recapitalization of Holding in 1996; and
- o a sale of Holding.

In addition, the Stockholders Agreement provides that certain rights of a Common Stock Purchaser (to the extent such rights apply to such Common Stock Purchaser) to designate members of the Board of Directors of Holding and/or to approve certain actions by Holding will terminate under specific circumstances.

Holding is also party to the Amended and Restated Stockholders Agreement dated June 18, 1996 (the "Management Stockholders Agreement"), with Atlantic Equity Partners International II and all management

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shareholders including, among others, Messrs. Imbler, Boots, Kratochvil, Beeler, and Willbrandt (collectively, the "Management Stockholders"). The Management Stockholders Agreement contains provisions that:

- o limit transfers of equity by the Management Stockholders;
- o require the Management Stockholders to sell their shares as designated by Holding or Atlantic Equity Partners II upon the consummation of certain transactions;
- o grant the Management Stockholders certain rights of co-sale in connection with sales by Atlantic Equity Partners International II;
- o grant Holding rights to repurchase capital stock from the Management Stockholders upon the occurrence of certain events; and
- o require the Management Stockholders to offer shares to Holding prior to any permitted transfer.

CHASE SECURITIES INC.

In connection with the recapitalization of Holding in 1996, Chase Securities, an affiliate of Chase Venture Capital Associates and Messrs. Hofmann and Lori, who are members of the Board of Directors of Holding and Berry, received a fee of \$500,000 for arranging the sale of \$15.0 million of Holding's Common Stock to certain of the Common Stock Purchasers and the sale of \$15.0 million of Holding Preferred Stock to Chase Venture Capital Associates. Chase Manhattan Investment Holdings, Inc., an affiliate of Chase Securities and Messrs. Hofmann and Lori, received about \$13.6 million from the sale of equity interests of Holding in the recapitalization of Holding.

LEGAL SERVICES

Mr. Graev is the Chairman of the law firm of O'Sullivan Graev & Karabell, LLP, New York, New York. O'Sullivan Graev & Karabell, LLP provides legal services to us and to Holding in connection with certain matters, principally relating to transactional, securities law, general corporate and litigation matters.

TRANSACTIONS WITH AFFILIATES

The indentures governing the 1994 Notes, the 1996 Notes, the 1999 Notes, the Notes, the Stockholders Agreement, and our credit facility restrict our and our affiliates' ability to enter into transactions with affiliates, including officers, directors and principal stockholders.

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DESCRIPTION OF CERTAIN INDEBTEDNESS

HOLDING 1996 NOTES

On June 18, 1996, Holding, as part of a recapitalization, issued 12.50% Senior Secured Notes due 2006 (the "1996 Offering") for net proceeds, after expenses, of approximately \$100.2 million (or \$64.6 million after deducting the amount of such net proceeds used to purchase marketable securities available for payment of interest on the notes). These notes were exchanged in October 1996 for the 12.50% Series B Senior Secured Notes due 2006. Interest on the 1996 Notes is payable semi-annually on June 15 and December 15 of each year. In addition, from December 15, 1999 until June 15, 2001, Holding may, at its option, pay interest, at an increased rate of 0.75% per annum, in additional 1996 Notes valued at 100% of the principal amount thereof.

In connection with the 1996 Notes, \$35.6 million was placed in escrow, which has been invested in U.S. government securities, to pay three years' interest on the notes. Pending disbursement, the trustee under the 1996 Indenture will have a first priority lien on the escrow account for the benefit of the holders of the 1996 Notes. Funds may be disbursed from the escrow account only to pay interest on the 1996 Notes and, upon certain repurchases or redemptions of the 1996 Notes, to pay principal of and premium, if any, thereon. The balance in the escrow account as of December 27, 1997 was \$18.9 million.

The 1996 Notes rank senior in right of payment to all existing and future subordinated indebtedness of Holding, including Holding's subordinated guarantee of the 1994 Notes and the Notes and PARI PASSU in right of payment with all Senior Indebtedness of Holding. The 1996 Notes are effectively subordinated to all existing and future Senior Indebtedness of Berry, including borrowings under the Credit Facility, the Nevada Bonds and the South Carolina Bonds.

BERRY 1994 NOTES

On April 21, 1994, Berry completed an offering of 100,000 units consisting of \$100.0 million aggregate principal amount of 12.25% Berry Plastics Corporation Senior Subordinated Notes due 2004 and 100,000 warrants to purchase 1.13237 shares of Class A Common Stock, \$.00005 par value, of Holding. The 1994 Notes mature on April 15, 2004 and interest is payable semi-annually on October 15 and April 15 of each year and commenced on October 15, 1994. The 1994 Notes are unconditionally guaranteed on a senior subordinated basis by the Guarantors. The net proceeds to Berry from the sale of the 1994 Notes, after expenses, were \$93.0 million.

Berry is not required to make mandatory redemption or sinking fund payments with respect to the 1994 Notes. Subsequent to April 15, 1999, the 1994 Notes may be redeemed at the option of Berry, in whole or in part, at redemption prices ranging from 106.125% in 1999 to 100% in 2002 and thereafter. Upon a change in control, as defined in the 1994 Indenture, each holder of 1994 Notes will have the right to require Berry to repurchase all or any part of such holder's notes at a repurchase price in cash equal to 101% of the aggregate principal amount thereof plus accrued interest.

The 1994 Notes rank PARI PASSU with the 1999 Notes and the Notes and PARI PASSU with or senior in right of payment to all existing and future subordinated indebtedness of Berry. The 1994 Notes rank junior in right of payment to all existing and future Senior Indebtedness of Berry, including borrowings under the Credit Facility, and the Nevada Bonds.

The 1994 Indenture contains certain covenants which, among other things, limit Berry and its subsidiaries' ability to incur debt, merge or consolidate, sell, lease or transfer assets, make dividend payments and engage in transactions with affiliates.

BERRY 1999 NOTES

On July 6, 1999, Berry completed an offering of \$75.0 million aggregate principal amount of 11% Berry Plastics Corporation Senior Subordinated Notes due 2007. The 1999 Notes mature on July 15, 2007 and interest is payable semi-annually on January 15 and July 15 of each year, commencing on January 15, 2000. The 1999 Notes are unconditionally guaranteed on a senior subordinated basis by the Guarantors. Berry is not required to make

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mandatory redemption or sinking fund payments with respect to the 1999 Notes. Subsequent to July 15, 2003, the 1999 Notes may be redeemed at the option of Berry, in whole or in part, at redemption prices ranging from 105.5% in 2003 to 100% in 2006 and thereafter. Upon a change in control, as defined in the 1999 Indenture, each holder of 1999 Notes will have the right to require Berry to repurchase all or any part of such holder's notes at a repurchase price in cash equal to 101% of the aggregate principal amount thereof plus accrued interest. The 1999 Notes rank PARI PASSU with the 1994 Notes and the Notes and PARI PASSU with or senior in right of payment to all existing and future subordinated indebtedness of Berry. The 1999 Notes rank junior in right of payment to all existing and future Senior Indebtedness of Berry, including borrowings under the Credit Facility, and the Nevada Bonds.

The 1999 Indenture contains certain covenants which, among other things, limit Berry and its subsidiaries' ability to incur debt, merge or consolidate, sell, lease or transfer assets, make dividend payments and engage in transaction with affiliates.

THE CREDIT FACILITY

We are party to a financing and security agreement (the "Security Agreement") providing for up to \$142.9 million of borrowings (the "Credit Facility") including:

- o a \$70.0 million revolving line of credit, subject to a borrowing base formula. At July 3, 1999, on a pro forma basis giving effect to the acquisition of Cardinal and a \$20.0 million concurrent increase, we had unused borrowing capacity under our Credit Facility's revolving line of credit of about \$35.8 million;
- o a (pound)1.5 million revolving line of credit, subject to a borrowing base;

- o a \$58.6 million term loan facility;
- o a (pound)3.8 million term loan facility; and
- o a \$5.6 million standby letter of credit facility to support our and our subsidiaries' obligations under the Nevada Bonds.

The debt under our Credit Facility is guaranteed by Holding and substantially all of our subsidiaries.

The Credit Facility matures on January 21, 2002 unless previously terminated by us or by the lenders upon an Event of Default as defined in the Credit Facility. The term loan facilities require periodic principal payments, varying in amount through the maturity of the facility. Such periodic payments will aggregate about \$19.0 million for fiscal 1999 and about \$19.9 million for fiscal 2000. Interest on borrowings under the Credit Facility is based on either:

- o the lender's base rate (which is the higher of the lender's prime rate and the federal funds rate plus 0.50%) plus an applicable margin of 0.50%; or
- o LIBOR (adjusted for reserves) plus an applicable margin of 2.0%, at our option. Following receipt of the quarterly financial statements, the agent under our credit facility has the option to change the applicable interest rate margin on loans (other than under the UK Revolver and UK Term Loan) once per quarter to a specified margin determined by the ratio of funded debt to EBITDA of Berry and our subsidiaries. Notwithstanding the foregoing, interest on borrowings under the UK Revolver and the UK Term Loan is based on LIBOR (adjusted for reserves) plus 2.50%.

The Credit Facility contains various covenants which include, among other things:

- o maintenance of certain financial ratios and compliance with certain financial tests and limitations;

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- o limitations on the issuance of additional debt; and
- o limitations on capital expenditures.

NEVADA INDUSTRIAL REVENUE BONDS

We are party to a Financing Agreement with the City of Henderson, Nevada Public Improvement Trust (the "Nevada Issuer"), pursuant to which we have agreed to pay to the Nevada Issuer amounts sufficient to pay principal, interest and any premium on the Nevada Industrial Revenue Bonds (the "Nevada Bonds").

The Nevada Bonds bear interest at a variable rate (3.0% at January 2, 1999 and 4.6% at December 27, 1997), require annual principal payments of \$0.5 million on each April 1 until maturity, are collateralized by irrevocable letters of credit issued by NationsBank under our Credit Facility and mature in April 2007.

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DESCRIPTION OF NOTES

GENERAL

You can find the definitions of certain terms used in this description under the subheading "Certain Definitions." In this description, the word "Company" refers only to Berry Plastics Corporation and not to any of its subsidiaries as the word "Holding" refers to BPC Holding Corporation and not to any of its subsidiaries.

The Old Notes were, and the New Notes will be, issued pursuant to an Indenture (the "Indenture") between the Company and United States Trust Company of New York, as trustee (the "Trustee"), and the Old Notes were, and the New Notes will be, guaranteed, on a senior subordinated basis, by the Guarantors. The terms of the New Notes are identical in all material respects to the Old Notes, except that the New Notes have been registered under the Securities Act and, therefore, will not bear legends restricting their transfer and will not contain certain provisions providing for an increase in the interest rate on the Old Notes under certain circumstances relating to the Registration Rights Agreement, which provisions will terminate upon the consummation of the Exchange Offer.

The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as

amended (the "Trust Indenture Act"). The Notes are subject to all such terms, and Holders of Notes are referred to the Indenture and the Trust Indenture Act for a complete statement thereof. The following summary of certain provisions of the Indenture does not purport to be complete and is qualified in its entirety by reference to the Indenture, including the definitions therein of certain terms used below. A copy of the Indenture is available as set forth under "Available Information." The definitions of certain terms used in the following summary are set forth below under "-- Certain Definitions."

The Notes rank PARI PASSU with the 1994 Notes and the 1999 Notes and PARI PASSU with or senior in right of payment to all existing and future subordinated Indebtedness of the Company. The Notes rank junior in right of payment to all existing and future Senior Indebtedness of the Company, including borrowings under the Credit Facility and the Nevada Bonds. Each Guarantor's Note Guarantee ranks PARI PASSU with or senior in right of payment to all existing and future subordinated Indebtedness of such Guarantor and ranks junior in right of payment to all existing and future Senior Indebtedness of such Guarantor, including such Guarantor's Guarantee of borrowings under the Credit Facility and the Nevada Bonds.

The terms of the Notes are identical in all material respects to the terms of the 1994 Notes and the 1999 Notes, except that the 1994 Notes have a priority upon the payment of proceeds pursuant to an Asset Sale. Since the Notes will be issued pursuant to a separate indenture from the 1994 Notes, holders of the Notes will vote as a separate class from holders of the 1994 Notes and the 1999 Notes.

PRINCIPAL, MATURITY AND INTEREST

The Notes are unsecured obligations of the Company, limited in aggregate principal amount to \$100.0 million, of which \$25.0 million was issued in the Offering, and will mature on April 15, 2004. Interest on the Notes accrues at the rate of 12 1/4% per annum and will be payable semi-annually in arrears on October 15 and April 15, commencing on October 15, 1998, to Holders of record on the immediately preceding October 1 and April 1. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance. Additional Notes ("Additional Notes") may be issued from time to time after the Offering, subject to the provisions of the Indenture described below under the caption "--Certain Covenants -- Incurrence of Indebtedness and Issuance of Disqualified Stock." The Notes and any Additional Notes subsequently issued will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months. Principal and interest and Liquidated Damages, if any, on the Notes is payable at the office or agency of the Company maintained for such purpose within the City and State of New York or, at the option of the Company, payment of interest and Liquidated Damages, if any, may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders of Notes. Until otherwise designated by the Company, the Company's office or agency in New York will be the office of the Trustee maintained for such purpose. The Notes will be issued in denominations of \$1,000 and integral multiples thereof.

OPTIONAL REDEMPTION

The Notes are not redeemable at the Company's option prior to April 15, 1999. Thereafter, the Notes will be subject to redemption at the option of the Company, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages, if any, thereon, to the applicable redemption date, if redeemed during the twelve-month period beginning on April 15 of the years indicated below:

YEAR	PERCENTAGE
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1999.....	106.125%
2000.....	104.083%
2001.....	102.042%
2002 and thereafter.....	100.000%

MANDATORY REDEMPTION

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

REPURCHASE AT THE OPTION OF HOLDERS

CHANGE OF CONTROL

Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require the Company to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at an offer price in cash equal

to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Liquidated Damages, if any, to the date of purchase (the "Change of Control Payment"). Within 10 days following any Change of Control, the Company will mail a notice to each Holder stating: (1) that the Change of Control Offer is being made pursuant to the covenant entitled "Change of Control" and that all Notes tendered will be accepted for payment; (2) the purchase price and the purchase date, which will be no earlier than 30 days nor later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"); (3) that any Note not tendered will continue to accrue interest; (4) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date; (5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date; (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have such Notes purchased; and (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to \$1,000 in principal amount or an integral multiple thereof.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes in connection with a Change of Control.

On the Change of Control Payment Date, the Company will, to the extent lawful, (1) accept for payment Notes or portions thereof tendered pursuant to the Change of Control Offer, (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered and (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the Notes or portions thereof tendered to the Company. The Paying Agent will promptly mail to each Holder of Notes so accepted the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased

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portion of the Notes surrendered, if any; PROVIDED that each such new Note will be in a principal amount of \$1,000 or an integral multiple thereof. Prior to making the Change of Control Payment, but in any event within 90 days following a Change of Control, the Company shall either repay all outstanding Designated Senior Indebtedness or obtain the requisite consents, if any, under all agreements governing outstanding Designated Senior Indebtedness to permit the repurchase of Notes required by this covenant. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

As noted above, one of the events that constitutes a Change of Control under the Indenture is a sale, lease or transfer of all or substantially all of Holding's or the Company's assets. The Indenture is governed by New York law, and there is no established quantitative definition under New York law of "substantially all" of the assets of a corporation. Accordingly, if Holding or the Company were to engage in a transaction in which it disposed of less than all of their respective assets, a question of interpretation could arise as to whether such disposition was "substantially all" of their respective assets and whether the Company was required to make a Change of Control Offer. In such cases, the Company might not be required to make a Change of Control Offer and would be permitted, subject to the restrictions contained in the Indenture, including with respect to Restricted Payments, to find alternative uses for the proceeds of such sale. Pursuant to the terms of the Indenture, however, the Company could be required to make an Asset Sale Offer in such circumstances.

Neither the Board of Directors of Holding nor the Trustee may waive the operation of the Change of Control covenant.

The Credit Facility provides that events similar to a Change of Control will constitute an event of default thereunder. Upon the occurrence of an event of default under the Credit Facility, all amounts outstanding thereunder may become due and payable. At July 3, 1999, on a pro forma basis giving effect to the acquisition of Cardinal and a \$20.0 million concurrent increase in our Credit Facility, the Credit Facility provided for borrowings up to \$142.9 million. Accordingly, in the event of a default under the Credit Facility, including with respect to an event similar to a Change of Control, the subordination provisions contained in the Indenture will prohibit the Company (if the holders of Senior Indebtedness issue a notice to the Company to such effect) from making any payment on the Notes until such event of default is

cured or upon the expiration of 179 days (unless the holders of Senior Indebtedness accelerate the maturity of the Senior Indebtedness). See "--- Subordination."

The provisions of the Indenture may not afford Holders of Notes the right to require the Company to repurchase the Notes in the event of a highly leveraged transaction or certain transactions with Holding's management or affiliates, including a reorganization, restructuring, merger or similar transaction (including, in certain circumstances, an acquisition of Holding by its management or affiliates) involving Holding that may adversely affect Holders of Notes, if such transaction is not a transaction defined as a "Change of Control." A transaction involving Holding's management or affiliates, or a transaction involving a recapitalization of Holding, may result in a Change of Control if it is the type of transaction specified by such definition.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a takeover of Holding, and, thus, the removal of incumbent management. The Change of Control purchase feature, however, is not the result of management's knowledge of any specific effort to accumulate Holding's stock or to obtain control of Holding by means of a merger, tender offer, solicitation or otherwise, or part of a plan by management to adopt a series of anti-takeover provisions. Instead, the Change of Control purchase feature is a result of negotiations between the Company and the Initial Purchaser. Management has no present intention to engage in a transaction involving a Change of Control, although it is possible that Holding would decide to do so in the future. Subject to the limitations discussed below, Holding could, in the future, enter into certain transactions including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect Holding's capital structure or credit ratings.

"CHANGE OF CONTROL" means the occurrence of any of the following: (i) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of Holding's or the Company's assets to any person or group (as such term is used in Section 13(d)(3) of the Exchange Act) (other than the Principal and his Related Parties (as defined herein)), (ii) the adoption of a plan relating to the liquidation or dissolution of Holding or the Company, (iii) the acquisition by any person or group (as such term is used in Section 13(d)(3) of the Exchange Act) (other than by

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the Principal and his Related Parties) of a direct or indirect interest in more than 35% of the voting power of the voting stock of Holding by way of purchase, merger or consolidation or otherwise if (a) such person or group (as defined above) (other than the Principal and his Related Parties) owns, directly or indirectly, more of the voting power of the voting stock of Holding than the Principal and his Related Parties and (b) such acquisition occurs prior to the Initial Public Offering, (iv) the acquisition by any person or group (as such term is used in Section 13(d)(3) of the Exchange Act) (other than by the Principal and his Related Parties) of a direct or indirect interest in more than 50% of the voting power of the voting stock of Holding by way of purchase, merger or consolidation or otherwise if such acquisition occurs subsequent to the Initial Public Offering or (v) the first day on which a majority of the members of the Board of Directors of Holding are not Continuing Directors.

"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors of Holding who (i) was a member of such Board of Directors on the Issuance Date or (ii) was nominated for election or elected to such Board of Directors with the affirmative vote of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"INITIAL PUBLIC OFFERING" means a public offering of the Common Stock of Holding that first results in the Common Stock of Holding becoming listed for trading on a Stock Exchange.

"PRINCIPAL" means Roberto Buaron.

"RELATED PARTY" means with respect to the Principal (A) any spouse, sibling or descendant of such Principal (whether or not such relationship arises from birth, adoption or marriage or despite such relationship being dissolved by divorce) or (B) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a controlling interest of which consist of such Principal and/or such other Persons referred to in the immediately preceding clause (A).

"STOCK EXCHANGE" means the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market.

ASSET SALES

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, conduct an Asset Sale (as defined herein), unless (x)

the Company (or the Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustee no later than immediately prior to the consummation of such proposed Asset Sale with respect to any Asset Sale involving aggregate payments in excess of \$1 million) of the assets sold or otherwise disposed of and (y) at least 75% of the consideration therefor received by the Company or such Subsidiary is in the form of cash; PROVIDED, HOWEVER, that the amount of (A) any liabilities (as shown on the Company's or such Subsidiary's most recent balance sheet or in the notes thereto), of the Company or any Subsidiary (other than liabilities that are by their terms subordinated to the Notes or any Guarantee thereof) that are assumed by the transferee of any such assets and (B) any notes or other obligations received by the Company or any such Subsidiary from such transferee that are immediately converted by the Company or such Subsidiary into cash (to the extent of the cash received), shall be deemed to be cash for purposes of this provision.

Within 180 days after any Asset Sale, the Company may apply the Net Proceeds from such Asset Sale to either (a) permanently reduce Senior Indebtedness, or (b) make an investment in another business or capital expenditure or other long-term/tangible assets, in each case, in the same or a similar line of business as the Company was engaged in on the Issuance Date. Pending the final application of any such Net Proceeds, the Company may temporarily reduce Senior Bank Indebtedness or otherwise invest such Net Proceeds in Cash Equivalents. Any Net Proceeds from the Asset Sale that are not applied or invested as provided in the first sentence of this paragraph will be deemed to constitute "Excess Proceeds." If the aggregate amount of Excess Proceeds exceeds \$5 million, upon completion of the Asset Sale Offer required under the 1994 Indenture, the Company shall make an offer to all Holders of Notes (an "Asset Sale Offer") to purchase the maximum principal amount of Notes, that is an integral multiple of \$1,000, that may be purchased out of the Excess Proceeds, if any, remaining upon completion of the Asset Sale Offer required under the 1994 Indenture, at an offer price in cash in an amount equal to 101% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages, if any, to the date of purchase,

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in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company may use such deficiency for general corporate purposes. If the aggregate principal amount of Notes surrendered by Holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased in the manner described under the caption "Selection and Notice" below. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset to zero. The Indenture will also provide that the Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes in connection with an Asset Sale.

"ASSET SALE" means (i) the sale, lease, conveyance or other disposition of any property or assets of the Company or any Subsidiary (including by way of a sale-and-leaseback) other than sales of inventory in the ordinary course of business (provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company shall be governed by the provisions of the Indenture described above under the caption "--Change of Control" and the provisions described below under the caption "-- Certain Covenants -- Merger, Consolidation or Sale of Assets"), or (ii) the issuance or sale of Equity Interests of any of its Subsidiaries, in the case of either clause (i) or (ii) above, whether in a single transaction or a series of related transactions, (a) that have a fair market value in excess of \$250,000, or (b) for net proceeds in excess of \$250,000. For purposes of this definition, the term "Asset Sale" shall not include (i) the transfer of assets by the Company to a Wholly Owned Subsidiary of the Company or by a Wholly Owned Subsidiary of the Company to the Company or to another Wholly Owned Subsidiary of the Company, (ii) any Restricted Payment, dividend or purchase or retirement of Equity Interests permitted under the covenant entitled "Restricted Payments" or (iii) the issuance or sale of Equity Interests of any Subsidiary of the Company, PROVIDED that such Equity Interests are issued or sold in consideration for the acquisition of assets by such Subsidiary or in connection with a merger or consolidation of another Person into such Subsidiary.

The Credit Facility restricts the Company from purchasing any Notes prior to the termination thereof and provides that certain change of control events with respect to Holding and asset sales would constitute a default thereunder. Any future credit agreements or other agreements relating to Senior Indebtedness to which the Company becomes a party may contain similar or more restrictive provisions. In the event a Change of Control or Asset Sale occurs at a time when the Company is prohibited from purchasing Notes, the Company could seek the consent of its lenders to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such a consent or repay such borrowings, the Company will remain prohibited from purchasing Notes. In such case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which would, in turn,

constitute an default under the Credit Facility. In such circumstances, the subordination provisions in the Indenture would likely restrict payments to the Holders of Notes.

SELECTION AND NOTICE

If less than all of the Notes are to be purchased in an Asset Sale Offer or redeemed at any time, selection of Notes for purchase or redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed, or, if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate, PROVIDED that no Notes of \$1,000 or less shall be redeemed in part.

Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the purchase or redemption date to each Holder of Notes to be redeemed at its registered address. If any Note is to be purchased or redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be purchased or redeemed.

A new Note in principal amount equal to the unpurchased or unredeemed portion of any Note purchased or redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Note. On and after the purchase or redemption date, interest ceases to accrue on Notes or portions thereof purchased or called for redemption.

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SUBORDINATION

The payment of principal of, and premium, if any, interest and Liquidated Damages, if any, on, the Notes will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness of the Company, whether outstanding on the Issuance Date or thereafter incurred.

Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, an assignment for the benefit of creditors or any marshalling of the Company's assets and liabilities, the holders of Senior Indebtedness of the Company will be entitled to receive payment in full of all Obligations due in respect of such Senior Indebtedness (including interest after the commencement of any such proceeding at the rate specified in the applicable Senior Indebtedness of the Company, whether or not such interest was an allowed claim) before the Holders of Notes will be entitled to receive any payment with respect to the Notes and, until all such Obligations with respect to Senior Indebtedness of the Company are paid in full, any distribution to which the Holders of Notes would otherwise be entitled shall be made to the holders of Senior Indebtedness of the Company (except that Holders of Notes may receive securities that are subordinated, at least to the same extent as are the Notes, to Senior Indebtedness and to any securities issued in exchange for any such Senior Indebtedness).

The Company also may not make any payment upon or in respect of the Notes (except in such subordinated securities) if (a) a default in the payment when due, whether upon acceleration or otherwise, of the principal of, premium, if any, or interest on any Senior Indebtedness of the Company occurs and is continuing or (b) any other default occurs and is continuing with respect to any Designated Senior Indebtedness and the Trustee receives a notice of such default (a "Payment Blockage Notice") from the Company or from, or on behalf of, the holders of any such Designated Senior Indebtedness. Payments on the Notes may and shall be resumed (i) in the case of a payment default, upon the date on which such default is cured or waived and (ii) in the case of a nonpayment default, on the earlier of the date on which such nonpayment default is cured or waived or 179 days after the date on which the applicable Payment Blockage Notice is received, unless the maturity of any such Designated Senior Indebtedness has been accelerated. No new period of payment blockage may be commenced within 365 days after the receipt by the Trustee of any prior Payment Blockage Notice.

The Indenture further requires that the Company promptly notify each representative of holders of Senior Indebtedness of the Company if payment of the Notes is accelerated because of an Event of Default.

As a result of the subordination provisions described above, in the event of the insolvency or liquidation of the Company, Holders of Notes may recover less, ratably, than creditors of the Company who are holders of Senior Indebtedness or of other indebtedness which is not subordinated to the Notes.

The Indenture provides that holders of Senior Indebtedness are third party beneficiaries of the subordination provisions of the Indenture and no amendment thereof shall be effected without the prior written consent of the holders of a majority of the outstanding principal amount of Senior Indebtedness.

The aggregate amount of Senior Indebtedness of the Company outstanding at

July 3, 1999 would have been approximately \$89.0 million. As of July 3, 1999, all Indebtedness of the Company other than the Senior Indebtedness was PARI PASSU in right of payment to the Notes, and there would have been no Indebtedness of the Company subordinated to the Notes. Subject to certain financial tests, the Indenture does not limit the amount of additional Indebtedness, including Senior Indebtedness, that the Company and its Subsidiaries can incur. See "-- Certain Covenants."

NOTE GUARANTEES

The Company's obligations under the Notes, including the Company's payment obligations, are unconditionally guaranteed, jointly and severally (each, a "Note Guarantee" and, together, the "Note Guarantees"), by the Guarantors. Rights of Holders of Notes pursuant to each such Note Guarantee are subordinated to the Senior Indebtedness of each of the Guarantors in the same manner as the rights of Holders of Notes are subordinated to those of the Senior Indebtedness of the Company. Accordingly, the Note Guarantee of each Guarantor is subordinated to the prior payment in full of all Senior Indebtedness of such Guarantor, which at July 3, 1999 was

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approximately \$290.5 million of Senior Indebtedness, and the amounts for which such Guarantor will be liable under its Guarantees issued from time to time with respect to Senior Indebtedness. As of July 3, 1999, all indebtedness of the Guarantors other than the Senior Indebtedness was PARI PASSU in right of payment to the Note Guarantees, and there would have been no Indebtedness of the Guarantors subordinated to the Note Guarantees. The obligations of each Guarantor under its Note Guarantee is limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

The Indenture provides that no Guarantor shall consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person whether or not affiliated with such Guarantor unless (i) subject to the provisions of the following paragraph and certain other provisions of the Indenture, the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) assumes all the obligations of such Guarantor pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee, under its Note Guarantee and the Indenture; (ii) immediately after giving effect to such transaction, no Default or Event of Default exists; and (iii) in the case of any Guarantor other than Holding, such Guarantor, or any Person formed by or surviving any such consolidation or merger, (A) will have Consolidated Net Worth (immediately after giving effect to such transaction), equal to or greater than the Consolidated Net Worth of such Guarantor immediately preceding the transaction and (B) will be permitted by virtue of the Company's pro forma Fixed Charge Coverage Ratio to incur, immediately after giving effect to such transaction, at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the covenant entitled "Incurrence of Indebtedness and Issuance of Disqualified Stock."

The Indenture provides that in the event of a sale or other disposition of all or substantially all of the assets of any Guarantor (other than Holding), by way of merger, consolidation or otherwise, or a sale or other disposition of all of the Capital Stock of any Guarantor, then such Guarantor (in the event of a sale or other disposition, by way of such a merger, consolidation or otherwise, of all of the Capital Stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) shall be released and relieved of any obligations under its Note Guarantee; PROVIDED that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture. See "-- Repurchase at the Option of Holders -- Asset Sales."

CERTAIN COVENANTS

RESTRICTED PAYMENTS

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, directly or indirectly: (i) declare or pay any dividend or make any distribution on account of the Company's or any of its Subsidiaries' Equity Interests (other than: dividends or distributions payable in Equity Interests of the Person making such dividend or distribution, other than Disqualified Stock; or dividends or distributions payable to the Company or any Wholly Owned Subsidiary of the Company that is a Guarantor); (ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Company or any Subsidiary or other Affiliate of the Company (other than any such Equity Interests owned by the Company or any Wholly Owned Subsidiary of the Company that is a Guarantor); (iii) purchase, redeem or otherwise acquire or retire for value any Indebtedness (other than the 1994 Notes, the Notes and Indebtedness between or among the Company and its Subsidiaries or between or among such Subsidiaries) that is PARI PASSU with or subordinated to the Notes or any Note Guarantee; (iv) directly or indirectly make any loan or advance to, or make any payment to, Holding; or (v) make any Restricted Investment (all such payments and other actions set forth in clauses (i) through (v) above being collectively referred to as "Restricted Payments"), unless, at the time of such

Restricted Payment:

(a) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the covenant entitled "Incurrence of Indebtedness and Issuance of Disqualified Stock;" and

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(c) such Restricted Payment, (A) in the case of any Restricted Payment other than as defined by clause (i) above, together with the aggregate of all other Restricted Payments made by the Company and its Subsidiaries after April 21, 1994 (including Restricted Payments permitted by the next succeeding paragraph (other than such Restricted Payments permitted by clauses (iv), (v) and (vi) of the next succeeding paragraph)) or (B) in the case of any Restricted Payment defined by clause (i) above, together with the aggregate of all other Restricted Payments made by the Company and its Subsidiaries after April 21, 1994 (including Restricted Payments permitted by the next succeeding paragraph (other than Restricted Payments permitted by clauses (iv) and (v) of the next succeeding paragraph)) is less than the sum of (x) 50% of the sum of the Consolidated Net Income and Consolidated Step-Up Depreciation and Amortization of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter that began after April 21, 1994 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income plus Consolidated Step-Up Depreciation and Amortization for such period is a deficit, 100% of such deficit), plus (y) 100% of the aggregate net cash proceeds received by the Company from the issue or sale since April 21, 1994 of Equity Interests of the Company or of debt securities of the Company that have been converted into such Equity Interests (other than Equity Interests (or convertible debt securities) sold to a Subsidiary of the Company and other than Disqualified Stock or debt securities that have been converted into Disqualified Stock).

The foregoing provisions do not prohibit (i) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of the Indenture; (ii) the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Company in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to a Subsidiary of the Company) of other Equity Interests of the Company (other than any Disqualified Stock); (iii) the defeasance, redemption or repurchase of PARI PASSU or subordinated Indebtedness in a Permitted Refinancing; (iv) a Restricted Payment to Holding pursuant to the Tax Sharing Agreement as the same may be amended from time to time in a manner that is not materially adverse to the Company; (v) a Restricted Payment to Holding to pay its operating and administrative expenses including, without limitation, directors fees, legal and audit expenses, the Commission compliance expenses and corporate franchise and other taxes, not to exceed in any fiscal year \$500,000; (vi) a Restricted Payment to Holding to pay management fees not to exceed \$750,000 in any fiscal year of the Company; (vii) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Holding pursuant to any management equity subscription agreement or stock option agreement in effect as of April 21, 1994; PROVIDED, HOWEVER, that (a) the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed \$1 million and (b) no Default or Event of Default shall have occurred and be continuing immediately after such transaction; and (viii) Investments by the Company in joint ventures or similar projects in a business similar to that conducted by the Company and its Subsidiaries on the Issuance Date in an aggregate amount not to exceed \$1 million.

Not later than the date of making any Restricted Payment, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by the covenant entitled "Restricted Payments" were computed, which calculations may be based upon the Company's latest available financial statements.

INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF DISQUALIFIED STOCK

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, issue, assume, guaranty or otherwise become directly or indirectly liable with respect to (collectively, "incur" and correlatively, an "incurrence" of) any Indebtedness (including Acquired Debt) and that the Company will not issue any, and will not permit any of its Subsidiaries to issue any, shares of Disqualified Stock; PROVIDED, HOWEVER, that the Company and its Subsidiaries may incur Indebtedness or issue shares of Disqualified Stock if the Fixed Charge Coverage Ratio for the

Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.25 to 1 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom and including the earnings of any business acquired by the Company or any of its Subsidiaries with the proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

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In addition, the Indenture provides that each of the following Indebtedness must be subordinated in right of payment to the Notes or the Note Guarantees, as the case may be, at least to the same extent as the Notes are subordinated to Senior Indebtedness: (A) all Indebtedness that does not provide for all interest payments to be made in cash; (B) all Indebtedness of the Company to any of its Subsidiaries; and (C) any Indebtedness of the Company and its Subsidiaries if, at the time of incurrence thereof, Indebtedness of the Company and the Guarantors that is PARI PASSU in right of payment to the Notes and the Note Guarantees (including, on a pro forma basis, the Indebtedness to be incurred) exceeds \$100 million other than the 1994 Notes and the Notes.

The foregoing limitations do not apply to (a) revolving credit Indebtedness and letters of credit pursuant to the Credit Facility in an aggregate principal amount not to exceed at any one time outstanding the greater of (i) \$60 million in principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company thereunder), less the aggregate amount of all repayments after April 21, 1994 that permanently reduce the commitment under the Credit Facility, and (ii) the Borrowing Base; (b) the Existing Indebtedness; (c) the Notes (other than any Additional Notes) or any Note Guarantee; (d) the incurrence by the Company or any of its Subsidiaries of Refinancing Indebtedness; PROVIDED, HOWEVER, that such Refinancing Indebtedness is a Permitted Refinancing; (e) Indebtedness between or among the Company and any of its Wholly Owned Subsidiaries that are Guarantors; (f) Indebtedness from the Company to Holding PROVIDED that the advances evidenced by such Indebtedness are permitted under the covenant entitled "Restricted Payments;" (g) Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of the Indenture to be outstanding; and (h) the incurrence by the Company or its Subsidiaries of Indebtedness (in addition to Indebtedness permitted by any other clause of this paragraph) in an aggregate principal amount at any time outstanding not to exceed the sum of \$1 million at any one time.

Notwithstanding anything to the contrary, the Indenture provides that the Company and its Subsidiaries will not be permitted to incur any additional Senior Indebtedness unless it is secured.

LIENS

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, directly or indirectly (i) create, incur, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by the Company or any Subsidiary, or any income or profits therefrom or (ii) assign or convey any right to receive income therefrom, in any such case to secure any Indebtedness (other than Senior Indebtedness of the Company or Senior Indebtedness of a Guarantor permitted to be incurred pursuant to the Indenture) unless contemporaneously therewith or prior thereto, effective provision is made (evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustee) whereby the Notes or a Note Guarantee are secured equally and ratably with such other Indebtedness (or if such other Indebtedness is subordinated to the Notes or a Note Guarantee, the Notes or a Note Guarantee, as the case may be, are secured on a basis with the same relative priority to such other Indebtedness).

DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (a) (i) pay dividends or make any other distributions to the Company or any of its Subsidiaries (A) on its Capital Stock or (B) with respect to any other interest or participation in, or measured by, its profits, or (ii) pay any indebtedness owed to the Company or any of its Subsidiaries, (b) make loans or advances to the Company or any of its Subsidiaries or (c) transfer any of its properties or assets to the Company or any of its Subsidiaries, except for such encumbrances or restrictions existing under or by reasons of (i) Existing Indebtedness as in effect on the Issuance Date, (ii) the Credit Facility as in effect on the Issuance Date, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, PROVIDED that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive with respect to such dividend and other payment restrictions than those contained in the Credit

Facility as in effect on the Issuance Date, (iii) the 1994 Indenture and the 1994 Notes, (iv) the Indenture and the Notes, (v) applicable law, (vi) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Subsidiaries as in effect at the time of such acquisition (except to the

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extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, PROVIDED that the Consolidated Cash Flow of such Person, to the extent of such restriction, is not taken into account in determining whether such acquisition was permitted by the terms of the Indenture, (vii) by reason of customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices, (viii) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (c) above on the property so acquired, or (ix) permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Refinancing Indebtedness are no more restrictive than those contained in the agreements governing the Indebtedness being refinanced.

MERGER, CONSOLIDATION, OR SALE OF ASSETS

The Indenture provides that the Company may not consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another Person unless (i) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia; (ii) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made assumes all the obligations of the Company pursuant to a supplemental indenture in a form reasonably satisfactory to the Trustee, under the Notes and the Indenture; (iii) immediately after such transaction no Default or Event of Default exists; and (iv) the Company or any Person formed by or surviving any such consolidation or merger, or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made (A) will have Consolidated Net Worth (immediately after the transaction) equal to or greater than the Consolidated Net Worth of the Company immediately preceding the transaction and (B) will, at the time of such transaction and after giving pro forma effect thereto as if such transaction had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the covenant entitled "Incurrence of Indebtedness and Issuance of Disqualified Stock."

TRANSACTIONS WITH AFFILIATES

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into any contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction"), unless (a) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Subsidiary with a Person who was not an Affiliate and (b) the Company delivers to the Trustee (i) with respect to any Affiliate Transaction involving aggregate payments in excess of \$2 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (a) above and that such Affiliate Transaction is approved by a majority of the Board of Directors and (ii) with respect to any Affiliate Transaction involving aggregate payments in excess of \$5 million, an opinion as to the fairness to the Company or such Subsidiary from a financial point of view issued by an investment banking firm of national standing; PROVIDED, HOWEVER, that (i) any employment agreement entered into by the Company or any of its Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Subsidiary, (ii) transactions between or among the Company and/or its Subsidiaries, (iii) Restricted Payments permitted by the provisions of the Indenture described above under the covenant "Restricted Payments" and (iv) the advisory fee being paid to First Atlantic in connection with the Offering, in each case, shall not be deemed Affiliate Transactions.

NO SENIOR SUBORDINATED INDEBTEDNESS

The Indenture provides that (i) the Company will not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Indebtedness and senior in any respect in right of payment to the Notes, and (ii) no Guarantor will incur, create, issue, assume,

guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to its Senior Indebtedness and senior in any respect in right of payment to its Note Guarantee.

ADDITIONAL GUARANTEES

The Indenture provides that (i) if the Company or any of its Subsidiaries shall transfer or cause to be transferred, in one or a series of related transactions (other than a transaction or series of related transactions constituting a Restricted Payment permitted pursuant to the provisions of the covenant entitled "Restricted Payments"), any assets, businesses, divisions, real property or equipment having a book value in excess of \$1 million to any Subsidiary that is not a Guarantor or (ii) if the Company or any of its Subsidiaries shall acquire another Subsidiary having (a) total assets with a book value in excess of \$1 million or (b) Consolidated Cash Flow in excess of \$1 million, then such transferee or acquired Subsidiary shall execute a Note Guarantee and deliver an opinion of counsel as to the enforceability of such Note Guarantee, in accordance with the terms of the Indenture.

REPORTS

Whether or not required by the rules and regulations of the Commission, so long as any Notes are outstanding, the Company will furnish to the Trustee and to all Holders of Notes all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by the Company's certified independent accountants. In addition, whether or not required by the rules and regulations of the Commission, the Company will file a copy of all such information and any other information required by Section 13 or 15(d) of the Exchange Act with the Commission for public availability (unless the Commission will not accept such a filing) and file such information with the Trustee and make such information available to investors who request it in writing. Notwithstanding the foregoing, to the extent permitted under the rules and regulations of the Commission, the Company may instead supply such information with respect to Holding.

EVENTS OF DEFAULT AND REMEDIES

The Indenture provides that each of the following constitutes an Event of Default: (i) default for 30 days in the payment when due of interest and Liquidated Damages, if any, on the Notes (whether or not prohibited by the subordination provisions of the Indenture); (ii) default in payment when due of the principal of or premium, if any, on the Notes (whether or not prohibited by the subordination provisions of the Indenture); (iii) failure by the Company to comply with the provisions described under the covenants "Repurchase at the Option of Holders -- Change of Control," "Repurchase at the Option of Holders -- Asset Sales," "Certain Covenants -- Restricted Payments" or "Certain Covenants -- Incurrence of Indebtedness and Issuance of Disqualified Stock"; (iv) failure by the Company or the Guarantors for 60 days after notice to comply with any of its other agreements in the Indenture or the Notes; (v) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company, Holding or any of their respective Subsidiaries (or the payment of which is guaranteed by the Company, Holding or any of their respective Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the Issuance Date, which default (a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness (a "Payment Default") or (b) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$2 million or more; (vi) failure by the Company, Holding or any of their respective Subsidiaries to pay final judgments aggregating in excess of \$2 million, which judgments are not paid, discharged or stayed for a period of 60 days; (vii) except as permitted by the Indenture, any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor (or its successors or assigns), or any Person acting on behalf of any Guarantor (or its successors or assigns), shall deny or disaffirm its obligations or shall fail to comply with any obligations under its Note Guarantee; and (viii) certain events of bankruptcy or insolvency with respect to the Company, Holding or any of their respective Subsidiaries.

If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately; PROVIDED, HOWEVER, that if any Indebtedness is outstanding pursuant to the Credit Facility, upon a

declaration of acceleration, the principal and interest on the Notes shall be payable upon the earlier of (1) the day which is five business days after notice of acceleration is given to the Company and the lender under the Credit Facility or (2) the date of acceleration of the Indebtedness under the Credit Facility. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, Holding or any of their respective Subsidiaries, all outstanding Notes will become due and payable without further action or notice. Under certain circumstances, the Holders of at least a majority in aggregate principal amount of the outstanding Notes may rescind any acceleration with respect to the Notes and its consequences. Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest.

In the case of any Event of Default occurring on or after April 15, 1999 by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Notes pursuant to the optional redemption provisions of the Indenture, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Notes. If an Event of Default occurs prior to April 15, 1999 by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding the prohibition on redemption of the Notes prior to April 15, 1999, then the premium specified in the Indenture shall also become immediately due and payable to the extent permitted by law upon the acceleration of the Notes.

The Holders of not less than a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, any Note held by a non-consenting Holder.

The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS

No past, present or future director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company or any Guarantor under the Notes, the Note Guarantees, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note and the Note Guarantees waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes and the Note Guarantees. Such waiver may not be effective to waive liabilities under the Federal securities laws and it is the view of the Commission that such a waiver is against public policy.

LEGAL DEFEASANCE AND COVENANT DEFEASANCE

The Company may, at its option and at any time, elect to have all of its and the Guarantors' obligations discharged with respect to the outstanding Notes and the Note Guarantees ("Legal Defeasance") except for (i) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, and premium, if any, interest and Liquidated Damages, if any, on such Notes when such payments are due, (ii) the Company's and the Guarantors' obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust, (iii) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's and the Guarantors' obligations in connection therewith and (iv) the Legal Defeasance provisions of the Indenture. In addition, the Company may, at its option and at any time, elect to have the obligations of the Company

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and the Guarantors released with respect to certain covenants that are described in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "-- Events of Default and Remedies" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance, (i) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, non-callable Government

Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, and premium, if any, interest and Liquidated Damages, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, of such principal or installment of principal of, or premium, if any, interest or Liquidated Damages, if any, on the outstanding Notes; (ii) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that (A) the Company has received from, or there has been published by, the IRS a ruling or (b) since the Issuance Date, there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such Legal Defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; (iii) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such Covenant Defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; (iv) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or an Event of Default resulting from the incurrence of Indebtedness all or a portion of the proceeds of which will be used to defease the Notes pursuant to the terms of the Indenture concurrently with such incurrence) or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the day on which all applicable preference periods have run; (v) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound; (vi) the Company shall have delivered to the Trustee an opinion of counsel to the effect that after the day on which all applicable preference periods have run, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (vii) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of Notes over the other creditors of the Company or the Guarantors with the intent of defeating, hindering, delaying or defrauding creditors of the Company or the Guarantors; and (viii) the Company shall have delivered to the Trustee an Officers' Certificate and an opinion of counsel, each stating that all conditions precedent provided for relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

TRANSFER AND EXCHANGE

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company is not required to transfer or exchange any Note selected for redemption. Also, the Company is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

The registered Holder of a Note will be treated as the owner of it for all purposes.

AMENDMENT, SUPPLEMENT AND WAIVER

Except as provided in the next succeeding paragraphs, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of

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the Holders of at least a majority in principal amount of the then outstanding Notes (including consents obtained in connection with a tender offer or exchange offer for Notes).

Without the consent of each Holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting Holder of Notes): (i) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver, (ii) reduce the principal of or change the fixed maturity of any Note or alter or waive the provisions with respect to the redemption of the Notes, (iii) reduce the rate of or change the time for payment of interest on any Note, (iv) waive a Default or Event of Default in the payment of principal of, or premium, if any, interest or Liquidated Damages, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the

payment default that resulted from such acceleration), (v) make any Note payable in money other than that stated in the Notes, (vi) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or premium, if any, interest or Liquidated Damages, if any, on the Notes, (vii) waive a redemption payment with respect to any Note, (viii) make any change to the subordination provisions of the Indenture that adversely affects Holders, (ix) except pursuant to the terms of the Indenture, release any Guarantor from its obligations under its Note Guarantee, or change any Note Guarantee in any manner that would adversely affect Holders, or (x) make any change in the foregoing amendment and waiver provisions.

Notwithstanding the foregoing, without the consent of any Holder of Notes, the Company and the Trustee may amend or supplement the Indenture or the Notes to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's or any Guarantors' obligations to Holders of the Notes in the case of a merger or consolidation, to make any change that would provide any additional rights or benefits to the Holders of the Notes (including providing for additional Note Guarantees pursuant to the covenant entitled "Additional Guarantees") or that does not adversely affect the legal rights under the Indenture of any such Holder, to provide for the issuance of Additional Notes in accordance with the provisions set forth in the Indenture or to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

CONCERNING THE TRUSTEE

The Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Company, the Guarantors or any Affiliate of the Company or the Guarantors, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The Holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default shall occur (which shall not be cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

BOOK-ENTRY; DELIVERY, FORM AND TRANSFER

The Old Notes were offered and sold to qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes"). Except as set forth below, Notes will be issued in registered, global form in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

The Rule 144A Notes were, and the New Notes will be, represented by one or more Notes in registered, global form without interest coupons (collectively, the "Rule 144A Global Notes" or the "Global Notes"). The Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company, in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

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Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described below. See "-- Exchange of Book-Entry Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Certificated Notes (as defined herein).

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) are subject to certain restrictions on transfer and bear a restrictive legend. In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change from time to time.

Initially, the Trustee will act as Paying Agent and Registrar. The Notes may be presented for registration of transfer and exchange at the offices of the Registrar.

DEPOSITORY PROCEDURES

The following description of the operations and procedures of DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of the settlement system and are subject to changes by it from time to time. The Company takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Company that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Initial Purchaser), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that, pursuant to procedures established by it, (i) upon deposit of the Global Notes, DTC will credit the accounts of Participants with portions of the principal amount of the Global Notes and (ii) ownership of such interests in the Global Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Rule 144A Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations which are Participants in such system. All interests in a Global Note may be subject to the procedures and requirements of DTC. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants and certain banks, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

EXCEPT AS DESCRIBED BELOW, OWNERS OF INTERESTS IN THE GLOBAL NOTES WILL NOT HAVE NOTES REGISTERED IN THEIR NAMES, WILL NOT RECEIVE PHYSICAL DELIVERY OF NOTES IN CERTIFICATED FORM AND WILL NOT BE CONSIDERED THE REGISTERED OWNERS OR "HOLDERS" THEREOF UNDER THE INDENTURE FOR ANY PURPOSE.

Payments in respect of the principal of, and premium, if any, Liquidated Damages, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Company and the Trustee will treat the persons in

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whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, neither the Company, the Trustee nor any agent of the Company or the Trustee has or will have any responsibility or liability for (i) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes or (ii) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants. DTC has advised the Company that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date, in amounts proportionate to their respective holdings in the principal amount of beneficial interest in the relevant security as shown on the records of DTC unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Company. Neither the Company nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and the Company and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Interests in the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will, therefore, settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants. See "-- Same Day Settlement and Payment."

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same day funds.

DTC has advised the Company that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its Participants.

Neither the Company nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

EXCHANGE OF BOOK-ENTRY NOTES FOR CERTIFICATED NOTES

A Global Note is exchangeable for definitive Notes in registered certificated form ("Certificated Notes") if (i) DTC (x) notifies the Company that it is unwilling or unable to continue as depository for the Global Notes and the Company thereupon fails to appoint a successor depository or (y) has ceased to be a clearing agency registered under the Exchange Act, (ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Certificated Notes or (iii) there shall have occurred and be continuing a Default or Event of Default with respect to the Notes. In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon request but only upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear an applicable restrictive legend, if any, unless the Company determines otherwise in compliance with applicable law.

EXCHANGE OF CERTIFICATED NOTES FOR BOOK-ENTRY NOTES

Notes issued in certificated form may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions, if any, applicable to such Notes.

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SAME DAY SETTLEMENT AND PAYMENT

The Indenture requires that payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, interest and Liquidated Damages, if any) be made by wire transfer of immediately available funds to the accounts specified by the Global Note holder. With respect to Notes in certificated form, the Company will make all payments of principal, premium, if any, interest and Liquidated Damages, if any, by wire transfer of immediately available funds to the accounts specified by the Holders thereof or, if no such account is specified, by mailing a check to each such Holder's registered address. The Company expects that secondary trading in any certificated Notes will also be settled in immediately available funds.

CERTAIN DEFINITIONS

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"ACQUIRED DEBT" means, with respect to any specified Person: (i) Indebtedness of any other Person existing at the time such other Person merged with or into or became a Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Subsidiary of such specified Person and (ii) Indebtedness encumbering any asset acquired by such specified Person.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the

direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; PROVIDED, HOWEVER, that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control. Neither Chase Bank, The CIT Group/Equity Investments, Inc., nor their respective Affiliates will be deemed an Affiliate of the Company or any of its Subsidiaries for purposes of this definition by reason of its direct or indirect beneficial ownership of 15% or less of the Common Stock of Holding or by reason of any employee thereof being appointed to the Board of Directors of Holding.

"BORROWING BASE" means, as of any date, an amount equal to the sum of (a) 85% of the face amount of all accounts receivable owned by the Company and its Subsidiaries as of such date that are not more than 90 days past due, and (b) 65% of the book value (calculated on a FIFO basis) of all inventory owned by the Company and its Subsidiaries as of such date, all calculated on a consolidated basis and in accordance with GAAP. To the extent that information is not available as to the amount of accounts receivable or inventory as of a specific date, the Company may utilize the most recent available information for purposes of calculating the Borrowing Base.

"CAPITAL LEASE OBLIGATION" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be so required to be capitalized on a balance sheet prepared in accordance with GAAP.

"CAPITAL STOCK" means any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, including, without limitation, with respect to partnerships, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership.

"CASH EQUIVALENTS" means (i) United States dollars, (ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of not more than six months from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months from the date of acquisition and overnight bank deposits, in each case with any lender party to the Credit Facility or with any domestic commercial bank having capital and surplus in excess of \$500 million, (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) entered

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into with any financial institution meeting the qualifications specified in clause (iii) above and (v) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Corporation and in each case maturing within six months after the date of acquisition.

"CONSOLIDATED CASH FLOW" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus (a) an amount equal to any extraordinary loss plus any net loss realized in connection with an Asset Sale (to the extent such losses were deducted in computing Consolidated Net Income), plus (b) provision for taxes based on income or profits of such Person for such period, to the extent such provision for taxes was included in computing Consolidated Net Income, plus (c) Consolidated Interest Expense of such Person for such period to the extent such expense was deducted in computing Consolidated Net Income, plus (d) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent such expense was deducted in computing Consolidated Net Income, plus (e) other non-cash charges (including, without limitation, repricing of stock options, to the extent deducted in computing Consolidated Net Income; but excluding any non-cash charge that requires an accrual or reserve for cash expenditures in future periods or which involved a cash expenditure in a prior period), in each case, on a consolidated basis and determined in accordance with GAAP.

"CONSOLIDATED DEPRECIATION AND AMORTIZATION EXPENSE" means, with respect to any Person for any period, the total amount of depreciation and amortization expense (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) of such Person for such period on a consolidated basis as determined in accordance with GAAP.

"CONSOLIDATED INTEREST EXPENSE" means, with respect to any Person for any period, the sum of (a) consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued, to the extent such expense was deducted in computing Consolidated Net Income (including amortization of original issue discount, non-cash interest payments, the interest component of capital leases, and net payments (if any) pursuant to Hedging Obligations), (b) commissions, discounts and other fees and charges paid or accrued with respect to letters of credit and bankers' acceptance financing, and (c) interest actually paid by such Person or its Subsidiaries under a Guarantee of Indebtedness of any other Person.

"CONSOLIDATED NET INCOME" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; PROVIDED, that (i) the Net Income of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid to the referent Person or a Wholly Owned Subsidiary thereof that is a Guarantor, (ii) the Net Income of any Person that is a Subsidiary (other than a Wholly Owned Subsidiary) shall be included only to the extent of the amount of dividends or distributions paid to the referent Person or a Wholly Owned Subsidiary thereof that is a Guarantor, (iii) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded and (iv) the cumulative effect of a change in accounting principles shall be excluded.

"CONSOLIDATED NET WORTH" means, with respect to any Person as of any date, the sum of (i) the consolidated equity of the common stockholders of such Person and its consolidated Subsidiaries as of such date plus (ii) the respective amounts reported on such Person's balance sheet as of such date with respect to any series of Preferred Stock (other than Disqualified Stock) that by its terms is not entitled to the payment of dividends unless such dividends may be declared and paid only out of net earnings in respect of the year of such declaration and payment, but only to the extent of any cash received by such Person upon issuance of such Preferred Stock, less (x) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of tangible assets of a going concern business made within 16 months after the acquisition of such business) subsequent to April 21, 1994 in the book value of any asset owned by such Person or a consolidated Subsidiary of such Person, (y) all investments as of such date in unconsolidated Subsidiaries and in Persons that are not Subsidiaries (except, in each case, Permitted Investments), and (z) all unamortized debt discount and expense and unamortized deferred charges as of such date, all of the foregoing determined in accordance with GAAP.

"CONSOLIDATED STEP-UP DEPRECIATION AND AMORTIZATION" means, with respect to any Person for any period, the total amount of depreciation related to the write-up of assets and amortization of such Person for such period on a consolidated basis as determined in accordance with GAAP.

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"CREDIT FACILITY" means the Second Amended and Restated Financing and Security Agreement dated as of July 2, 1998, by the Company and NationsBank, N.A., providing for up to \$142.9 million of borrowings, including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, modified, renewed, refunded, replaced or refinanced from time to time.

"DEFAULT" means any event that is or with the passage of time or the giving of notice or both would be an Event of Default.

"DESIGNATED SENIOR INDEBTEDNESS" means (i) the Senior Bank Indebtedness and (ii) any other Senior Indebtedness (a) permitted to be incurred under the Indenture the principal amount of which is \$15 million or more and (b) designated in the instrument creating or evidencing such Senior Indebtedness as "Designated Senior Indebtedness."

"DISQUALIFIED STOCK" means any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the Holder thereof, in whole or in part, on or prior to July 15, 2004.

"EQUITY INTERESTS" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"EXISTING INDEBTEDNESS" means Indebtedness of the Company and its Subsidiaries (other than under the Credit Facility) in existence on the Issuance Date, until such amounts are repaid.

"FIXED CHARGES" means, with respect to any Person for any period, the sum of (a) Consolidated Interest Expense of such Person for such period, whether paid or accrued, to the extent such expense was deducted in computing Consolidated Net Income and (b) the product of (i) all cash dividend payments (and non-cash dividend payments in the form of securities (other than Disqualified Stock) of an issuer) on any series of Preferred Stock of such Person, times (ii) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined Federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

"FIXED CHARGE COVERAGE RATIO" means with respect to any Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period

to the Fixed Charges of such Person for such period. In the event that the Company or any of its Subsidiaries incurs, assumes, guarantees or redeems any Indebtedness (other than revolving credit borrowings) or issues Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee or redemption of Indebtedness, or such issuance or redemption of Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter reference period. For purposes of making the computation referred to above, acquisitions, dispositions and discontinued operations (as determined in accordance with GAAP) that have been made by the Company or any of its Subsidiaries, including all mergers and consolidations, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be calculated on a pro forma basis assuming that all such acquisitions, dispositions, discontinued operations, mergers and consolidations (and the reduction of any associated fixed charge obligations resulting therefrom) had occurred on the first day of the four-quarter reference period.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issuance Date.

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"GOVERNMENT SECURITIES" means direct obligations of, or obligations guaranteed by, the United States of America for the payment of which guarantee or obligations the full faith and credit of the United States of America is pledged.

"GUARANTEE" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"GUARANTORS" means each of (i) Holding, Berry Iowa, Berry Tri-Plas, Berry Sterling, AeroCon, PackerWare, Berry Design, Venture Holdings, Venture Midwest, Venture Southeast, NIM Holdings, Norwich, Knight Plastics, Cardinal, CPI Holding, Norwich Acquisition and Berry Acquisition and (ii) any other Person that executes a Note Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns.

"HEDGING OBLIGATIONS" means, with respect to any Person, the obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements and (ii) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"INDEBTEDNESS" means, with respect to any Person, any indebtedness of such Person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or representing Capital Lease Obligations or the balance deferred and unpaid of the purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense or trade payable, if and to the extent any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, and also includes, to the extent not otherwise included, the Guarantee of any Indebtedness of such Person or any other Person.

"INVESTMENTS" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees), advances or capital contributions (excluding commission, travel and similar advances to officers, directors, consultants and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"ISSUANCE DATE" means the closing date for the sale and original issuance of the Notes.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"NET INCOME" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends, excluding, however, any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with any Asset Sale (including, without limitation, dispositions pursuant to sale and leaseback transactions), and excluding any extraordinary gain (but not loss), together with any related provision for taxes on such extraordinary gain (but not loss).

"NET PROCEEDS" means the aggregate cash proceeds received by the Company or any of its Subsidiaries in respect of any Asset Sale, net of the direct costs relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, and sales commissions) and any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts required to be applied to the repayment of Indebtedness secured by a Lien

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on the asset or assets that are the subject of such Asset Sale and any reserve for indemnification or adjustment in respect of the sale price of such asset or assets.

"OBLIGATIONS" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"PERMITTED INVESTMENTS" means (a) any Investments in the Company or in a Wholly Owned Subsidiary of the Company and that is engaged in the same or a similar line of business as the Company and its Subsidiaries were engaged in on the Issuance Date and (b) any Investments in Cash Equivalents.

"PERMITTED REFINANCING" means Refinancing Indebtedness if (a) the principal amount of Refinancing Indebtedness does not exceed the principal amount of Indebtedness so extended, re-financed, renewed, replaced, defeased or refunded (plus the amount of premiums, accrued interest and reasonable expenses incurred in connection therewith); (b) the Refinancing Indebtedness has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (c) the Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"PERSON" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"PREFERRED STOCK" means any Equity Interest with preferential right in the payment of dividends or liquidation or any Disqualified Stock.

"REFINANCING INDEBTEDNESS" means Indebtedness issued in exchange for, or the proceeds of which are used to extend, refinance, renew, replace, defease or refund Indebtedness referred to in clauses (a) and (b) of the covenant entitled "Incurrence of Indebtedness and Issuance of Disqualified Stock."

"RESTRICTED INVESTMENT" means an Investment other than a Permitted Investment.

"SENIOR BANK INDEBTEDNESS" means the Indebtedness outstanding under the Credit Facility as such agreement may be restated, further amended, supplemented or otherwise modified or replaced from time to time hereafter, together with any refunding or replacement of any such Indebtedness.

"SENIOR INDEBTEDNESS" means (i) the Senior Bank Indebtedness and (ii) any other Indebtedness permitted to be incurred by the Company or a Guarantor, as the case may be, under the terms of the Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is PARI PASSU with or subordinated in right of payment to the Notes or a Note Guarantee, as the case may be. Notwithstanding anything to the contrary in the foregoing, Senior Indebtedness shall not include (w) any liability for Federal, state, local or other taxes owed or owing by the Company or a Guarantor, as the case may be, (x) any Indebtedness of the Company or a Guarantor, as the case may be, to Holding or to any of Holding's other Subsidiaries or other Affiliates, (y) any trade payables or (z) any Indebtedness that is incurred in violation of the Indenture.

"SUBSIDIARY" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination

thereof.

"TAX SHARING AGREEMENT" means that certain Tax Sharing Agreement, as in effect on the closing date of the Offering, between the Company and Holding.

"WEIGHTED AVERAGE LIFE TO MATURITY" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the sum of the products obtained by multiplying (x) the amount of each then

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remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the due date of such payment, by (b) the then outstanding principal amount of such Indebtedness.

"WHOLLY OWNED SUBSIDIARY" of any Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person and one or more Wholly Owned Subsidiaries of such Person.

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MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary prepared by O'Sullivan Graev & Karabell, LLP, special counsel to the Company ("Special Counsel"), of certain United States Federal income tax considerations relating to the Exchange Offer and to the purchase, ownership and disposition of the Notes but does not purport to be a complete analysis of all the potential tax considerations relating thereto. The following constitutes the opinion of Special Counsel, and based upon the assumptions and subject to the qualifications and limitations set forth herein, this summary fairly presents the material Federal income tax considerations relevant to the exchange of Old Notes for New Notes pursuant to the Exchange Offer and to the ownership of the Notes. This summary is based on the Internal Revenue Code of 1986, as amended, existing, temporary and proposed Treasury Regulations, laws, rulings and decisions now in effect, all of which are subject to change. Any such changes may be applied retroactively in a manner that could adversely affect a holder of the Notes. This summary deals only with holders that will hold Notes as "capital assets" (within the meaning of Section 1221 of the Code) and that are (i) citizens or residents of the United States, (ii) corporations, partnerships and other business entities created or organized under the laws of the United States, (iii) estates the income of which is subject to United States Federal income taxation regardless of its source and (iv) trusts if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantive decisions. This summary does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt organizations, insurance companies, dealers in securities or currencies, or persons that will hold Notes as a position in a hedging transaction, "straddle" or "conversion transaction" for tax purposes. This summary discusses the principal Federal income tax considerations applicable to the Exchange Offer, initial purchasers of the Notes who purchase the Notes at a premium and subsequent purchasers of the Notes. This summary does not consider the effect of any applicable foreign, state, local or other tax laws. No ruling from the Internal Revenue Service (the "IRS") will be sought with respect to the Notes, and the IRS could take a contrary view with respect to the matters described below.

THE FOLLOWING DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS GENERAL AND, AS DISCUSSED, DOES NOT COVER THE TAX EFFECTS TO ALL INVESTORS IN ALL SITUATIONS. ACCORDINGLY, INVESTORS CONSIDERING THE EXCHANGE OFFER SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME AND ESTATE TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

EXCHANGE OF OLD NOTES FOR NEW NOTES

The exchange of Old Notes for New Notes pursuant to the Exchange Offer should not be considered a taxable exchange for Federal income tax purposes because the New Notes should not constitute a material modification of the terms of the Old Notes. Accordingly, such exchange should have no Federal income tax consequences to holders of Old Notes, and a holder's basis and holding period in a New Note will be the same as such holder's adjusted tax basis in the Old Note exchanged therefor.

PAYMENT OF INTEREST

Interest on a Note generally will be includable in the income of a holder as ordinary income at the time such interest is received or accrued, in accordance with such holder's method of accounting for United States Federal income tax purposes.

In general, if a holder purchases a Note for an amount in excess of its stated redemption price at maturity, the holder may elect to treat such excess as "amortizable bond premium," in which case the amount required to be included in the holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to such year. The amount of amortizable bond premium allocable to a holder's taxable year may be determined, in part, by the Company's right to

redeem the Notes. Holders should consult their own tax advisors with respect to the amortization of bond premium. Any such election would apply to all bonds (other than bonds the interest on which is excludable from gross income) held by the holder at the beginning of the first taxable year to which the election applies or which thereafter are acquired by the holder, and such election is irrevocable without the consent of the IRS.

OPTIONAL REDEMPTION OR REPAYMENT

The Notes will not have original issue discount ("OID") because they were issued at a premium. For purposes of determining OID, Treasury Regulations provide that the holder's right to require redemption of the Notes upon the occurrence of a Change of Control will not be taken into account unless, based on all the facts and circumstances as of the issue date, it is significantly more likely than not that both a Change of Control giving rise to the right to require repurchase will occur and such right will be exercised. In the event of a Change of Control, each holder of Notes will have the right to require the Company to repurchase all or a part of such holder's Notes as described in "Description of Notes -- Repurchase at the Option of holders -- Change of Control." Under the Treasury Regulations discussed above, the Company believes that the holder's right to require repurchase should not be taken into account for purposes of calculating OID because a Change of Control and exercise of such rights are not significantly more likely than not to occur. Treasury Regulations also provide that the Company will be deemed to exercise its option to redeem the Notes in a manner that minimizes the yield on the Notes. The Company may redeem the Notes in certain circumstances, pursuant to the terms of the Notes. See "Description of the Notes -- Optional Redemption." The Company believes that, although its option to redeem could be deemed exercised for the purposes of the OID regulations at certain dates, any such deemed exercise would not result in OID because the original cost of the Notes would exceed any such deemed redemption price. Therefore, there is no OID.

MARKET DISCOUNT ON RESALE OF NOTES

A holder of a Note should be aware that the purchase or resale of a Note may be affected by the "market discount" provisions of the Code. The market discount rules generally provide that if a holder of a Note purchases the Note at a market discount (i.e., a discount other than at original issue), any gain recognized upon the disposition of the Note by the holder will be taxable as ordinary interest income, rather than as capital gain, to the extent such gain does not exceed the accrued market discount on such Note at the time of such disposition. "Market discount" generally means the excess, if any, of a Note's stated redemption price at maturity over the price paid by the holder therefor, unless a DE MINIMIS exception applies. A holder who acquires a Note at a market discount also may be required to defer the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such Note, if any.

Any principal payment on a Note acquired by a holder at a market discount will be included in gross income as ordinary income (generally, as interest income) to the extent that it does not exceed the accrued market discount at the time of such payment. The amount of the accrued market discount for purposes of determining the tax treatment of subsequent payments on, or dispositions of, a Note is to be reduced by the amounts so treated as ordinary income.

A holder of a Note acquired at a market discount may elect to include market discount in gross income, for Federal income tax purposes, as such market discount accrues, either on a straight-line basis or on a constant interest rate basis. This current inclusion election, once made, applies to all market discount obligations acquired on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS. If a holder of a Note makes such an election, the foregoing rules regarding the recognition of ordinary interest income on sales and other dispositions and the receipt of principal payments with respect to such Note, and regarding the deferral of interest deductions on indebtedness incurred or maintained to purchase or carry such Note, will not apply.

SALE, EXCHANGE OR RETIREMENT OF THE NOTES

Upon the sale, exchange or redemption of a Note, a holder generally will recognize capital gain or loss equal to the difference between (i) the amount of

cash proceeds and the fair market value of any property received on the sale, exchange or redemption (except to the extent such amount is attributable to either Liquidated Damages, discussed below, or accrued interest income not previously included in income which is taxable as ordinary income) and (ii) such holder's adjusted tax basis in the Note. A holder's adjusted tax basis in a Note generally will equal the

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cost of the Note to such holder, adjusted for amortizable bond premium, if any, if the holder made an election to amortize such premium. Such capital gain or loss will be long-term capital gain or loss if the holder's holding period in the Note is more than one year at the time of sale, exchange or redemption.

LIQUIDATED DAMAGES

The Company believes that Liquidated Damages, if any, described above under "The Exchange Offer -- Purpose and Effect of the Exchange Offer" will be taxable to the holder as ordinary income in accordance with the holder's method of accounting for Federal income tax purposes. The IRS may take a different position, however, which could affect the timing of a holder's income with respect to Liquidated Damages, if any.

INFORMATION REPORTING AND BACKUP WITHHOLDING

In general, information reporting requirements will apply to payments of principal, premium, if any, and interest on a Note and payments of the proceeds of the sale of a Note to certain noncorporate holders, and a 31% backup withholding tax may apply to such payments if the holder (i) fails to furnish or certify its correct taxpayer identification number to the payer in the manner required, (ii) is notified by the IRS that it has failed to report payments of interest and dividends properly or (iii) under certain circumstances, fails to certify that it has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. Any amounts withheld under the backup withholding rules from a payment to a holder will be allowed as a credit against such holder's United States Federal income tax and may entitle the holder to a refund, provided that the required minimum information is furnished to the IRS.

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PLAN OF DISTRIBUTION

Based on interpretations by the staff of the Commission set forth in no-action letters issued to third parties, we believe that the New Notes issued pursuant to the Exchange Offer in exchange for Old Notes may be offered for resale, resold and otherwise transferred by any holder thereof (other than any such holder that is an "affiliate" of Berry within the meaning of Rule 405 promulgated under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such New Notes are acquired in the ordinary course of such holder's business, such holder has no arrangement with any person to participate in the distribution of such New Notes and neither such holder nor any such other person is engaging in or intends to engage in a distribution of such New Notes. Accordingly, any holder who is an affiliate of Berry or any holder using the Exchange Offer to participate in a distribution of the New Notes will not be able to rely on such interpretations by the staff to the Commission and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale transaction. Notwithstanding the foregoing, each broker-dealer that receives New Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with any resale of New Notes received in exchange for Old Notes where such Old Notes were acquired as a result of market-making activities or other trading activities (other than Old Notes acquired directly from Berry). Berry and the Guarantors have agreed that, for a period of one year from the date of this Prospectus, they will make this Prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until November , 1999 (90 days from the date of this Prospectus), all dealers effecting transactions in the New Notes may be required to deliver a prospectus.

Berry will not receive any proceeds from any sale of New Notes by broker-dealers. New Notes received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such New Notes. Any broker-dealer that resells New Notes that were received by it for its own account pursuant to the Exchange Offer and any broker-dealer that participates in a distribution of

such New Notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of New Notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver, and by delivering, a prospectus as required, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of one year from the date of this Prospectus, Berry will send a reasonable number of additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. Berry will pay all the expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders) other than commissions or concessions of any broker-dealers. Berry and the Guarantors have agreed to indemnify the Initial Purchaser and any broker-dealers participating in the Exchange Offer against certain liabilities, including liabilities under the Securities Act.

This Prospectus has been prepared for use in connection with the Exchange Offer and may be used by DLJ in connection with offers and sales related to market-making transactions in the Notes. DLJ may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale. Berry will not receive any of the proceeds of such sales. DLJ has no obligation to make a market in the Notes and may discontinue its market-making activities at any time without notice, at its sole discretion. The Company has agreed to indemnify DLJ against certain liabilities, including liabilities under the Securities Act, and to contribute to payments which DLJ might be required to make in respect thereof.

LEGAL MATTERS

The validity of the Notes offered hereby will be passed upon for the Company by O'Sullivan Graev & Karabell, LLP, New York, New York. Lawrence G. Graev, a director of the Company, is the Chairman of O'Sullivan Graev & Karabell, LLP. See "Certain Transactions -- Legal Services."

EXPERTS

The consolidated financial statements of BPC Holding Corporation as of December 27, 1997 and January 2, 1999, and for each of the three years in the period ended January 2, 1999 and of Knight Engineering and Plastics Division of Courtaulds Packaging Inc. as of and for the year ended March 31, 1998 included elsewhere in this Registration Statement and Prospectus have been audited by Ernst & Young LLP, independent auditors, as stated in their reports appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of CPI Holding, Inc. as of November 30, 1998 and 1997, and for the years ended November 30, 1998 and 1997, and for the period January 26, 1996 to November 30, 1996 included in this Registration Statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Norwich for the years ended October 31, 1997, 1996 and 1995 included in this Registration Statement have been audited by Lovewell Blake, independent auditors, as stated in their report appearing herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

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REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
BPC Holding Corporation

We have audited the accompanying consolidated balance sheets of BPC Holding Corporation and subsidiaries as of January 2, 1999 and December 27, 1997, and the related consolidated statements of operations, changes in stockholders' equity (deficit) and cash flows for each of the three years in the period ended January 2, 1999. These financial statements are the responsibility of Holding's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BPC Holding Corporation and subsidiaries at January 2, 1999 and December 27, 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 2, 1999, in conformity with generally accepted accounting principles.

Indianapolis, Indiana
February 19, 1999

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BPC HOLDING CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS OF DOLLARS)

<TABLE> <CAPTION>	JANUARY 2, 1999	DECEMBER 27, 1997
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,318	\$ 2,688
Accounts receivable (less allowance for doubtful accounts of \$1,651 at January 2, 1999 and \$1,038 at December 27, 1997)	29,951	28,385
Inventories:		
Finished goods	23,146	22,029
Raw materials and supplies	8,556	7,429
	31,702	29,458
Prepaid expenses and other receivables	1,665	1,834
Income taxes recoverable	577	1,167
Total current assets	66,213	63,532
Assets held in trust	6,679	19,738
Property and equipment:		
Land	7,769	5,811
Buildings and improvements	38,960	33,891
Machinery, equipment and tooling	141,054	122,991
Automobiles and trucks	1,386	1,241
Construction in progress	11,780	10,357
	200,949	174,291
Less accumulated depreciation	80,944	66,073
	120,005	108,218
Intangible assets:		
Deferred financing and origination fees, net	10,327	10,849
Covenants not to compete, net	4,071	3,940
Excess of cost over net assets acquired, net	44,536	30,303
Deferred acquisition costs	20	13
	58,954	45,105
Deferred income taxes	2,758	2,049
Other	708	802
Total assets	\$255,317	\$239,444

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BPC HOLDING CORPORATION
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(IN THOUSANDS OF DOLLARS)

<TABLE> <CAPTION>	JANUARY 2, 1999	DECEMBER 27, 1997
<S>	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 18,059	\$ 16,732
Accrued expenses and other liabilities	10,863	7,162
Accrued interest	4,166	3,612
Employee compensation and payroll taxes	8,953	7,489
Income taxes	22	55
Current portion of long-term debt	19,388	7,619
Total current liabilities	61,451	42,669

Long-term debt, less current portion	303,910	298,716
Accrued dividends on preferred stock	7,225	3,674
Deferred income taxes	497	--
Other liabilities	2,591	3,360
	-----	-----
	375,674	348,419
STOCKHOLDERS' EQUITY (DEFICIT):		
Series A Preferred Stock; 800,000 shares authorized; 600,000 shares issued and outstanding (net of discount of \$2,770 at January 2, 1999 and \$3,062 at December 27, 1997)	11,801	11,509
Series B Preferred Stock; 200,000 shares authorized, issued and outstanding	5,000	5,000
Class A Common Stock; \$.01 par value:		
Voting; 500,000 shares authorized; 91,000 shares issued and outstanding	1	1
Nonvoting; 500,000 shares authorized; 259,000 shares issued and outstanding	3	3
Class B Common Stock; \$.01 par value:		
Voting; 500,000 shares authorized; 145,058 shares issued and 144,546 shares outstanding	1	1
Nonvoting; 500,000 shares authorized; 58,612 shares issued and 56,937 shares outstanding	1	1
Class C Common Stock; \$.01 par value:		
Nonvoting; 500,000 shares authorized; 17,000 shares issued and 16,833 shares outstanding	--	--
Treasury stock: 512 shares Class B Voting Common Stock; 1,675 shares Class B Nonvoting Common Stock; and 167 shares Class C Nonvoting Common Stock	(280)	(22)
Additional paid-in capital	45,611	49,374
Warrants	3,511	3,511
Retained earnings (deficit)	(185,923)	(178,353)
Accumulated other comprehensive income (loss)	(83)	--
	-----	-----
Total stockholders' equity (deficit)	(120,357)	(108,975)
	-----	-----
Total liabilities and stockholders' equity (deficit)	\$ 255,317	\$ 239,444
	-----	-----

</TABLE>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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BPC HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS OF DOLLARS)

	YEAR ENDED		
	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
<S>	<C>	<C>	<C>
Net sales	\$ 271,830	\$ 226,953	\$ 151,058
Cost of goods sold	199,227	180,249	110,110
	-----	-----	-----
Gross margin	72,603	46,704	40,948
Operating expenses:			
Selling	14,780	11,320	6,950
General and administrative	19,308	11,505	13,769
Research and development	1,690	1,310	858
Amortization of intangibles	4,139	2,226	524
Other expenses	4,084	4,144	1,578
	-----	-----	-----
Operating income	28,602	16,199	17,269
Other expenses:			
Loss on disposal of property and equipment	1,865	226	302
	-----	-----	-----
Income before interest and taxes	26,737	15,973	16,967
Interest:			
Expense	(35,555)	(32,237)	(21,364)
Income	999	1,991	1,289
	-----	-----	-----
Loss before income taxes	(7,819)	(14,273)	(3,108)
Income taxes (benefit)	(249)	138	239
	-----	-----	-----
Net loss	(7,570)	(14,411)	(3,347)
Preferred stock dividends	(3,551)	(2,558)	(1,116)

Amortization of preferred stock discount	(292)	(74)	--
Net loss attributable to common shareholders	\$ (11,413)	\$ (17,043)	\$ (4,463)

</TABLE>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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BPC HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(IN THOUSANDS OF DOLLARS)

	COMMON STOCK			PREFERRED STOCK		TREASURY STOCK	ADDITIONAL PAID-IN CAPITAL
	CLASS A	CLASS B	CLASS C	CLASS A	CLASS B		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 1995(1)	\$ --	\$ --	\$--	\$ --	\$ --	\$ (58)	\$ 960
Net loss	--	--	--	--	--	--	--
Market value adjustment - warrants	--	--	--	--	--	--	(1,145)
Exercise of stock options	--	--	--	--	--	--	1,130
Distribution on sale of equity interests	--	--	--	--	--	58	(1,424)
Proceeds from newly issued equity	4	2	--	14,571	--	--	52,797
Payment of deferred compensation	--	--	--	--	--	--	479
Issuance of private warrants	--	--	--	(3,511)	--	--	--
Accrued dividends on preferred stock	--	--	--	--	--	--	(1,116)
Amortization of preferred stock discount	--	--	--	156	--	--	--
Purchase treasury stock from management .	--	--	--	--	--	(22)	--
Balance at December 28, 1996	4	2	--	11,216	--	(22)	51,681
Net loss	--	--	--	--	--	--	--
Sale of stock to management	--	--	--	--	--	--	325
Issuance of preferred stock	--	--	--	--	5,000	--	--
Accrued dividends on preferred stock	--	--	--	--	--	--	(2,558)
Amortization of preferred stock discount	--	--	--	293	--	--	(74)
Balance at December 27, 1997	4	2	--	11,509	5,000	(22)	49,374
Net loss	--	--	--	--	--	--	--
Sale of stock to management	--	--	--	--	--	--	80
Purchase treasury stock from management .	--	--	--	--	--	(258)	--
Translation loss	--	--	--	--	--	--	--
Accrued dividends on preferred stock	--	--	--	--	--	--	(3,551)
Amortization of preferred stock discount	--	--	--	292	--	--	(292)
Balance at January 2, 1999	\$ 4	\$ 2	\$--	\$ 11,801	\$ 5,000	\$ (280)	\$ 45,611

</TABLE>

<TABLE>
<CAPTION>

	WARRANTS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		TOTAL	COMPREHENSIVE INCOME (LOSS)
			INCOME (LOSS)	INCOME (LOSS)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 1995(1)	\$ 4,034	\$ (37,420)	\$ --	\$ (32,484)	\$ --	\$ --
Net loss	--	(3,347)	--	(3,347)	(3,347)	(3,347)
Market value adjustment - warrants	9,399	(8,254)	--	--	--	--
Exercise of stock options	--	--	--	1,130	--	--
Distribution on sale of equity interests	(13,433)	(114,921)	--	(129,720)	--	--
Proceeds from newly issued equity	--	--	--	67,374	--	--
Payment of deferred compensation	--	--	--	479	--	--
Issuance of private warrants	3,511	--	--	--	--	--
Accrued dividends on preferred stock	--	--	--	(1,116)	--	--
Amortization of preferred stock discount	--	--	--	156	--	--
Purchase treasury stock from management .	--	--	--	(22)	--	--
Balance at December 28, 1996	3,511	(163,942)	--	(97,550)	(3,347)	(3,347)

Net loss	--	(14,411)	--	(14,411)	(14,411)
Sale of stock to management	--	--	--	325	--
Issuance of preferred stock	--	--	--	5,000	--
Accrued dividends on preferred stock	--	--	--	(2,558)	--
Amortization of preferred stock discount	--	--	--	219	--
	-----	-----	-----	-----	-----
Balance at December 27, 1997	3,511	(178,353)	--	(108,975)	(14,411)
	-----	-----	-----	-----	-----
Net loss	--	(7,570)	--	(7,570)	(7,570)
Sale of stock to management	--	--	--	80	--
Purchase treasury stock from management .	--	--	--	(258)	--
Translation loss	--	--	(83)	(83)	(83)
Accrued dividends on preferred stock	--	--	--	(3,551)	--
Amortization of preferred stock discount	--	--	--	--	--
	-----	-----	-----	-----	-----
Balance at January 2, 1999	\$ 3,511	\$ (185,923)	\$ (83)	\$ (120,357)	\$ (7,653)
	=====	=====	=====	=====	=====

</TABLE>

- (1) Old Class A and Class B Common Stock was redeemed in connection with the 1996 Transaction (see Note 9).

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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BPC HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF DOLLARS)

<TABLE>
<CAPTION>

	YEAR ENDED		
	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
	<C>	<C>	<C>
<S>			
OPERATING ACTIVITIES			
Net loss	\$ (7,570)	\$ (14,411)	\$ (3,347)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	20,690	16,800	10,807
Non-cash interest expense	1,765	2,005	1,212
Amortization	4,140	2,226	524
Interest funded by assets held in trust	13,059	11,255	5,412
Non-cash compensation	600	--	358
Write-off of deferred acquisition costs	--	515	--
Loss on sale of property and equipment	1,865	226	302
Deferred income taxes	(709)	--	53
Changes in operating assets and liabilities:			
Accounts receivable, net	4,413	(2,290)	(1,716)
Inventories	(252)	2,767	(1,710)
Prepaid expenses and other receivables	1,016	(137)	520
Other assets	(43)	(225)	(5)
Accounts payable and accrued expenses	(4,810)	(4,516)	1,899
Income taxes payable	(33)	(61)	117
	-----	-----	-----
Net cash provided by operating activities	34,131	14,154	14,426
INVESTING ACTIVITIES			
Additions to property and equipment	(22,595)	(16,774)	(13,581)
Proceeds from disposal of property and equipment	4,471	1,078	94
Acquisitions of businesses	(33,996)	(86,406)	(1,152)
	-----	-----	-----
Net cash used for investing activities	(52,120)	(102,102)	(14,639)
FINANCING ACTIVITIES			
Proceeds from long-term borrowings	44,044	85,703	105,000
Payments on long-term borrowings	(24,906)	(2,821)	(717)
Purchase of treasury stock from management	(258)	--	--
Exercise of management stock options	--	--	1,130
Proceeds from issuance of common stock	80	325	52,797
Proceeds from issuance of preferred stock and warrants	--	--	14,571
Rollover investments and share repurchases	--	--	(125,219)
Assets held in trust	--	--	(35,600)
Net payments to public warrant holders	--	--	(4,502)
Debt issuance costs	(1,341)	(2,763)	(5,090)
	-----	-----	-----

Net cash provided by financing activities	17,619	80,444	2,370
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(370)	(7,504)	2,157
Cash and cash equivalents at beginning of year	2,688	10,192	8,035
	-----	-----	-----
Cash and cash equivalents at end of year	\$ 2,318	\$ 2,688	\$ 10,192
	=====	=====	=====

</TABLE>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

NOTE 1. ORGANIZATION

BPC Holding Corporation ("Holding"), through its subsidiaries Berry Plastics Corporation ("Berry" or the "Company"), Berry Iowa Corporation ("Berry Iowa"), Berry Sterling Corporation ("Berry Sterling"), Berry Tri-Plas Corporation ("Berry Tri-Plas"), Berry Plastics Design Corporation ("Berry Design"), PackerWare Corporation ("PackerWare"), Venture Packaging, Inc. ("Venture Packaging") and its subsidiaries Venture Packaging Midwest, Inc. and Venture Packaging Southeast, Inc., NIM Holdings Limited and its subsidiary Norwich Injection Moulders Limited, and Knight Plastics, Inc., manufactures and markets plastic packaging products through its facilities located in Evansville, Indiana; Henderson, Nevada; Iowa Falls, Iowa; Charlotte, North Carolina; York, Pennsylvania; Suffolk, Virginia; Woodstock, Illinois; North Walsham, England; Monroeville, Ohio; and Lawrence, Kansas.

In conjunction with the PackerWare acquisition in January 1997 (see Note 3), the Company also acquired a manufacturing facility in Reno, Nevada. This facility was closed in 1997, and its operations were consolidated into the Henderson, Nevada facility. In March 1998, Berry announced the consolidation of its Anderson, South Carolina facility with other Company locations with the majority of the business moving to the Charlotte, North Carolina and Monroeville, Ohio facilities.

Holding's fiscal year is a 52/53 week period ending generally on the Saturday closest to December 31. All references herein to "1998", "1997," and "1996" relate to the fiscal years ended January 2, 1999, December 27, 1997, and December 28, 1996, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION AND BUSINESS

The consolidated financial statements include the accounts of Holding and its subsidiaries all of which are wholly-owned. Intercompany accounts and transactions have been eliminated in consolidation. Holding, through its wholly-owned subsidiaries, operates in two primary industry segments. The Company is a manufacturer and marketer of plastic packaging, with sales concentrated in three product groups within this market: plastic aerosol overcaps, rigid open-top containers, and plastic drink cups. In addition, the Company is a manufacturer in the retail housewares/lawn and garden market. The Company's customers are located principally throughout the United States, without significant concentration in any one region or any one customer. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral.

Purchases of various densities of plastic resin used in the manufacture of the Company's products aggregated approximately \$62 million in 1998 (excluding specialty resins). Dow Chemical Corporation is the principal supplier (approximately 54%) of the Company's total resin material requirements. The Company also uses other suppliers such as Union Carbide, Chevron, Phillips and Equistar to meet its resin requirements. The Company does not anticipate any material difficulty in obtaining an uninterrupted supply of raw materials at competitive prices in the near future. However, should a significant shortage of the supply of resin occur, changes in both the price and availability of the principal raw material used in the manufacture of the Company's products could occur and result in financial disruption to the Company.

The Company is subject to existing and potential federal, state, local and foreign legislation designed to reduce solid waste in landfills. While the principal resins used by the Company are recyclable and, therefore, reduce the Company's exposure to legislation promulgated to date, there can be no assurance

that future legislation or regulatory initiatives would not have a material adverse effect on the Company. Legislation, if promulgated, requiring plastics to be degradable in landfills or to have minimum levels of recycled content would have a

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

significant impact on the Company's business as would legislation providing for disposal fees or limiting the use of plastic products.

CASH AND CASH EQUIVALENTS

All highly liquid investments with a maturity of three months or less at the date of purchase are considered to be cash equivalents.

INVENTORIES

Inventories are valued at the lower of cost (first in, first out method) or market.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is computed primarily by the straight-line method over the estimated useful lives of the assets ranging from three to 25 years.

INTANGIBLE ASSETS

Origination fees relating to the 1994 Notes, 1996 Notes, 1998 Notes and deferred financing fees are being amortized using the straight-line method over the lives of the respective debt agreements.

Covenants not to compete are being amortized over the respective lives of the agreements.

The costs in excess of net assets acquired represent the excess purchase price over the fair value of the net assets acquired in the original acquisition of Berry Plastics and subsequent acquisitions. These costs are being amortized over a range of 15 to 20 years.

Holding periodically evaluates the value of intangible assets to determine if an impairment has occurred. This evaluation is based on various analyses including reviewing anticipated cash flows.

REVENUE RECOGNITION

Revenue from sales of products is recognized at the time product is shipped to the customer.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts on the 1997 and 1996 financial statements have been reclassified to conform with the 1998 presentation.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

On December 28, 1997, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (FAS 130) which establishes new rules for the reporting and display of comprehensive income and its components (net income and "other comprehensive income"). Adoption of the Statement had no impact on the Company's financial position.

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

In fiscal 1998, the Company adopted Statement of Financial Accounting

Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" (FAS 131) which changes the basis on which public business enterprises report information about operating segments. The Company has two reportable segments: packaging products and housewares products. The Company's packaging business consists of three primary market groups: plastic aerosol overcaps, containers, and plastic drink cups. The Company's housewares business consists of semi-disposable plastic housewares and plastic lawn and garden products, sold primarily through major national retail marketers and national chain stores.

The Company evaluates performance and allocates resources based on operating income before depreciation and amortization of intangibles adjusted to exclude (i) market value adjustment related to stock options, (ii) other non-recurring or "one-time" expenses, (iii) management fees and reimbursed expenses paid to First Atlantic and (iv) certain legal expenses associated with unusual litigation ("Adjusted EBITDA"). The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. The Company's reportable segments are business units that offer different products to different markets.

<TABLE>
<CAPTION>

	JANUARY 2, 1999	YEAR ENDED DECEMBER 27, 1997	DECEMBER 28, 1996
<S>	<C>	<C>	<C>
Net sales:			
Packaging products	\$ 250,270	\$ 209,433	\$ 151,058
Housewares products	21,560	17,520	--
Adjusted EBITDA:			
Packaging products	56,102	38,016	34,068
Housewares products	3,662	2,253	--
Total assets:			
Packaging products	218,537	202,198	145,798
Housewares products	36,780	37,246	--
Reconciliation of Adjusted EBITDA to loss before income taxes:			
Adjusted EBITDA for reportable segments	\$ 59,764	\$ 40,269	\$ 34,068
Net interest expense	(34,556)	(30,246)	(20,075)
Depreciation	(20,690)	(16,800)	(10,807)
Amortization	(4,140)	(2,226)	(524)
Loss on disposal of property and equipment	(1,865)	(226)	(302)
One-time expenses	(4,860)	(4,216)	(4,361)
Stock option market value adjustment	(600)	--	(358)
Management fees	(872)	(828)	(749)
Loss before income taxes	\$ (7,819)	\$ (14,273)	\$ (3,108)
	=====	=====	=====

</TABLE>

NOTE 3. ACQUISITIONS

On January 17, 1997, the Company acquired certain assets and assumed certain liabilities of Container Industries, Inc. ("Container Industries") of Pacoima, California for \$2.9 million. The purchase was funded out of operating funds. The operations of Container Industries are included in the Company's operations since the acquisition date using the purchase method of accounting.

On January 21, 1997, the Company acquired the outstanding stock of PackerWare Corporation, a Kansas corporation, for aggregate consideration of approximately \$28.1 million and merged PackerWare with a newly-formed, wholly-owned subsidiary of the Company (with PackerWare being the surviving corporation). The purchase was primarily financed through the Credit Facility (see Note 5). The operations of PackerWare are included in the Company's operations since the acquisition date using the purchase method of accounting.

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

On May 13, 1997, Berry Design, a newly-formed wholly-owned subsidiary of the Company, acquired substantially all of the assets and assumed certain liabilities of Virginia Design Packaging Corp. ("Virginia Design") for approximately \$11.1 million. The purchase was financed through the Credit Facility (see Note 5). The operations of Berry Design are included in the Company's operations since the acquisition date using the purchase method of accounting.

On August 29, 1997, the Company acquired the outstanding common stock of Venture Packaging for aggregate consideration of \$43.7 million and merged Venture Packaging with a newly formed subsidiary of the Company (with Venture Packaging being the surviving corporation). The purchase was primarily financed through the Credit Facility (see Note 5). Additionally, preferred stock and warrants were issued to certain selling shareholders of Venture Packaging (see Note 9). The operations of Venture Packaging are included in the Company's operations since the acquisition date using the purchase method of accounting.

On July 2, 1998, NIM Holdings, a newly-formed, wholly-owned subsidiary of Berry, acquired all of the capital stock of Norwich Moulders of Norwich, England for aggregate consideration of approximately \$14.0 million. The purchase was primarily financed through the Credit Facility (see Note 9). The operations of Norwich Moulders are included in Berry's operations since the acquisition date using the purchase method of accounting.

On October 16, 1998, Knight Plastics, Inc. ("Knight"), a newly formed wholly-owned subsidiary of Berry, acquired substantially all of the assets of the Knight Engineering and Plastics Division of Courtaulds Packaging Inc. for aggregate consideration of approximately \$18.0 million. The purchase was financed through the Credit Facility's revolving line of credit.

The pro forma results listed below are unaudited and reflect purchase accounting adjustments assuming the Container Industries, PackerWare, Virginia Design, and Venture acquisitions occurred on December 31, 1995; and the Norwich Moulders and Knight acquisitions occurred on December 29, 1996.

	YEAR ENDED		
	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
Net sales	\$ 296,485	\$ 298,679	\$ 257,098
Loss before income taxes	(8,924)	(19,808)	(9,932)
Net loss	(8,791)	(20,178)	(10,171)

The pro forma financial information is presented for informational purposes only and is not necessarily indicative of the operating results that would have occurred had the acquisitions been consummated at the above dates, nor are they necessarily indicative of future operating results. Further, the information gathered on the acquired companies is based upon unaudited internal financial information and reflects only pro forma adjustments for additional interest expense and amortization of the excess of the cost over the underlying net assets acquired, net of the applicable income tax effects.

NOTE 4. INTANGIBLE ASSETS

Intangible assets consist of the following:

	JANUARY 2, 1999	DECEMBER 27, 1997
Deferred financing and origination fees	\$ 15,817	\$ 14,578
Covenants not to compete	6,233	4,598
Excess of cost over net assets acquired	49,197	32,464
Deferred acquisition costs	20	13
Accumulated amortization	(12,313)	(6,548)
	-----	-----
	\$ 58,954	\$ 45,105
	=====	=====

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BPC HOLDING CORPORATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 (IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

Excess of cost over net assets acquired increased due to the acquisitions of Norwich Moulders and Knight to the extent the purchase price exceeded the fair value of the net assets acquired.

NOTE 5. LONG-TERM DEBT

Long-term debt consists of the following:

<TABLE>
 <CAPTION>

JANUARY 2, DECEMBER 27,

	1999	1997
<S>	<C>	<C>
Holding 12.50% Senior Secured Notes	\$ 105,000	\$ 105,000
Berry 12.25% Senior Subordinated Notes	125,000	100,000
Term loans	71,243	58,300
Revolving line of credit	16,162	25,654
Nevada Industrial Revenue Bonds	4,500	5,000
Iowa Industrial Revenue Bonds	--	5,400
South Carolina Industrial Development Bonds	--	6,985
Capital lease obligation payable through December 1999	561	547
Debt premium (discount), net	832	(551)
	-----	-----
	323,298	306,335
Less current portion of long-term debt	19,388	7,619
	-----	-----
	\$ 303,910	\$ 298,716
	=====	=====

</TABLE>

HOLDING 12.50% SENIOR SECURED NOTES

On June 18, 1996, Holding, as part of a recapitalization (see Note 9), issued 12.50% Senior Secured Notes due 2006 (the "1996 Offering") for net proceeds, after expenses, of approximately \$100.2 million (or \$64.6 million after deducting the amount of such net proceeds used to purchase marketable securities available for payment of interest on the notes). These notes were exchanged in October 1996 for the 12.50% Series B Senior Secured Notes due 2006 (the "1996 Notes"). Interest is payable semi-annually on June 15 and December 15 of each year. In addition, from December 15, 1999 until June 15, 2001, Holding may, at its option, pay interest, at an increased rate of 0.75% per annum, in additional 1996 Notes valued at 100% of the principal amount thereof.

In connection with the 1996 Notes, \$35.6 million was placed in escrow, which has been invested in U.S. government securities, to pay three years' interest on the notes. Pending disbursement, the trustee will have a first priority lien on the escrow account for the benefit of the holders of the 1996 Notes. Funds may be disbursed from the escrow account only to pay interest on the 1996 Notes and, upon certain repurchases or redemptions of the notes, to pay principal of and premium, if any, thereon. The balance in the escrow account as of January 2, 1999 is \$6.7 million.

The 1996 Notes rank senior in right of payment to all existing and future subordinated debt of Holding, including Holding's subordinated guarantee of the 1994 Notes and 1998 Notes (as defined hereinafter) and PARI PASSU in right of payment with all senior debt of Holding. The 1996 Notes are effectively subordinated to all existing and future senior debt of Berry, including borrowings under the Credit Facility and the Nevada Industrial Revenue Bond.

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

BERRY 12.25% SENIOR SUBORDINATED NOTES

On April 21, 1994, Berry completed an offering of 100,000 units consisting of \$100.0 million aggregate principal amount of 12.25% Berry Plastics Corporation Senior Subordinated Notes, due 2004 (the "1994 Notes") and 100,000 warrants to purchase 1.13237 shares of Class A Common Stock, \$.00005 par value (collectively the "1994 Transaction"), of Holding. The net proceeds to Berry from the sale of the 1994 Notes, after expenses, were \$93.0 million. On August 24, 1998, Berry completed an additional offering of \$25.0 million aggregate principal amount of 12.25% Series B Senior Subordinated Notes due 2004 (the "1998 Notes"). The net proceeds to Berry from the sale of the 1998 Notes, after expenses, were \$25.2 million. The 1994 Notes and 1998 Notes mature on April 15, 2004 and interest is payable semi-annually on October 15 and April 15 of each year and commenced on October 15, 1994 and October 15, 1998 for the 1994 Notes and 1998 Notes respectively. Holding and all of Berry's subsidiaries fully, jointly, and severally, and unconditionally guarantee on a senior subordinated basis the 1994 Notes and 1998 Notes. There are no nonguarantor subsidiaries.

Berry is not required to make mandatory redemption or sinking fund payments with respect to the 1994 Notes and 1998 Notes. Subsequent to April 15, 1999, the 1994 Notes and 1998 Notes may be redeemed at the option of Berry, in whole or in part, at redemption prices ranging from 106.125% in 1999 to 100% in 2002 and thereafter. Upon a change in control, as defined in the indenture entered into in connection with the 1994 Transaction (the "1994 Indenture") and the 1998 Transaction ("1998 Indenture"), each holder of notes will have the right to require Berry to repurchase all or any part of such holder's notes at a

repurchase price in cash equal to 101% of the aggregate principal amount thereof plus accrued interest.

The 1994 Notes and 1998 Notes rank PARI PASSU with or senior in right of payment to all existing and future subordinated debt of Berry. The notes rank junior in right of payment to all existing and future senior debt of Berry, including borrowings under the Credit Facility and the Nevada Industrial Revenue Bonds.

The 1994 Indenture and 1998 Indenture contains certain covenants which, among other things, limit Berry and its subsidiaries' ability to incur debt, merge or consolidate, sell, lease or transfer assets, make dividend payments and engage in transactions with affiliates.

CREDIT FACILITY

Concurrent with the Venture Packaging Acquisition, the Company amended its then existing financing and security agreement (the "Security Agreement") with NationsBank, N.A. for a senior secured line of credit to increase the commitments thereunder to an aggregate principal amount of \$127.2 million (the "Credit Facility"). Concurrently with the Norwich Acquisition, the Credit Facility was amended and increased to \$132.6 million (plus an additional revolving credit facility of \$1.5 million (the "UK Revolver") and a term loan facility of \$4.5 million (the "UK Term Loan"), each for NIM Holdings and Norwich). The debt under the Credit Facility is guaranteed by Holding and substantially all of its subsidiaries. The obligations of the Company and the subsidiaries under the Credit Facility and the guarantees thereof are secured primarily by all of the assets of such persons. The Credit Facility replaced the facility previously provided by Fleet Capital Corporation.

The Credit Facility provides the Company with (i) a \$50.0 million revolving line of credit, subject to a borrowing base formula, (ii) the UK Revolver, subject to a borrowing base, (iii) a \$63.7 million term loan facility, (iv) the UK Term Loan and (v) a \$5.6 million standby letter of credit facility to support the Company's and its subsidiaries' obligations under the Nevada Bonds. The Credit Facility also provides for a \$5.4 million term loan facility, the proceeds of which were used to retire in July 1998 the Company's and its subsidiaries' obligations under the Iowa Bonds, on which Berry Iowa had agreed, pursuant to a Loan and Trust Agreement with The City of Iowa Falls, Iowa, to pay amounts sufficient to pay principal, interest and any premium with respect to the Iowa Bonds. Also, the Credit Facility provided a term loan facility to support the Company's and its subsidiaries' obligations under the South Carolina Industrial Development Bonds. In August 1998, in conjunction with the closing and sale of the Anderson, South Carolina Facility, the Bonds were paid by the Company. The difference between the repayment of the development bonds and other related liabilities and the net proceeds from the sale of the facility of approximately \$3.0 million has been financed with borrowings under the term loan facility. The Company borrowed

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

all amounts available under the term loan facility and the UK Term Loan to finance the PackerWare Acquisition, the Virginia Design Acquisition, the Venture Packaging Acquisition and the Norwich Acquisition. At January 2, 1999, the Company had unused borrowing capacity under the Credit Facility's revolving line of credit of approximately \$26.3 million.

The Credit Facility matures on January 21, 2002 unless previously terminated by the Company or by the lenders upon an Event of Default as defined in the Security Agreement. The term loan facility requires periodic payments, varying in amount, through the maturity of the facility. Interest on borrowings under the Credit Facility is based on either (i) the lender's base rate (which is the higher of the lender's prime rate and the federal funds rate plus 0.50%) plus an applicable margin of 0.50% or (ii) LIBOR (adjusted for reserves) plus an applicable margin of 2.0%, at the Company's option (7.0% at January 2, 1999 and 8.0% at December 27, 1997). Following receipt of the quarterly financial statements, the agent under the Credit Facility has the option to change the applicable interest rate margin on loans (other than under the UK Revolver and UK Term Loan) once per quarter to a specified margin determined by the ratio of funded debt to EBITDA of the Company and its subsidiaries. Notwithstanding the foregoing, interest on borrowings under the UK Revolver and the UK Term Loan is based on LIBOR (adjusted for reserves) plus 2.50%.

The Credit Facility contains various covenants which include, among other things: (i) maintenance of certain financial ratios and compliance with certain financial tests and limitations, (ii) limitations on the issuance of additional debt and (iii) limitations on capital expenditures.

NEVADA INDUSTRIAL REVENUE BONDS

The Nevada Industrial Revenue Bonds bear interest at a variable rate (3.0% at January 2, 1999 and 4.6% at December 27, 1997), require annual principal payments of \$0.5 million on April 1, are collateralized by irrevocable letters of credit issued by NationsBank under the Credit Facility and mature in April 2007.

OTHER

Future maturities of long-term debt are as follows: 1999, \$19,388; 2000, \$20,386; 2001, \$16,105; 2002, \$34,763; 2003, \$500, and \$231,324 thereafter.

Interest paid was \$33,236, \$29,927 and \$19,744 for 1998, 1997 and 1996, respectively. Interest capitalized was \$777, \$341 and \$225 for 1998, 1997 and 1996, respectively.

NOTE 6. LEASE AND OTHER COMMITMENTS

Certain property and equipment are leased using capital and operating leases. Capitalized lease property consisted of manufacturing equipment with a cost of \$2,970 and \$1,661 and related accumulated amortization of \$1,468 and \$831 at January 2, 1999, and December 27, 1997, respectively. Capital lease amortization is included in depreciation expense. Total rental expense for operating leases was approximately \$5,414, \$3,332, and \$2,344 for 1998, 1997, and 1996, respectively.

Future minimum lease payments for capital leases and noncancellable operating leases with initial terms in excess of one year are as follows:

<TABLE>
<CAPTION>

	AT JANUARY 2, 1999	
	CAPITAL LEASES	OPERATING LEASES
<S>	<C>	<C>
1999.....	\$ 606	\$ 3,834
2000.....	--	3,724
2001.....	--	3,422
2002.....	--	2,805

</TABLE>

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

<TABLE>
<CAPTION>

<S>		<C>
2003.....	--	2,207
Thereafter.....	--	1,921
	-----	-----
	606	\$ 17,913
		=====
Less: amount representing interest.....	45	

Present value of net minimum lease payments.....	\$ 561	
	=====	

</TABLE>

NOTE 7. INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of deferred tax liabilities and assets at January 2, 1999 and December 27, 1997 are as follows:

<TABLE>
<CAPTION>

	JANUARY 2, 1999	DECEMBER 27, 1997
<S>	<C>	<C>
Deferred tax liabilities:		
Tax over book depreciation	\$ 11,080	\$ 11,073
Deferred tax assets:		
Allowance for doubtful accounts	633	590
Inventory	900	1,391
Compensation and benefit accruals	1,592	1,198
Insurance reserves	436	338
Net operating loss carryforwards	10,012	8,372
Alternative minimum tax (AMT) credit carryforwards	2,758	2,049

Total deferred tax assets	16,331	13,938
	5,251	2,865
Valuation allowance	(2,493)	(816)
Net deferred tax asset	\$ 2,758	\$ 2,049

</TABLE>

Income tax expense consists of the following:

<TABLE>

<CAPTION>

	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
<S>	<C>	<C>	<C>
Current			
Federal	\$ (493)	\$ --	\$ --
Foreign	152	--	--
State	92	138	186
Deferred			
Federal	--	--	69
State	--	--	(16)
Income tax expense (benefit)	\$ (249)	\$ 138	\$ 239

</TABLE>

Holding has unused operating loss carryforwards of approximately \$26.0 million for federal income tax purposes which begin to expire in 2010. AMT credit carryforwards are available to Holding indefinitely to reduce future years' federal income taxes. A tax sharing agreement is in place that allows Holding to make losses available to Berry.

Income taxes paid during 1998, 1997 and 1996 approximated \$526, \$47, and \$528 respectively.

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

A reconciliation of income tax expense, computed at the federal statutory rate, to income tax expense, as provided for in the financial statements, is as follows:

<TABLE>

<CAPTION>

	YEAR ENDED		
	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
<S>	<C>	<C>	<C>
Income tax expense (benefit) computed at statutory rate	\$ (2,658)	\$ (4,853)	\$ (1,057)
State income tax expense, net of federal benefit	90	138	112
Amortization of goodwill	339	285	--
Expenses not deductible for income tax purposes	432	219	51
Change in valuation allowance	1,677	4,298	1,103
Other	(129)	51	30
Income tax expense (benefit)	\$ (249)	\$ 138	\$ 239

</TABLE>

NOTE 8. EMPLOYEE RETIREMENT PLANS

Berry sponsors a defined contribution 401(k) retirement plan covering substantially all employees. Contributions are based upon a fixed dollar amount for employees who participate and percentages of employee contributions at specified thresholds. Contribution expense for this plan was approximately \$933, \$629, and \$531 for 1998, 1997 and 1996, respectively.

NOTE 9. STOCKHOLDERS' EQUITY

COMMON STOCK

On June 18, 1996, Holding consummated the transaction described below (the "1996 Transaction"). BPC Mergerco, Inc. ("Mergerco"), a wholly owned subsidiary

of Holding, was organized by Atlantic Equity Partners International II, L.P. ("International"), Chase Venture Capital Associates, L.P. ("CVCA"), and certain other institutional investors to effect the acquisition of a majority of the outstanding capital stock of Holding. Pursuant to the terms of a Common Stock Purchase Agreement dated as of June 12, 1996 each of International, CVCA and certain other equity investors (collectively the "Common Stock Purchasers") subscribed for shares of common stock of Mergerco. In addition, pursuant to the terms of a Preferred Stock Purchase Agreement dated as of June 12, 1996 (the "Preferred Stock Purchase Agreement"), CVCA and an additional institutional investor (the "Preferred Stock Purchasers") purchased shares of preferred stock of Mergerco (the "Preferred Stock") and warrants (the "1996 Warrants") to purchase shares of common stock of Mergerco. Immediately after the purchase of the common stock, the preferred stock and the 1996 Warrants of Mergerco, Mergerco merged (the "Merger") with and into Holding, with Holding being the surviving corporation. Upon the consummation of the Merger: each share of the Class A Common Stock, \$.00005 par value, and Class B Common Stock, \$.00005 par value, of Holding and certain privately-held warrants exercisable for such Class A and Class B Common Stock were converted into the right to receive cash equal to the purchase price per share for the common stock into which such warrants were exercisable less the amount of the nominal exercise price therefor, and all other classes of common stock of Holding, a majority of which was held by certain members of management, were converted into shares of common stock of the surviving corporation. In addition, upon the consummation of the Merger, the holders of the warrants (the "1994 Warrants") to purchase capital stock of Holding that were issued in connection with the 1994 Transaction became entitled to receive cash equal to the purchase price per share for the common stock into which such warrants were exercisable less the amount of the exercise price therefor. The Company's common stock shareholders who held common stock immediately preceding the 1996 Transaction retained 78% of the common stock. Additionally, a \$2,762 bonus was paid to management employees who held unvested stock options at the time of the 1994 Transaction which is included in 1996 general and administrative expenses.

The authorized capital stock of Holding consists of 3,500,000 shares of capital stock, including 2,500,000 shares of Common Stock, \$.01 par value (the "Holding Common Stock"). Of the 2,500,000 shares of Holding

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

Common Stock, 500,000 shares are designated Class A voting Common Stock (the "Class A Voting Stock"), 500,000 shares are designated Class A Nonvoting Common Stock (the "Class A Nonvoting Stock"), 500,000 shares are designated Class B Nonvoting Common Stock (the "Class B Nonvoting Stock"), and 500,000 shares are designated Class C Nonvoting Common Stock (the "Class C Nonvoting Stock").

PREFERRED STOCK AND WARRANTS

In connection with the 1996 Transaction, for aggregate consideration of \$15.0 million, Mergerco issued units (the "Units") comprised of Series A Senior Cumulative Exchangeable Preferred Stock, par value \$.01 per share (the "Preferred Stock"), and detachable warrants to purchase shares of Class B Common Stock (voting and non-voting) constituting 6% of the issued and outstanding Common Stock of all classes, determined on a fully-diluted basis (the "Warrants").

Dividends accrue at a rate of 14% per annum, payable quarterly in arrears (each date of payment, a "Dividend Payment Date") and will accumulate until declared and paid. Dividends declared and accruing prior to the first Dividend Payment Date occurring after the sixth anniversary of the issue date (the "Cash Dividend Date") may, at the option of Holding, be paid in cash in full or in part or accrue quarterly on a compound basis. Thereafter, all dividends are payable in cash in arrears. The dividend rate is subject to increase to a rate of (i) 16% per annum if (and for so long as) Holding fails to declare and pay dividends in cash for any quarterly period following the Cash Dividend Date and (ii) 15% per annum if (and for so long as) Holding fails to comply with its obligations relating to the rights and preferences of the Preferred Stock. If Holding fails to pay in full, in cash, (a) all accrued and unpaid dividends on or prior to the twelfth anniversary of the issue date or (b) all accrued dividends on any Dividend Payment Date following the twelfth anniversary of the issue date, the holders of Preferred Stock will be permitted to elect a majority of the Board of Directors of Holding.

The Preferred Stock ranks prior to all other classes of stock of Holding upon liquidation and is entitled to receive, out of assets available for distribution, cash in the aggregate amount of \$15.0 million, plus all accrued and unpaid dividends thereon. Subject to the terms of the 1996 Indenture, on any Dividend Payment Date, Holding has the option of exchanging the Preferred Stock, in whole but not in part, for Senior Subordinated Exchange Notes, at the rate of

\$25 in principal amount of notes for each \$25 of liquidation preference of Preferred Stock held; provided, however, that no shares of Preferred Stock may be exchanged for so long as any shares of Preferred Stock are held by CVCA or its affiliates. Upon such exchange, Holding will be required to pay in cash all accrued and unpaid dividends.

Pursuant to the Preferred Stock Purchase Agreement, the holders of Preferred Stock and Warrants have unlimited incidental registration rights (subject to cutbacks under certain circumstances). The exercise price of the Warrants is \$.01 per Warrant and the Warrants are exercisable immediately upon issuance. All unexercised warrants will expire on the tenth anniversary of the issue date. The number of shares issuable upon exercise of a Warrant are subject to anti-dilution adjustments upon the occurrence of certain events.

In conjunction with the Venture Packaging acquisition, Holding authorized and issued 200,000 shares of Series B Cumulative Preferred Stock to certain selling shareholders of Venture Packaging. The Preferred Stock has a stated value of \$25 per share, and dividends accrue at a rate of 14.75% per annum and will accumulate until declared and paid. The Preferred Stock ranks junior to the Series A Preferred Stock and prior to all other capital stock of Holding. In addition, Warrants to purchase 9,924 shares of Class B Non-Voting Common Stock at \$108 per share were issued to the same selling shareholders of Venture Packaging.

STOCK OPTION PLAN

Pursuant to the provisions of the BPC Holding Corporation 1996 Stock Option Plan (the "Option Plan") as amended, whereby 51,620 shares have been reserved for future issuance, Holding has granted options to certain officers and key employees to acquire shares of Class B Nonvoting Common Stock. These options are subject to various agreements, which among other things, set forth the class of stock, option price and performance thresholds to determine exercisability and vesting requirements. The Option Plan expires October 3, 2003 or such earlier date

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BPC HOLDING CORPORATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 (IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

on which the Board of Directors of Holding, in its sole discretion, determines. Option prices range from \$100 to \$122 per share. Options granted under the Option Plan typically expire after seven years and vest over a five-year period with half of each person's award based on continued employment and half based on the Company achieving financial performance targets.

FASB Statement 123, ACCOUNTING FOR STOCK-BASED COMPENSATION ("Statement 123"), prescribes accounting and reporting standards for all stock-based compensation plans. Statement 123 provides that companies may elect to continue using existing accounting requirements for stock-based awards or may adopt a new fair value method to determine their intrinsic value. Holding has elected to continue following Accounting Principles Board Opinion No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES ("APB 25") to account for its employee stock options. Under APB 25, because the exercise price of Holding's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized at the grant date.

Information related to the Option Plan is as follows:

<TABLE>
 <CAPTION>

	JANUARY 2, 1999		DECEMBER 27, 1997	
	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
<S>	<C>	<C>	<C>	<C>
Options outstanding, beginning of year	47,708	\$ 101	43,393	\$ 100
Options granted	11,005	122	5,425	106
Options exercised	--	--	--	--
Options canceled	7,984	100	(1,110)	100
Options outstanding, end of year	50,729	105	47,708	101
Option price range at end of year	\$100 - \$122		\$100 - \$108	
Options exercisable at end of year	25,191		13,561	
Options available for grant				

at year end	891	3,912
Weighted average fair value of options granted during year	\$ 122	\$ 106

</TABLE>

The following table summarizes information about the options outstanding at January 2, 1999:

RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING AT JANUARY 2, 1999	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT JANUARY 2, 1999
\$100 - \$122	50,729	3 years	\$105	25,191

Disclosure of pro forma financial information is required by Statement 123 as if the Company had accounted for its employee stock options using the fair value method as defined by the Statement. The fair value for options granted by the Company have been estimated at the date of grant using a Black Scholes option pricing model with the following weighted average assumptions:

	YEAR ENDED		
	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
Risk-free interest rate	6.4%	6.4%	6.5%
Dividend yield	0.0%	0.0%	0.0%
Volatility factor20	.07	.01
Expected option life	4.0 years	4.0 years	5.0 years

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

For purposes of the pro forma disclosures, the estimated fair value of the stock options are amortized to expense over the related vesting period. Because compensation expense is recognized over the vesting period, the initial impact on pro forma net loss may not be representative of compensation expense in future years, when the effect of amortization of multiple awards would be reflected in the Consolidated Statement of Operations. The Company's pro forma net losses giving effect to the estimated compensation expense related to stock options are as follows:

	YEAR ENDED		
	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
Net loss.....	\$ (7,198)	\$ (14,594)	\$ (3,389)

STOCKHOLDERS AGREEMENTS

Holding entered into a new stockholders agreement (the "New Stockholders Agreement") dated as of June 18, 1996 with the Common Stock Purchasers, certain management stockholders and, for limited purposes thereunder, the Preferred Stock Purchasers. The New Stockholders Agreement grants certain rights including, but not limited to, designation of members of Holding's Board of Directors, the initiation of an initial public offering of equity securities of the Company or a sale of Holding. The agreement also restricts certain transfers of Holding's equity.

Holding entered into an amended and restated agreement with its management stockholders and International on June 18, 1996. The agreement contains provisions (i) limiting transfers of equity by the management stockholders; (ii) requiring the management stockholders to sell their shares as designated by Holding or International upon the consummation of certain transactions; (iii) granting the management stockholders certain rights of co-sale in connection with sales by International; (iv) granting rights to repurchase capital stock from the management stockholders upon the occurrence of certain events; and (v) requiring the management stockholders to offer shares to Holding prior to any permitted transfer.

NOTE 10. RELATED PARTY TRANSACTIONS

The Company is party to a management agreement (the "Management Agreement") with First Atlantic Capital, Ltd. ("First Atlantic"). In connection with the 1996 Transaction, Holding paid a fee of \$1,250 plus reimbursement for out-of-pocket expenses to First Atlantic for advisory services, including originating, structuring and negotiating the 1996 Transaction. First Atlantic also received advisory fees of \$966 for originating, structuring and negotiating the 1997 acquisitions and advisory fees of approximately \$140 and \$180 in July

1998 and October 1998, respectively, for originating, structuring and negotiating the Norwich Acquisition and the Knight Acquisition, respectively.

In consideration of financial advisory and management consulting services, the Company paid First Atlantic fees and expenses of \$835, \$771 and \$788 for fiscal 1998, 1997, and 1996, respectively.

NOTE 11. FAIR VALUE OF FINANCIAL INSTRUMENTS INFORMATION

The Company's financial instruments generally consist of cash and cash equivalents and the Company's long-term debt. The carrying amounts of the Company's financial instruments approximate fair value at January 2, 1999, except for the 1994 Notes and the 1996 Notes for which the fair value exceed the carrying value by approximately \$4.5 million and \$4.2 million, respectively.

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BPC HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)

NOTE 12. SUMMARY FINANCIAL INFORMATION (IN THOUSANDS)

The following summarizes consolidated financial information of Holding's wholly-owned subsidiary, Berry Plastics Corporation and subsidiaries:

	JANUARY 2, 1999	DECEMBER 27, 1997
	-----	-----
CONSOLIDATED BALANCE SHEETS		
Current assets	\$ 65,590	\$ 62,824
Property and equipment - net of accumulated depreciation	120,005	108,218
Other noncurrent assets	58,716	44,480
Current liabilities	60,210	42,158
Noncurrent liabilities	210,093	205,172
Equity (deficit)	(25,992)	(31,808)

YEAR ENDED

	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
	-----	-----	-----
CONSOLIDATED STATEMENTS OF OPERATIONS			
Net sales	\$ 271,830	\$ 226,954	\$ 151,058
Cost of goods sold	199,226	180,249	110,110
Income (loss) before income taxes ...	5,650	(2,493)	6,490
Net income (loss)	5,899	(2,631)	5,989

The following summarizes parent company only financial information of Berry:

	JANUARY 2, 1999	DECEMBER 27, 1997
	-----	-----
BALANCE SHEET		
Current assets	\$ 28,579	\$ 31,492
Property and equipment - net of accumulated depreciation	48,220	45,091
Investment in/due from subsidiaries	120,230	87,613
Other noncurrent assets	15,629	14,111
Current liabilities	41,325	53,506
Noncurrent liabilities	197,325	156,609
Equity (deficit)	(25,992)	(31,808)

YEAR ENDED

	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
	-----	-----	-----
STATEMENTS OF OPERATIONS			
Net sales	\$ 140,856	\$ 140,976	\$ 108,253
Cost of goods sold	91,763	101,769	75,861
Income (loss) before income taxes ...	5,650	(2,493)	6,490
Net income (loss)	5,899	(2,631)	5,989

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BPC HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS OF DOLLARS)

JULY 3, JANUARY 2,
1999 1999

	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,993	\$ 2,318
Accounts receivable (less allowance for doubtful accounts of \$1,507 at July 3, 1999 and \$1,651 at January 2, 1999)	40,842	29,951
Inventories:		
Finished goods	23,967	23,146
Raw materials and supplies	8,347	8,556
	32,314	31,702
Prepaid expenses and other receivables	2,575	1,665
Income taxes recoverable	83	577
Total current assets	78,807	66,213
Assets held in trust	252	6,679
Property and equipment:		
Land	7,762	7,769
Buildings and improvements	39,047	38,960
Machinery, equipment and tooling	140,801	141,054
Automobiles and trucks	1,405	1,386
Construction in progress	21,766	11,780
	210,781	200,949
Less accumulated depreciation	90,510	80,944
	120,271	120,005
Intangible assets:		
Deferred financing and origination fees, net	9,765	10,327
Covenants not to compete, net	4,068	4,404
Excess of cost over net assets acquired, net	41,971	44,536
Deferred acquisition costs	146	20
	55,950	59,287
Deferred income taxes	2,758	2,758
Other	371	375
Total assets	\$258,409	\$ 255,317
	=====	=====

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CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

<TABLE>

<CAPTION>

	JULY 3, 1999	JANUARY 2, 1999
	(Unaudited)	
	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 20,664	\$ 18,059
Accrued expenses and other liabilities	8,590	9,944
Accrued interest	3,795	4,166
Employee compensation and payroll taxes	12,156	8,953
Income taxes	1,534	941
Current portion of long-term debt	20,297	19,388
Total current liabilities	67,036	61,451
Long-term debt, less current portion	300,187	303,910
Accrued dividends on preferred stock	9,188	7,225
Deferred income taxes	472	497
Other liabilities	2,193	2,591
	379,076	375,674
Stockholders' equity (deficit):		
Series A Preferred Stock; 800,000 shares authorized; 600,000 shares issued and outstanding (net of discount of \$2,624 at July 3, 1999 and \$2,770 at January 2, 1999)	11,947	11,801
Series B Preferred Stock; 200,000 shares authorized, issued and outstanding	5,000	5,000
Class A Common Stock; \$.01 par value:		
Voting; 500,000 shares authorized; 91,000 shares issued and outstanding	1	1
Nonvoting; 500,000 shares authorized; 259,000 shares issued and outstanding	3	3
Class B Common Stock; \$.01 par value:		
Voting; 500,000 shares authorized; 145,058 shares issued and 144,546 shares outstanding	1	1

Nonvoting; 500,000 shares authorized; 58,612 shares issued and 56,842 shares outstanding	1	1
Class C Common Stock; \$.01 par value:		
Nonvoting; 500,000 shares authorized; 17,000 shares issued and 16,833 shares outstanding	--	--
Treasury stock: 512 shares Class B Voting Common Stock; 1,770 shares Class B Nonvoting Common Stock; and 167 shares Class C Nonvoting Common Stock	(296)	(280)
Additional paid-in capital	43,502	45,611
Warrants	3,511	3,511
Retained earnings (deficit)	(183,801)	(185,923)
Accumulated other comprehensive loss	(536)	(83)
	-----	-----
Total stockholders' equity (deficit)	(120,667)	(120,357)
	-----	-----
Total liabilities and stockholders' equity (deficit)	\$ 258,409	\$ 255,317
	=====	=====

</TABLE>
SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

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BPC HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS OF DOLLARS)

	THIRTEEN WEEKS ENDED		TWENTY-SIX WEEKS ENDED	
	JULY 3, 1999	JUNE 27, 1998	JULY 3, 1999	JUNE 27, 1998
	-----	-----	-----	-----
	(Unaudited)			
<S>	<C>	<C>	<C>	<C>
Net sales	\$ 82,392	\$ 69,586	\$ 159,852	\$ 136,317
Cost of goods sold	58,259	50,768	112,782	100,016
	-----	-----	-----	-----
Gross margin	24,133	18,818	47,070	36,301
Operating expenses:				
Selling	4,323	3,487	8,553	7,112
General and administrative	5,845	4,400	11,883	8,799
Research and development	633	347	1,175	743
Amortization of intangibles ...	1,275	828	2,550	1,708
Other	711	1,230	1,667	2,363
	-----	-----	-----	-----
Operating income	11,346	8,526	21,242	15,576
Other income and expense:				
Loss on disposal of property and equipment	169	297	778	430
	-----	-----	-----	-----
Income before interest and income taxes	11,177	8,229	20,464	15,146
Interest:				
Expense	(8,736)	(8,776)	(18,022)	(17,441)
Income	62	337	162	575
	-----	-----	-----	-----
Income (loss) before income taxes .	2,503	(210)	2,604	(1,720)
Income tax expense	289	13	482	26
	-----	-----	-----	-----
Net income (loss)	2,214	(223)	2,122	(1,746)
Preferred stock dividends	(998)	(869)	(1,962)	(1,783)
Amortization of preferred stock discount	(73)	(73)	(146)	(146)
	-----	-----	-----	-----
Net income (loss) attributable to Common Stockholders	\$ 1,143	\$ (1,165)	\$ 14	\$ (3,675)
	=====	=====	=====	=====

</TABLE>
SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

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BPC HOLDING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF DOLLARS)

TWENTY-SIX WEEKS ENDED

JULY 3, JUNE 27,
1999 1998

	(Unaudited)	
OPERATING ACTIVITIES		
Net income (loss)	\$ 2,122	\$ (1,746)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	11,560	10,075
Non-cash interest expense	872	884
Amortization	2,550	1,708
Interest funded by assets held in trust	6,427	6,393
Loss on sale of property and equipment	778	430
Changes in operating assets and liabilities:		
Accounts receivable, net	(11,058)	(5,565)
Inventories	(636)	1,950
Prepaid expenses and other receivables	(910)	534
Other assets	(126)	(169)
Payables and accrued expenses	4,557	(114)
Net cash provided by operating activities	16,136	14,380
INVESTING ACTIVITIES		
Additions to property and equipment	(13,461)	(7,854)
Proceeds from disposal of property and equipment	408	95
Net cash used for investing activities	(13,053)	(7,759)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	7,672	--
Payments on long-term borrowings	(10,058)	(6,524)
Payment of refinancing fees	--	(46)
Purchase of stock from management	(16)	(59)
Net cash used for financing activities	(2,402)	(6,629)
Effect of exchange rate changes on cash	(6)	--
Net increase (decrease) in cash and cash equivalents	675	(8)
Cash and cash equivalents at beginning of period	2,318	2,688
Cash and cash equivalents at end of period	\$ 2,993	\$ 2,680

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

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BPC HOLDING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of BPC Holding Corporation and its subsidiaries (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full fiscal year. The accompanying financial statements include the results of BPC Holding Corporation ("Holding") and its wholly-owned subsidiary, Berry Plastics Corporation ("Berry"), and its wholly-owned subsidiaries: Berry Iowa Corporation, Berry Tri-Plas Corporation, Berry Sterling Corporation, AeroCon, Inc., PackerWare Corporation, Berry Plastics Design Corporation, Venture Packaging, Inc., Venture Packaging Midwest, Inc., Venture Packaging Southeast, Inc., NIM Holdings Limited ("NIM Holdings"), Norwich Injection Moulders Limited ("Norwich Moulders"), and Knight Plastics, Inc. For further information, refer to the consolidated financial statements and footnotes thereto included in Holding's and Berry's Form 10-K's filed with the Securities and Exchange Commission for the year ended January 2, 1999.

Certain amounts on the 1998 financial statements have been reclassified to conform with the 1999 presentation.

2. ACQUISITIONS

On July 2, 1998, NIM Holdings, a newly-formed, wholly-owned subsidiary of Berry, acquired all of the capital stock of Norwich Moulders of Norwich, England for aggregate consideration of approximately \$14.0 million. The purchase was primarily financed through Berry's credit facility (see Note 3). The operations of Norwich Moulders are included in Berry's operations since the acquisition

date using the purchase method of accounting.

On October 16, 1998, Knight Plastics, Inc. ("Knight"), a newly formed wholly-owned subsidiary of Berry, acquired substantially all of the assets of the Knight Engineering and Plastics Division of Courtaulds Packaging Inc. for aggregate consideration of approximately \$18.0 million. The purchase was financed through Berry's revolving line of credit.

The pro forma results listed below are unaudited and reflect purchase accounting adjustments assuming the Norwich Moulders and Knight acquisitions occurred on December 28, 1997.

	THIRTEEN WEEKS ENDED JUNE 27, 1998	TWENTY-SIX WEEKS ENDED JUNE 27, 1998
	-----	-----
Net sales	\$ 78,976	\$ 155,012
Loss before income taxes ..	(646)	(2,956)
Net loss	(717)	(3,098)

The pro forma financial information is presented for informational purposes only and is not necessarily indicative of the operating results that would have occurred had the acquisitions been consummated at the above date, nor are they necessarily indicative of future operating results. Further, the information gathered on the acquired companies is based upon unaudited internal financial information and reflects only pro forma adjustments for additional interest expense and amortization of the excess of the cost over the underlying net assets acquired, net of the applicable income tax effects.

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3. LONG-TERM DEBT

Long-term debt consists of the following:

	JULY 3, 1999	JANUARY 2, 1999
	-----	-----
Holding 12.50% Senior Secured Notes	\$105,000	\$ 105,000
Berry 12.25% Senior Subordinated Notes	125,000	125,000
Term loans	61,151	71,243
Revolving line of credit	23,835	16,162
Nevada Industrial Revenue Bonds	4,000	4,500
Capital leases	740	561
Debt premium, net	758	832
	-----	-----
	320,484	323,298
Less current portion of long-term debt	20,297	19,388
	-----	-----
	\$300,187	\$ 303,910
	=====	=====

The current portion of long-term debt consists of \$19.6 million of quarterly installments on the term loans, a \$0.5 million repayment of the industrial bonds and the monthly principal payments related to capital lease obligations.

The debt under our credit facility is guaranteed by BPC Holding and substantially all of our subsidiaries. As of July 3, 1999, the credit facility provided an aggregate commitment of about \$119.7 million including (i) \$50.0 million revolving line of credit (which was increased by \$20.0 million concurrently with the Cardinal acquisition - See Note 7), subject to a borrowing base formula; (ii) (pound)1.5 million revolving line of credit, subject to a borrowing base ("UK Revolver"); (iii) \$56.0 million term loan facility; (iv) (pound)3.6 million term loan facility ("UK Term Loan"); and (v) \$5.6 million standby letter of credit facility to support our and our subsidiaries' obligations under our Nevada Industrial Revenue Bonds. At July 3, 1999, we had unused borrowing capacity under our credit facility's revolving line of credit of about \$28.9 million.

The credit facility matures on January 21, 2002 unless previously terminated by us or by the lenders upon an Event of Default as defined in the Security Agreement. The term loan facilities require periodic principal payments, varying in amount through the maturity of the facility. Such periodic payments will aggregate about \$19.0 million for fiscal 1999 and about \$19.9 million for fiscal 2000. Interest on borrowings under the credit facility is based on either the lender's base rate (which is the higher of the lender's prime rate and the federal funds rate plus 0.50%) plus an applicable margin of 0.50%; or LIBOR (adjusted for reserves) plus an applicable margin of 2.0%, at our option. Following receipt of the quarterly financial statements, the agent under our credit facility has the option to change the applicable interest rate margin on loans (other than under the UK Revolver and UK Term Loan) once per quarter to a specified margin determined by the ratio of funded debt to EBITDA of Berry Plastics and our subsidiaries. Notwithstanding the foregoing, interest on borrowings under the UK Revolver and the UK Term Loan is based on LIBOR (adjusted for reserves) plus 2.50%.

The credit facility contains various covenants which include, among other things (i) maintenance of certain financial ratios and compliance with certain financial tests and limitations, (ii) limitations on the issuance of additional debt, and (iii) limitations on capital expenditures.

4. BERRY PLASTICS CORPORATION SUMMARY FINANCIAL INFORMATION

The following summarizes financial information of Holding's wholly-owned subsidiary, Berry Plastics Corporation, and its subsidiaries.

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	JULY 3, 1999	JANUARY 2, 1999
	-----	-----
CONSOLIDATED BALANCE SHEETS		
Current assets	\$ 78,436	\$ 65,590
Property and equipment - net of accumulated depreciation	120,271	120,005
Other noncurrent assets	55,624	58,716
Current liabilities	65,839	60,210
Noncurrent liabilities	205,948	210,093
Equity (deficit)	(17,456)	(25,992)

<TABLE>
<CAPTION>

	THIRTEEN WEEKS ENDED		TWENTY-SIX WEEKS ENDED	
	JULY 3, 1999	JUNE 27, 1998	JULY 3, 1999	JUNE 27, 1998
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
CONSOLIDATED STATEMENT OF OPERATIONS				
Net sales	\$ 82,392	\$ 69,586	\$ 159,851	\$ 136,317
Cost of goods sold	58,259	50,768	112,782	100,016
Income before income taxes	5,946	2,888	9,465	4,571
Net income	5,655	2,875	8,989	4,546

</TABLE>

The following summarizes parent company only financial information of Berry:

	JULY 3, 1999	JANUARY 2, 1999
	-----	-----
CONSOLIDATED BALANCE SHEETS		
Current assets	\$ 40,328	\$ 28,579
Property and equipment - net of accumulated depreciation	48,937	48,220
Investment in/due from subsidiaries	122,100	120,230
Other noncurrent assets	14,947	15,629
Current liabilities	44,970	41,325
Noncurrent liabilities	198,798	197,325
Equity (deficit)	(17,456)	(25,992)

<TABLE>
<CAPTION>

	THIRTEEN WEEKS ENDED		TWENTY-SIX WEEKS ENDED	
	JULY 3, 1999	JUNE 27, 1998	JULY 3, 1999	JUNE 27, 1998
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
CONSOLIDATED STATEMENT OF OPERATIONS				
Net sales	\$ 40,675	\$ 37,263	\$ 76,207	\$ 72,408
Cost of goods sold	26,187	24,375	48,642	47,554
Income before income taxes	5,946	2,888	9,465	4,571
Net income	5,655	2,875	8,989	4,546

</TABLE>

5. SEGMENT REPORTING

The Company has two reportable segments: plastic packaging products and plastic housewares products. The Company's plastic packaging business consists of three primary market groups: aerosol overcaps, containers, and plastic drink cups. The Company's plastic housewares business consists of semi-disposable plastic housewares and plastic lawn and garden products, sold primarily through major national retail marketers and national chain stores.

The Company evaluates performance and allocates resources based on operating income before depreciation and amortization of intangibles adjusted to exclude (i) market value adjustment related to stock options, (ii) other non-recurring or

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"one-time" expenses, (iii) management fees and reimbursed expenses paid to First Atlantic Capital, Ltd. and (iv) certain legal expenses associated with unusual litigation ("Adjusted EBITDA"). The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. The Company's reportable segments are business units that offer different products to different markets.

<TABLE>

<CAPTION>

	THIRTEEN WEEKS ENDED		TWENTY-SIX WEEKS ENDED	
	JULY 3, 1999	JUNE 27, 1998	JULY 3, 1999	JUNE 27, 1998
<S>	<C>	<C>	<C>	<C>
Net sales:				
Plastic packaging products	\$ 75,279	\$ 62,259	\$ 140,443	\$ 120,897
Plastic housewares products	7,113	7,327	19,409	15,420
Adjusted EBITDA:				
Plastic packaging products	18,349	14,572	33,912	27,172
Plastic housewares products	982	1,317	3,741	2,896
Reconciliation of Adjusted EBITDA to income (loss) before income taxes:				
Adjusted EBITDA for reportable segments	\$ 19,331	\$ 15,889	\$ 37,653	\$ 30,068
Net interest expense	(8,674)	(8,439)	(17,860)	(16,866)
Depreciation	(5,687)	(5,187)	(11,560)	(10,075)
Amortization	(1,275)	(828)	(2,549)	(1,708)
Loss on disposal of property and equipment	(169)	(297)	(778)	(430)
One-time expenses	(711)	(1,120)	(1,667)	(2,264)
Stock option market value adjustment	(94)	(10)	(198)	(10)
Management fees	(218)	(218)	(437)	(435)
Income (loss) before income taxes	\$ 2,503	\$ (210)	\$ 2,604	\$ (1,720)

</TABLE>

6. COMPREHENSIVE INCOME

Comprehensive income (loss) was \$1.7 million and \$(0.2) million for the thirteen weeks ended July 3, 1999 and June 27, 1998, respectively, and \$1.6 million and \$(1.7) million for the twenty-six weeks ended July 3, 1999 and June 27, 1998, respectively.

7. SUBSEQUENT EVENTS

On July 6, 1999, Berry acquired all of the outstanding capital stock of CPI Holding Corporation, the parent company of Cardinal Packaging, Inc., for aggregate consideration of approximately \$72.0 million, including acquisition related costs. The purchase was financed through the issuance by Berry of \$75.0 million of 11% Senior Subordinated Notes.

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
CPI Holding, Inc. and Subsidiary

We have audited the accompanying consolidated balance sheets of CPI Holding, Inc. and Subsidiary as of November 30, 1998 and 1997, and the related consolidated statements of income, mandatorily redeemable preferred stock and shareholders' equity, and cash flows for the years ended November 30, 1998 and 1997 and for the period January 26, 1996 (Date of Acquisition) to November 30, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of CPI Holding, Inc. and Subsidiary as of November 30, 1998 and 1997, and the results of their operations and their cash flows for the years ended November 30, 1998 and 1997 and for the period January 26, 1996 (Date of Acquisition) to November 30, 1996 in conformity

with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Cleveland, Ohio
June 11, 1999

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CPI HOLDING, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
NOVEMBER 30, 1998 AND 1997

<TABLE>

<CAPTION>

ASSETS (NOTE 4)	1998	1997
	-----	-----
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 101,748	\$ 18,624
Accounts receivable, less allowances of \$163,000 and \$72,000	5,397,359	5,260,109
Inventories	7,553,127	7,878,158
Prepaid expenses	579,064	455,492
Prepaid income taxes	428,019	50,600
Deferred income taxes (Note 7)	305,000	215,000
	-----	-----
Total current assets	14,364,317	13,877,983
	-----	-----
PROPERTY AND EQUIPMENT:		
Land	295,000	295,000
Building and improvements	3,597,818	3,526,034
Machinery and equipment	24,587,601	22,222,100
Molds	12,486,433	10,720,280
	-----	-----
Total	40,963,852	36,763,414
	-----	-----
Less accumulated depreciation and amortization	9,271,295	5,670,397
	-----	-----
Property and equipment, net	31,692,557	31,093,017
	-----	-----
GOODWILL, less accumulated amortization of \$1,078,511 in 1998 and \$734,756 in 1997	14,147,546	14,491,301
	-----	-----
OTHER ASSETS (Note 3)	1,004,109	1,267,964
	-----	-----
TOTAL	\$61,208,529	\$60,730,265
	=====	=====

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

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CPI HOLDING, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS (CONTINUED)
NOVEMBER 30, 1998 AND 1997

<TABLE>

<CAPTION>

LIABILITIES AND SHAREHOLDERS' EQUITY	1998	1997
	-----	-----
<S>	<C>	<C>
CURRENT LIABILITIES:		
Current portion of long-term debt (Note 4)	\$ 4,060,780	\$ 3,519,064
Current portion of long service executive nonqualified pension (Note 5)	420,310	380,000
Accounts payable	2,595,014	2,922,093
Accrued liabilities	547,524	881,507
	-----	-----
Total current liabilities	7,623,628	7,702,664
	-----	-----
LONG-TERM DEBT, less current portion (Note 4)	28,388,825	28,132,857
	-----	-----
LONG SERVICE EXECUTIVE NONQUALIFIED PENSION, less current portion (Note 5)	544,424	968,000
	-----	-----
DEFERRED INCOME TAXES (Note 7)	5,182,000	4,611,000
Total liabilities	41,738,877	41,414,521
	-----	-----
MANDATORILY REDEEMABLE PREFERRED STOCK (Note 9)	18,761,668	17,171,325
	-----	-----
SHAREHOLDERS' EQUITY (Notes 4 and 10):		
Common stock:		
Class A (voting), \$.01 par value, authorized 500,000 shares, 89,281.5 in 1998 and 90,114.8 in		

1997 issued and outstanding	893	901
Class B (non-voting), \$.01 par value, authorized 300,000 shares, 124,760 issued and outstanding ..	1,247	1,247
Class C (non-voting), \$.01 par value, authorized 200,000 shares, 90,791.6 issued and outstanding .	908	908
Additional paid-in capital	883,848	2,392,768
ESOP receivable (Note 8)	(113,912)	(186,405)
Stock subscription receivable	(65,000)	(65,000)
Total shareholders' equity	707,984	2,144,419
TOTAL	\$ 61,208,529	\$ 60,730,265

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

F-32

CPI HOLDING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED NOVEMBER 30, 1998 AND 1997 AND FOR THE PERIOD
JANUARY 26, 1996 (DATE OF ACQUISITION) TO NOVEMBER 30, 1996

<TABLE>

<CAPTION>

	1998	1997	1996 (10 MONTHS)
<S>	<C>	<C>	<C>
NET SALES	\$ 53,970,517	\$ 54,387,787	\$ 45,416,838
COST OF SALES	43,066,403	42,421,263	34,275,302
GROSS PROFIT	10,904,114	11,966,524	11,141,536
OPERATING EXPENSES:			
Selling	3,087,033	3,113,293	2,790,338
General and administrative (Note 11) .	3,176,276	2,949,312	2,164,232
ESOP contribution (Note 8)	26,720	30,999	209,780
Total operating expenses	6,290,029	6,093,604	5,164,350
INCOME FROM OPERATIONS	4,614,085	5,872,920	5,977,186
OTHER INCOME (EXPENSE):			
Interest expense	(3,383,736)	(3,531,327)	(3,188,345)
Miscellaneous, net	5,602	(8,225)	1,500
INCOME BEFORE INCOME TAXES	1,235,951	2,333,368	2,790,341
INCOME TAXES (Note 7)	438,700	797,000	1,056,000
NET INCOME	\$ 797,251	\$ 1,536,368	\$ 1,734,341

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

F-33

CPI HOLDING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF MANDATORILY REDEEMABLE PREFERRED STOCK AND
SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED NOVEMBER 30, 1998

<TABLE>

<CAPTION>

	MANDATORILY REDEEMABLE PREFERRED STOCK		SHAREHOLDERS' EQUITY			
			COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS
	SHARES	AMOUNT	SHARES	AMOUNT		
<S>	<C>	<C>	<C>	<C>	<C>	
BALANCE - DECEMBER 1, 1997	141,134	\$ 17,171,325	305,666	\$ 3,056	\$ 2,392,768	
REDEMPTION OF STOCK:						
Common stock			(833)	(8)	(22,145)	
Preferred stock	(167)	(20,347)				
NET INCOME						\$ 797,251
TAX BENEFIT OF DIVIDENDS PAID TO ESOP FOR UNALLOCATED SHARES						26,664

REPAYMENT OF ESOP
RECEIVABLE

DIVIDENDS:

Paid (\$8.75 per Class A Preferred Shares outstanding)		(700,000)				
Increase in accumulated but not declared dividends on mandatorily redeemable preferred stock		2,310,690			(1,486,775)	(823,915)
	-----	-----	-----	-----	-----	-----
BALANCE, NOVEMBER 30, 1998	140,967	\$ 18,761,668	304,833	\$ 3,048	\$ 883,848	--
	=====	=====	=====	=====	=====	=====

<CAPTION>

SHAREHOLDERS' EQUITY

	ESOP RECEIVABLE	STOCK SUBSCRIPTION RECEIVABLE	TOTAL SHAREHOLDERS' EQUITY
<S>	<C>	<C>	<C>
BALANCE - DECEMBER 1, 1997	\$ (186,405)	\$ (65,000)	\$ 2,144,419
REDEMPTION OF STOCK:			
Common stock			(22,153)
Preferred stock			
NET INCOME			797,251
TAX BENEFIT OF DIVIDENDS PAID TO ESOP FOR UNALLOCATED SHARES			26,664
REPAYMENT OF ESOP RECEIVABLE	72,493		72,493
DIVIDENDS:			
Paid (\$8.75 per Class A Preferred Shares outstanding)			(2,310,690)
Increase in accumulated but not declared dividends on mandatorily redeemable preferred stock			
	-----	-----	-----
BALANCE, NOVEMBER 30, 1998	\$ (113,912)	\$ (65,000)	\$ 707,984
	=====	=====	=====

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

(Continued)

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CPI HOLDING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF MANDATORILY REDEEMABLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED NOVEMBER 30, 1997

<TABLE>

<CAPTION>

	MANDATORILY REDEEMABLE PREFERRED STOCK		SHAREHOLDERS' EQUITY			
	SHARES	AMOUNT	COMMON STOCK SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE - DECEMBER 1, 1996	140,867	\$ 15,872,343	304,333	\$3,043	\$ 2,988,955	
ISSUANCE OF STOCK:						
Common stock			1,333	13	13,318	
Preferred stock	267	26,668				
NET INCOME						\$ 1,536,368
TAX BENEFIT OF DIVIDENDS PAID TO ESOP FOR UNALLOCATED SHARES						70,000
REPAYMENT OF ESOP RECEIVABLE						
DIVIDENDS:						

Paid (\$11.97 per Class A Preferred Shares outstanding)		(943,559)				
Increase in accumulated but not declared dividends on mandatorily redeemable preferred stock		2,215,873			(609,505)	(1,606,368)
BALANCE, NOVEMBER 30, 1997	141,134	\$ 17,171,325	305,666	\$3,056	\$ 2,392,768	--

<CAPTION>

SHAREHOLDERS' EQUITY			
	ESOP RECEIVABLE	STOCK SUBSCRIPTION RECEIVABLE	TOTAL SHAREHOLDERS' EQUITY
<S>	<C>	<C>	<C>
BALANCE - DECEMBER 1, 1996	\$ (360,000)	\$ (65,000)	\$ 2,566,998
ISSUANCE OF STOCK:			
Common stock			13,331
Preferred stock			
NET INCOME			\$ 1,536,368
TAX BENEFIT OF DIVIDENDS PAID TO ESOP FOR UNALLOCATED SHARES			70,000
REPAYMENT OF ESOP RECEIVABLE	\$ 173,595		173,595
DIVIDENDS:			
Paid (\$11.97 per Class A Preferred Shares outstanding)			
Increase in accumulated but not declared dividends on mandatorily redeemable preferred stock			(2,215,873)
BALANCE, NOVEMBER 30, 1997	\$ (186,405)	\$ (65,000)	\$ 2,144,419

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

(Continued)

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CPI HOLDING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF MANDATORILY REDEEMABLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED NOVEMBER 30, 1996

<TABLE>

<CAPTION>

	SHAREHOLDERS' EQUITY				
	MANDATORILY REDEEMABLE PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID-IN CAPITAL
	SHARES	AMOUNT	SHARES	AMOUNT	
<S>	<C>	<C>	<C>	<C>	<C>
ISSUANCE OF STOCK:					
Class A Preferred	80,000	\$ 8,000,000			
Class B Preferred	60,000	6,000,000			
Class A Common			88,782	\$ 888	\$ 886,928
Class B Common			124,760	1,248	1,246,352
Class C Common			86,458	864	863,720
ESOP RECEIVABLE ACQUIRED IN ACQUISITION FOR GUARANTEE OF FUTURE DEBT PAYMENTS					
ISSUANCE OF STOCK UNDER EXECUTIVE STOCK AGREEMENTS:					
Class C Common			4,333	43	43,289
Class B Preferred	867	86,668			
NET INCOME					
REDUCTION OF ESOP RECEIVABLE					
DIVIDENDS:					
Increase in accumulated but not declared dividends on redeemable preferred stock		1,785,675			(51,334)
BALANCE, NOVEMBER 30, 1996	140,867	\$15,872,343	304,833	\$3,043	\$ 2,988,955

<CAPTION>

SHAREHOLDERS' EQUITY

	RETAINED EARNINGS	ESOP RECEIVABLE	STOCK SUBSCRIPTION RECEIVABLE	TOTAL SHAREHOLDERS' EQUITY
<S>	<C>	<C>	<C>	<C>
ISSUANCE OF STOCK:				
Class A Preferred				
Class B Preferred				
Class A Common				\$ 887,816
Class B Common				1,247,600
Class C Common				864,584
ESOP RECEIVABLE ACQUIRED IN ACQUISITION FOR GUARANTEE OF FUTURE DEBT PAYMENTS		\$ (540,000)		(540,000)
ISSUANCE OF STOCK UNDER EXECUTIVE STOCK AGREEMENTS:				
Class C Common			\$ (21,666)	21,666
Class B Preferred			(43,334)	(43,334)
NET INCOME	\$ 1,734,341			1,734,341
REDUCTION OF ESOP RECEIVABLE		180,000		180,000
DIVIDENDS:				
Increase in accumulated but not declared dividends on redeemable preferred stock	(1,734,341)			(1,785,675)
BALANCE, NOVEMBER 30, 1996	--	\$ (360,000)	\$ (65,000)	\$ 2,566,998

</TABLE>

(Concluded)

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CPI HOLDING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS CASH FLOWS

FOR THE YEARS ENDED NOVEMBER 30, 1998 AND 1997 AND FOR THE PERIOD JANUARY 26, 1996 (DATE OF ACQUISITION) TO NOVEMBER 30, 1996

<TABLE>

<CAPTION>

	1998	1997	1996 (10 MONTHS)
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 797,251	\$ 1,536,368	\$ 1,734,341
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	4,167,042	3,849,775	2,954,524
(Gain) loss on disposals of property and equipment	(5,602)	8,225	(1,500)
Deferred income taxes	481,000	20,000	303,000
Tax benefit of dividends paid to ESOP	26,664	70,000	
Change in operating assets and liabilities:			
Accounts receivable	(137,250)	113,169	346,751
Inventories	325,031	344,427	(1,908,856)
Prepaid expenses, prepaid income taxes, and deposits	(444,735)	145,576	(388,988)
Accounts payable	(327,079)	(1,187,703)	(501,026)
Accrued liabilities	(333,983)	(241,057)	497,245
Income taxes payable	--	(203,900)	283,300
Net cash provided by operating activities	4,548,339	4,454,880	3,318,791
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of stock of Cardinal Packaging, Inc. along with land and buildings from a related partnership, including acquisition costs and net of cash received of \$28,946	--	--	(39,363,708)
Purchase of property and equipment	(4,207,586)	(3,160,719)	(2,882,380)
Proceeds from disposal of property and equipment	7,500	2,500	1,500
Investment in patents	(9,540)	--	--
Net cash used in investing activities	(4,209,626)	(3,158,219)	(42,244,588)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Preferred dividends paid	(700,000)	(943,559)	--
Repayment of ESOP receivable	72,493	173,595	--
Proceeds from issuance of (payments for redemption of):			
Common Stock	(22,153)	13,331	3,021,666
Mandatorily redeemable preferred stock	(20,347)	26,668	6,043,334

Proceeds from long-term debt	4,190,822	2,508,745	30,993,349
Payments on long-term debt, and long service executive nonqualified pension	(3,776,404)	(3,112,774)	(1,076,595)
Net cash (used in) provided by financing activities	(255,589)	(1,333,994)	38,981,754
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	83,124	(37,333)	55,957
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,624	55,957	--
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 101,748	\$ 18,624	\$ 55,957
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Income taxes	\$ 335,119	\$ 925,942	\$ 415,525
Interest	\$ 3,776,313	\$ 3,384,339	\$ 2,240,510

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND
FINANCING ACTIVITIES:

The Company received stock subscriptions of \$65,000 in 1996

In conjunction with the acquisition in 1996, the Company recorded liabilities to the former shareholders totaling \$1,960,000 and issued preferred stock valued at \$8,000,000 in exchange for previously issued common shares of Cardinal

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these financial statements.

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CPI HOLDING, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 1998 AND 1997 AND FOR THE PERIOD
JANUARY 26, 1996 (DATE OF ACQUISITION) TO NOVEMBER 30, 1996

1. NATURE OF OPERATIONS AND ORGANIZATION

CPI Holding, Inc. ("CPI" or the "Company") was organized under the laws of the State of Delaware for the purpose of acquiring an injection molding manufacturer. On January 26, 1996, CPI acquired 100 percent of the common stock of Cardinal Packaging, Inc. ("Cardinal"). The Company, through its wholly-owned subsidiary, Cardinal, is a manufacturer of rigid thin-walled polyethylene and polypropylene containers and sells its products to customers located throughout the United States and Canada. The majority of the Company's products are used in the frozen dessert and refrigerated product industries in the form of premium round containers. In addition, the Company provides containers for selected industrial customers and seasonal retailers. The Company maintains ongoing credit evaluations of its customers and generally does not require collateral. The Company provides reserves for potential credit losses and such losses historically have not exceeded management's estimates. The Company is headquartered in Streetsboro, Ohio. Additional manufacturing facilities are located in Minneapolis, Minnesota and Ontario, California.

CPI acquired, along with land and buildings previously owned by a related partnership, 70 percent of the common stock of Cardinal for \$39,392,654, including acquisition costs. The remaining 30 percent of the common stock of Cardinal was acquired from the Cardinal Packaging, Inc. Employee Stock Ownership Plan ("ESOP") in exchange for 80,000 shares of CPI Class A redeemable preferred stock valued at \$8,000,000. In addition, and in conjunction with the acquisition, the Company entered into an agreement to pay the sellers \$2,460,000 (which includes imputed interest of \$500,000) in monthly payments through January 2001 (see Note 5).

The total purchase price, including acquisition costs, has been allocated to the assets acquired and liabilities assumed based on their estimated fair values, except for the portion related to the ESOP's ownership which is accounted for at historical costs, using the purchase method of accounting. In addition, goodwill was reduced by \$745,000 because of the deferred tax asset recorded for the future tax benefits of the long service executive nonqualified pension payments (See Note 7). Accordingly, the amounts recorded for this acquisition were as follows:

Current Assets, including \$28,946 of cash	\$12,435,461
Property	30,557,656
Other assets	1,743,858
Total assets acquired	44,736,975
Liabilities assumed	11,355,378

Net assets acquired	33,381,597
Goodwill	15,226,057

Total purchase price, including acquisition costs	\$48,607,654
	=====

As a result of the acquisition in 1996, the inventory on January 26, 1996 was increased by \$296,712 based on the fair market value of the acquired inventory at the date of acquisition. Cost of sales for the period January 26, 1996 (date of acquisition) to November 30, 1996 includes \$296,712 related to this adjustment.

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CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENT PRESENTATION--The consolidated financial statements include the accounts of CPI and its wholly-owned subsidiary. All significant intercompany balances and transactions are eliminated in consolidation.

USE OF ESTIMATES--The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses for the reporting period. Actual amounts could differ from those estimates.

REVENUE RECOGNITION--Sales and cost of sales are recognized upon shipment of product.

CASH AND CASH EQUIVALENTS--The Company considers all highly liquid investments with original maturities of three months or less, when purchased, to be cash equivalents.

INVENTORIES--Inventories are valued at the lower of cost, using the first-in, first-out basis, or market. Inventories consist of the following at November 30:

	1998	1997
	-----	-----
Raw materials	\$2,433,849	\$1,700,765
Finished Good	5,119,278	6,177,393
	-----	-----
Total	\$7,553,127	\$7,878,158
	=====	=====

PROPERTY AND EQUIPMENT--Property and equipment is stated at cost. Additions, renewals and betterments are capitalized; maintenance and repairs, which do not extend the useful life of the asset, are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from ten to 40 years for buildings, related building improvements and leasehold improvements, 12 to 15 years for manufacturing machinery and equipment, seven years for molds, five years for office furniture and fixtures, and three years for vehicles. Equipment under capitalized leases is amortized over the terms of the leases, which do not exceed the estimated useful life of the leased equipment.

GOODWILL AND INTANGIBLE ASSETS--The Company's intangible assets consist of goodwill, deferred financing costs, and patent costs. Amortization is recorded over the estimated economic lives. Goodwill is amortized over 40 years. Deferred financing costs are amortized over the terms of the related loans with the amortization included in interest expense. Patent costs are amortized over 17 years, beginning when the patent approval is obtained.

The Company evaluates the unamortized cost of these intangible assets to determine if the carrying amount exceeds the recoverable amount and to record an impairment loss, if necessary. This determination is based on an evaluation of such factors as the occurrence of a significant event, a significant change in the environment in which the business operates or, primarily for goodwill, the expected undiscounted future net cash flows.

INCOME TAXES--Deferred income taxes are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of various assets and liabilities using enacted rates in effect for the year in which the differences are expected to reverse.

NEW ACCOUNTING PRONOUNCEMENTS--In 1998, Cardinal adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," and SFAS No. 132, "Employers' Disclosures about

Pensions and Other Postretirement Benefits". SFAS No. 130 established standards for reporting and displaying comprehensive income and its components in a full set of general-purpose financial statements. SFAS No. 131 requires that a public business enterprise report financial and

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CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

descriptive information about its reportable operating segments such as a measure of segment profit or loss, certain specific revenue and expense items, and segment assets. SFAS No. 132 standardized the disclosure requirements for pensions and other postretirement benefits. The adoption of these statements did not have a material impact on the Company's financial statements.

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. SFAS No. 133 is effective for fiscal quarters of fiscal years beginning after June 15, 1999. The Company has not completed its evaluation of this statement but does not anticipate a material impact on the financial statements from the adoption of this accounting standard.

RECLASSIFICATIONS--Certain reclassifications were made to the 1996 and 1997 financial statements to conform to the presentation used in the 1998 financial statements.

3. OTHER ASSETS

Other assets consist of the following at November 30:

	1998	1997
	-----	-----
Deferred financing costs, less accumulated amortization of \$607,139 in 1998 and \$392,855 in 1997	\$ 892,861	\$1,107,145
Deposits	65,106	115,062
Patents, less accumulated amortization of \$18,566 in 1998 and \$15,711 in 1997	46,142	39,457
Miscellaneous	--	6,300
	-----	-----
Total	\$1,004,109	\$1,267,964
	=====	=====

4. LONG-TERM DEBT

Long-term debt consists of the following as of November 30:

<TABLE>

<CAPTION>

	1998	1997
	-----	-----
<S>	<C>	<C>
Note payable to financial institution with quarterly principal payments at scheduled amounts, plus interest at a variable rate (7.8125 percent as of November 30,1998), due March 1, 2001	\$10,500,000	\$13,500,000
Note payable to financial institution with quarterly principal payments at scheduled amounts beginning in 2001, plus interest at a variable rate (8.3125 percent as of November 30,1998), due March 1, 2001	10,000,000	10,000,000
Revolving credit facility payable to financial institution with interest at a variable rate (7.8125 percent as of November 30,1998), due March 1, 2003	7,002,522	5,615,116
Capital expansion note payable to financial institution with quarterly interest payments at a variable rate (8.3125 percent as of November 30, 1998), fifteen equal quarterly principal payments, plus interest, beginning September 1, 1999, due March 2003	4,681,646	1,886,980

</TABLE>

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CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

<TABLE>

<CAPTION>

1998

1997

	-----	-----
	<C>	<C>
<S> ESOP loan to bank with semi-annual principal payments of \$90,000, plus monthly interest (6.5875 percent as of November 30, 1998) at 85 percent of the bank's prime rate, through January 2000; collateralized by the common stock of the Company	113,912	186,405
Note payable to financing company with monthly principal and interest payments of \$3,690, through October 1999; interest at 6.755 percent a year, collateralized by specific equipment	39,252	79,399
Other notes payable to banks paid off in 1998	--	3,481
Capital lease obligations for equipment, payable to various banks and leasing companies in aggregate monthly principal and interest payments of \$20,583 through July 2000; interest at 6.75 percent to 10.85 percent a year; collateralized by equipment with an aggregate net book value of \$810,344 and \$1,454,135 as of November 30, 1998 and November 30, 1997, respectively	112,273	380,540
Total	32,449,605	31,651,921
Less current portion	4,060,780	3,519,064
Amount due after one year	\$28,388,825	\$28,132,857
	=====	=====

</TABLE>

The notes payable, revolving credit facility, and capital expansion note are collateralized by substantially all of the assets of the Company. The credit agreement includes financial covenants with respect to capital expenditure limits; rent payments under operating leases; earnings before depreciation, amortization, interest and income taxes; and fixed charge and interest coverage ratios. As of November 30, 1998, the Company has violated certain of these covenants related to minimum EBITDA, as defined, fixed charges coverage ratio, interest coverage ratio, and maximum capital expenditures, for which the lender has waived the covenant violations.

At November 30, 1998, required annual principal payments on long-term debt are:

YEAR ENDING NOVEMBER 30,

1999.....	\$4,060,780
2000.....	5,765,206
2001.....	6,248,439
2002.....	6,248,439
2003.....	10,126,741

Total.....	\$32,449,605
	=====

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CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Future minimum lease payments under capital leases, included above, as of November 30, 1998 are as follows:

YEAR ENDING NOVEMBER 30,

1999.....	\$109,337
2000.....	7,080

Total minimum lease payments.....	116,417
Less amount representing interest.....	4,144

Present value of capital lease obligations included with long-term debt at November 30, 1998.....	\$112,273
	=====

5. LONG SERVICE EXECUTIVE NONQUALIFIED PENSION AND CONSULTING AGREEMENTS

Under the terms of the purchase agreement for the common stock of Cardinal, the Company agreed to make payments to the previous shareholders of \$41,000 a month through January 2001 for long service executive nonqualified pension payments. These future payments have been recorded as a liability at their net present value. In addition, the Company paid \$20,000 a year to the previous shareholders under a consulting agreement from February 1996 through January 1998. Consulting expense was \$3,333 for 1998, \$20,000 for 1997, and \$16,660 for the period January 26, 1996 to November 30, 1996.

At November 30, 1998, future payments under the long service executive nonqualified pension agreement are as follows:

YEAR ENDING NOVEMBER 30,	
1999.....	\$492,000
2000.....	492,000
2001.....	82,000

Total Payments.....	1,066,000
Less amount representing interest (at 9.25 percent).....	101,266

Present value of long service executive nonqualified pension.....	964,734
Current portion.....	420,310

Noncurrent portion.....	\$544,424
	=====

6. OPERATING LEASES

The Company leases specific equipment, vehicles, and its Minneapolis, Minnesota and Ontario, California office and plant facilities under operating leases from unrelated parties. These leases expire at various dates through November 2003.

Total rent expense, including month-to-month rentals, was \$1,588,000 for 1998, \$1,538,000 for 1997.

Future minimum lease payments under noncancellable operating leases as of November 30, 1998 are:

YEAR ENDING NOVEMBER 30,	
1999.....	\$1,479,200
2000.....	1,218,900
2001.....	999,300
2002.....	945,300
2003.....	855,600

Total.....	\$5,498,300
	=====

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CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAXES

The provision (benefit) for income taxes consists of:

	1998	1997	1996
	-----	-----	-----
			(10 MONTHS)
Federal:			
Current	\$ (122,300)	\$ 649,000	\$ 618,000
Deferred	267,000	31,000	245,000
State and local:			
Current	80,000	128,000	135,000
Deferred	214,000	(11,000)	58,000
	-----	-----	-----
Total	\$ 438,700	\$ 797,000	\$ 1,056,000
	=====	=====	=====

The consolidated tax provision differs from the tax provision computed at the statutory United States tax rate of approximately 34 percent for the following reasons:

<TABLE>

<CAPTION>

	1998	1997	1996
	-----	-----	-----
<S>	<C>	<C>	<C>
Tax provision at statutory federal rate ..	\$ 420,000	\$ 785,000	\$ 949,000
Amortization of goodwill	117,000	136,000	114,000
Dividends paid to Employee Stock Ownership Plan			
on allocated shares	(163,000)	(189,000)	--
State and local income taxes	294,000	117,000	193,000
Other	(229,300)	(52,000)	(200,000)
	-----	-----	-----
Total	\$ 438,700	\$ 797,000	\$ 1,056,000
	=====	=====	=====

</TABLE>

The tax benefit of the deductible portion of the Class A preferred dividends paid on the unallocated shares held by the ESOP that were utilized by the ESOP to make debt payments was charged directly to retained earnings.

The approximate tax effect of each type of temporary difference that gave rise to the Company's deferred tax assets and liabilities as of November 30, is as follows:

<TABLE>
<CAPTION>

	1998	1997
	-----	-----
<S>	<C>	<C>
Current deferred income tax assets (liabilities):		
Inventories	\$ 73,000	\$ 53,000
(Prepaid) accrued state income taxes	6,000	(13,000)
Accrued liabilities	4,000	3,000
Long service executive nonqualified pension -		
current	160,000	145,000
Allowance for doubtful accounts	62,000	27,000
	-----	-----
	305,000	215,000
	-----	-----
Noncurrent deferred income tax assets (liabilities):		
Basis of property	(5,878,000)	(5,509,000)
Long service executive nonqualified pension -		
noncurrent	206,000	367,000
Net operating loss carryforward	102,000	
Alternative minimum tax credit carryforwards	388,000	531,000
	-----	-----
	(5,182,000)	(4,611,000)
	-----	-----
Net deferred income tax liability	\$ (4,877,000)	\$ (4,396,000)
	=====	=====

</TABLE>

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CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. EMPLOYEE STOCK OWNERSHIP PLAN

In 1988, Cardinal established an employee stock ownership plan. On December 14, 1989, the ESOP used \$1,800,000 of proceeds from a bank loan to purchase 30 percent of Cardinal's common stock. In conjunction with the acquisition of Cardinal by CPI in which the ESOP exchanged its 30 percent investment in Cardinal for a 22 percent investment in CPI, the Company assumed the remaining bank obligation of \$720,000 at January 26, 1996. As of November 30, 1998, \$113,912 remains outstanding on this loan. As a result of the Company assuming the bank obligation, the Company also recorded a loan receivable from the ESOP, which is reported as a reduction of shareholders' equity. The Company is obligated to make contributions to the ESOP that are used by the ESOP to pay the loan principal and interest to the bank. Shares of stock acquired by the ESOP are allocated to each eligible employee in amounts based on the employee's compensation. Company contributions charged to expense were \$26,720 in 1998, \$30,999 in 1997 and \$209,780 for the period January 26, 1996 to November 30, 1996. The Company paid Class A preferred dividends of \$700,000 in 1998 and \$943,559 in 1997 to the ESOP. The ESOP used a portion of the dividends to make the required principal payments.

9. MANDATORILY REDEEMABLE PREFERRED STOCK

MANDATORILY REDEEMABLE PREFERRED STOCK--The Company is authorized to issue 100,000 nonvoting shares of Class A redeemable preferred stock and 100,000 non-voting shares of Class B redeemable preferred stock, each with a par value of \$.01 per share. There are 80,000 shares of Class A redeemable preferred stock outstanding as of November 30, 1998 and 1997. There are 60,966.69 shares of Class B redeemable preferred stock outstanding as of November 30, 1998 and 61,133.36 shares outstanding as of November 30, 1997, including 866.68 shares issued under Executive Stock Agreements described in Note 10. Accumulating dividends accrue daily at 8.75 percent of the liquidation value (\$100 per share) plus any accumulated dividends on the Class A redeemable preferred stock. Accumulating dividends accrue at 10 percent of the liquidation value (\$100 per share) plus any accumulated dividends on the Class B redeemable preferred stock. Unpaid accumulating dividends are deemed to be accumulated dividends for purposes of calculating the accumulating and nonaccumulating dividends. Nonaccumulating dividends accrue daily at 10 percent of the liquidation value plus any accumulated dividends on the Class A redeemable preferred stock only. Unpaid nonaccumulating dividends are not deemed to be accumulated dividends for purposes of calculating the accumulating and nonaccumulating dividends. Accumulating dividends were \$1,483,077 for the year ended November 30, 1998 and \$1,385,329 for the year ended November 30, 1997. The nonaccumulating dividends were \$827,613 for the year ended November 30, 1998 and \$830,544 for

the year ended November 30, 1997. These amounts have been recorded as an increase in the redeemable preferred stock and as a reduction of retained earnings and of additional paid-in capital in the accompanying consolidated statements of mandatorily redeemable preferred stock and shareholders' equity. As of November 30, 1998, the unpaid accumulating dividends were \$2,331,161 and the unpaid nonaccumulating dividends were \$2,331,864.

On June 30, 2003, the Company shall redeem all outstanding shares of the Class A and Class B redeemable preferred stock for the aggregate liquidation value plus all unpaid dividends. The aggregate liquidation value and unpaid dividends of the Class A and Class B redeemable preferred stock is \$18,761,668 as of November 30, 1998 and \$17,171,325 as of November 30, 1997.

The Class A redeemable preferred stock is convertible at the shareholders' option into Class A common stock at any time based on the liquidation value of the shares to be converted at the then current conversion price.

10. COMMON STOCK

The authorized shares of stock and the number of shares outstanding as of November 30, 1998 and 1997 are as follows:

COMMON STOCK--The Company has three classes of common stock of which Class A is voting and Class B and C are non-voting.

Holders of Class B common stock are entitled to convert such shares into the same number of shares of Class A or Class C common stock at any time.

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CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Holders of Class C common stock are entitled to convert such shares into the same number of shares of Class A common stock upon the occurrence of a Conversion Event as defined in the Company's Certificate of Amendment to Certificate of Incorporation. Class C common stock includes 4,333.2 shares issued under Executive Stock Agreements described below, as of November 30, 1998 and 1997.

EXECUTIVE STOCK AGREEMENTS--The Company has entered into agreements with certain members of its management under which shares of Class B redeemable preferred stock and Class C common stock have been issued. The Company has notes receivable aggregating \$65,000 from manager shareholders for the purchase of one-half of their shares at November 30, 1998 and 1997. These notes bear interest at 8.25 percent a year and are reported as stock subscriptions receivable as a reduction of shareholders' equity. One-half of the shares of common stock and one-half of the shares of redeemable preferred stock vest immediately and the remaining shares vest upon the payment in full of the receivables plus any accrued interest. In the event a shareholder manager ceases to be employed by the Company, the Company and certain shareholders have the right to repurchase all or a portion of these shares from the individual at the fair value of the vested shares and the lower of the fair value of shares or the original cost of the unvested shares held as of the date of termination.

11. RELATED PARTY TRANSACTIONS

The following amounts were paid to shareholders of the Company:

	1998	1997	1996
	-----	-----	-----
Management fees	\$200,000	\$200,000	\$ 200,000
Transaction costs	--	--	1,285,000
	-----	-----	-----
Total	\$200,000	\$200,000	\$1,485,000
	=====	=====	=====

The management fees are included in general and administrative expense in the accompanying statements of income. The transaction costs were capitalized as of the acquisition date.

* * * * *

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CPI HOLDING, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEET

(In Thousands of Dollars)

<TABLE>
<CAPTION>

MAY 31, 1999

<S>	(UNAUDITED)
ASSETS	<C>
Current assets:	
Cash and cash equivalents	\$ 31
Accounts receivable (less allowance for doubtful accounts of \$156)	6,910
Inventories:	
Finished goods	5,705
Raw materials and supplies	2,338

	8,043
Prepaid expenses and other receivables	323
Deferred income taxes	305

Total current assets	15,612
Property and equipment:	
Land	295
Buildings and improvements	3,499
Machinery, equipment and tooling	37,407
Automobiles and trucks	54
Construction in progress	1,914

	43,169
Less accumulated depreciation	11,213

	31,956
Intangible assets:	
Deferred financing and origination fees, net	786
Excess of cost over net assets acquired, net	13,957

	14,743
Other	112

Total assets	\$ 62,423
	=====

</TABLE>

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CPI HOLDING, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)
(In Thousands of Dollars)

	MAY 31, 1999
	(UNAUDITED)

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	
Current liabilities:	
Accounts payable	\$ 4,205
Accrued expenses and other liabilities	157
Current portion of long-term debt	4,987

Total current liabilities	9,349
Long-term debt, less current portion	28,078
Deferred income taxes	5,182

	42,609
Mandatorily Redeemable Preferred Stock	19,348
Stockholders' equity:	
Class A Common Stock (voting); \$.01 par value:	
500,000 shares authorized; 89,281.5 shares issued and outstanding	1
Class B Common Stock (non-voting); \$.01 par value:	
300,000 shares authorized; 124,760 shares issued and outstanding	1
Class C Common Stock (non-voting); \$.01 par value: 200,000 shares authorized; 90,791.6 shares issued and outstanding	1
Additional paid-in capital	349
Retained earnings	293
Less: ESOP receivable	(114)
Stock subscription receivable	(65)

Total stockholders' equity	466

Total liabilities and stockholders' equity	\$ 62,423
	=====

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands of Dollars)

	TWENTY-SIX WEEKS ENDED	
	MAY 31, 1999	MAY 31, 1998
	(UNAUDITED)	
Net sales	\$ 28,465	\$ 26,418
Cost of goods sold	23,407	21,247
Gross margin	5,058	5,171
Operating expenses:		
Selling	1,447	1,550
General and administrative	1,310	1,296
Amortization of intangibles	301	311
Other	61	43
Operating income	1,939	1,971
Interest expense	1,400	1,639
Income before income taxes	539	332
Income tax expense	202	114
Net income	\$ 337	\$ 218

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

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CPI HOLDING, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of Dollars)

<TABLE>

<CAPTION>

	TWENTY-SIX WEEKS ENDED	
	MAY 31, 1999	MAY 31, 1998
	(UNAUDITED)	
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income	\$ 337	\$ 218
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	1,942	1,746
Amortization	298	307
Deferred income taxes	--	28
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,513)	(1,399)
Inventories	(490)	723
Prepaid expenses and other receivables	684	(210)
Other assets	(1)	38
Payables and accrued expenses	1,219	101
Net cash provided by operating activities	2,476	1,552
INVESTING ACTIVITIES		
Additions to property and equipment	(2,205)	(2,594)
Net cash used for investing activities	(2,205)	(2,594)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	1,460	3,299
Payments on long-term borrowings	(1,809)	(1,876)
Proceeds (payments) from Preferred equity	7	(348)
Net cash provided by (used for) financing activities	(342)	1,075
Effect of exchange rate changes on cash		
Net increase (decrease) in cash and cash equivalents	(71)	33
Cash and cash equivalents at beginning of period	102	19
Cash and cash equivalents at end of period	\$ 31	\$ 52

</TABLE>

CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands of dollars, except as otherwise noted)
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of CPI Holding, Incorporated and its subsidiary, Cardinal Packaging, Incorporated (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full fiscal year. The accompanying financial statements include the results of CPI Holding, Incorporated ("Holding") and its wholly-owned subsidiary, Cardinal Packaging, Incorporated ("Cardinal").

2. LONG-TERM DEBT

Long-term debt consists of the following:

	MAY 31, 1999

Note payable to financial institution with quarterly principal payments at scheduled amounts, plus interest at a variable rate, due March 1, 2000	\$ 9,000
Note payable to financial institution with quarterly principal payments at scheduled amounts beginning in 2001, plus interest at a variable rate, due March 1, 2003	10,000
Revolving credit facility payable to financial institution with interest at a variable rate, due March 1, 2003	8,117
Capital expansion note payable to financial institution with quarterly interest payments at a variable rate, fifteen equal quarterly principal payments, plus interest, beginning September 1, 1999, due March 2003	5,000
ESOP loan to bank with semi-annual principal payments of \$90, plus monthly interest at 85 percent of the bank's prime rate, through January 2000; collateralized by the common stock of the Company	114
Note payable to financing company with monthly principal and interest payments of \$4, through October 1999; interest at 6.755 percent a year, collateralized by specific equipment	18
Capital lease obligations for equipment, payable to various banks and leasing companies in aggregate monthly principal and interest payments of \$20 through July 2000; interest at 6.75 percent to 10.85 percent a year; collateralized by specific equipment	57
Long service executive nonqualified pension agreements payable to the previous shareholders. The pension agreements are payable at \$41 per month through January 2001 and are recorded at their net present value with a discount rate of 9.25 percent	759

	33,065
Less current portion of long-term debt	4,987

	\$28,078
	=====

CPI HOLDING, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. LONG-TERM DEBT (CONTINUED)

The current portion of long-term debt consists of \$4.5 million of principal payments outlined in the table above, and \$0.4 million of payments related to the Long service executive nonqualified pension agreement.

The notes payable, revolving credit facility, and capital expansion note are collateralized by substantially all of the assets of the Company. The credit agreement includes financial covenants with respect to capital expenditure limits; rent payments under operating leases; earnings before depreciation, amortization, interest and income taxes; and fixed charge and interest coverage ratios.

3. CARDINAL PACKAGING, INCORPORATED SUMMARY FINANCIAL INFORMATION

The following summarizes parent company only financial information of Holding:

	MAY 31, 1999

CONSOLIDATED BALANCE SHEETS	
Current assets	\$ 7
Investment in subsidiary	19,807
Other noncurrent assets	--
Current liabilities	--
Noncurrent liabilities	--
Equity (deficit)	19,814

	26 WEEKS ENDED	
	MAY 31, 1999	MAY 31, 1998
	-----	-----
CONSOLIDATED STATEMENTS OF OPERATIONS		
Net sales	\$ --	\$ --
Cost of goods sold	--	--
Income before income taxes	539	332
Net income	337	218

4. SEGMENT REPORTING

The Company has one reportable segment of plastic packaging products.

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REPORT OF INDEPENDENT AUDITORS

Knight Engineering & Plastics
Division of Courtaulds Packaging Inc.

We have audited the accompanying balance sheet of Knight Engineering & Plastics Division of Courtaulds Packaging Inc. (the Division) as of March 31, 1998 and the related statement of operations, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Division at March 31, 1998, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
May 19, 1999

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KNIGHT ENGINEERING & PLASTICS DIVISION OF COURTAULDS PACKAGING INC. BALANCE SHEET MARCH 31, 1998

ASSETS	
Current assets	
Cash	\$ 719,004
Accounts receivable, less allowance for doubtful accounts of \$52,061	3,625,898
Inventories:	
Finished goods	586,035
Raw materials and supplies	1,192,082

	1,778,117
Prepaid expenses	195,799

Total current assets	6,318,818

Property and equipment	
Land and improvements	877,410
Buildings and improvements	5,754,664
Machinery, equipment and tooling	21,102,328
Construction in progress	2,085,286

	29,819,688
Less accumulated depreciation	16,348,730

	13,470,958
Goodwill, net of accumulated amortization of \$854,972	2,402,064

	\$22,191,840
	=====
LIABILITIES AND DIVISION EQUITY	
Current liabilities	
Note payable, parent	\$ 3,477,089
Accounts payable	2,336,323
Accrued expenses and other liabilities	2,493,482

Total current liabilities	8,306,894
Division equity	13,884,946

	\$22,191,840
	=====

SEE ACCOMPANYING NOTES.

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KNIGHT ENGINEERING & PLASTICS
DIVISION OF COURTAULDS PACKAGING INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1998

Net sales	\$ 23,836,485
Cost of goods sold	21,058,181
Gross margin	2,778,304
Operating expenses:	
Selling, general and administrative	3,219,902
Amortization of intangibles	162,852

Operating income (loss)	(604,450)
Other income (expense):	
Gain on disposal of property and equipment	41,400
Interest income	3,590
Interest (expense), parent	(261,325)

Division (loss)	\$ (820,785)
	=====

SEE ACCOMPANYING NOTES.

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KNIGHT ENGINEERING & PLASTICS
DIVISION OF COURTAULDS PACKAGING INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 1998

OPERATING ACTIVITIES	
Division loss	\$ (820,785)
Adjustments to reconcile division loss to net cash provided by operating activities:	
Depreciation	1,702,511
Amortization	162,852
Gain on sale of property and equipment	(41,400)
Changes in operating assets and liabilities:	
Accounts receivable, net	(168,875)
Inventories	67,937
Prepaid expenses	253,840
Accounts payable and accrued expenses	1,009,378

Net cash provided by operating activities	2,165,458
INVESTING ACTIVITIES	
Purchases of machinery and equipment	(1,530,295)
Division equity contribution from parent	261,000

Proceeds from disposal of property and equipment	41,400

Net cash used in investing activities	(1,227,895)
FINANCING ACTIVITIES	
Net payments on note payable, parent	(456,893)

Net cash used in financing activities	(456,893)

Net increase in cash	480,670
Cash at beginning of year	238,334

Cash at end of year	\$ 719,004
	=====

SEE ACCOMPANYING NOTES.

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KNIGHT ENGINEERING & PLASTICS
DIVISION OF COURTAULDS PACKAGING INC.
NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying financial statements include the accounts of Knight Engineering and Plastics Division of Courtaulds Packaging Inc., a West Virginia Corporation (the Division). Courtaulds Packaging, Inc. (Parent) is owned by Courtaulds PLC, a public limited company organized under the laws of England and Wales. The Division was not a legal entity and operated as a component of a larger business. The Division's financial statements includes only assets, liabilities and results of operations which comprise the specific division. The balance sheet and statement of operations, which have been prepared from the historical accounting records of the Division, include all revenues and costs directly attributable to the Division's business, including costs of facilities, employees and related support functions. The Division has not been charged for the cost of certain functions and services performed by the Parent or other related entities on behalf of the Division. Similarly, the Division has not been allocated any income tax expense or benefit during the year ended March 31, 1998. Management believes that the impact of costs performed by Parent and other related entities on behalf of the Division would not be significant to the accompanying financial statements.

The Division manufactures and markets plastic packaging products, primarily proprietary and custom molded plastic overcaps and closures. During the year ended March 31, 1998, the Division operated manufacturing facilities located in Woods tock and Arlington Heights, Illinois. The Division's customers are located principally throughout the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVENTORIES

Inventories are valued at the lower of cost (first in, first out method) or market.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is computed primarily by the straight-line method over the estimated useful lives of the assets ranging from three to fifty years.

GOODWILL

The cost in excess of net assets acquired represent the excess purchase price over the fair value of the net assets acquired in the original acquisition of the Division. These costs are being amortized over 20 years.

The Division periodically evaluates the value of intangible assets to determine if an impairment has occurred. This evaluation is based on various analyses including reviewing anticipated cash flows.

REVENUE RECOGNITION

Revenue from sales of products is recognized at the time product is shipped to the customer.

RETIREMENT PLANS

During the year ended March 31, 1998, the Division had two defined contribution benefit plans, a retirement and a employee thrift plan. The Plans covered substantially all the Division's employees. The retirement plan provides for an annual employer contribution of 4% of gross wages. The employee thrift plan provides for a 75% to a 100% annual match on employee deferrals of up to 6%. The

plans expenses were approximately \$291,000 for the year ended March 31, 1998.

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KNIGHT ENGINEERING & PLASTICS
DIVISION OF COURTAULDS PACKAGING INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

INCOME TAXES

The taxable income of the Division was included in the tax returns of Courtaulds Packaging Inc. As such, separate income tax returns were not prepared or filed for the Division.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. NOTE PAYABLE, PARENT

At March 31, 1998, the Division had a note payable to Courtaulds Packaging Inc. The note was used to fund the Division's working capital requirements with no stated maturity. Interest was charged to the Division at a rate of approximately 7%.

4. SALES INFORMATION

For the year ended March 31, 1998, 38% of the Division's revenues were derived from three customers. The accounts receivables related to these customers at March 31, 1998 was approximately \$560,000.

5. LEASES

The Division leases certain warehouse buildings under a month to month lease arrangements. Rent expense for the year ended March 31, 1998 was approximately \$145,000.

6. RELATED PARTY TRANSACTIONS

The Division has engaged in business transactions with a related party, Thatcher Tubes, Inc., throughout the year. Thatcher Tubes is a fully consolidated subsidiary of Courtaulds Packaging Inc. During the year ended March 31, 1998, the Division had sales of approximately \$1,845,000 to Thatcher. In addition, the related accounts receivable balance at March 31, 1998 was approximately \$354,000.

7. SUBSEQUENT EVENT

On October 16, 1998, a newly formed, wholly-owned subsidiary of Berry Plastics Corporation acquired substantially all of the assets of the Division for aggregate consideration of approximately \$18 million.

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KNIGHT ENGINEERING AND PLASTICS
DIVISION OF COURTAULDS PACKAGING INC.
CONDENSED BALANCE SHEET
(In Thousands of Dollars)

	SEPTEMBER 30, 1998
	----- (UNAUDITED)
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 790
Accounts receivable (less allowance for doubtful accounts of \$50)	2,785
Inventories:	
Finished goods	522
Raw materials and supplies	1,256

	1,778
Prepaid expenses and other receivables	199

Total current assets	5,552
Property and equipment:	
Land	877
Buildings and improvements	6,059
Machinery, equipment and tooling	22,456

Construction in progress	2,620

	32,012
Less accumulated depreciation	18,678

	13,334
Goodwill (net of accumulated amortization of \$936)	2,321

	\$ 21,207
	=====
LIABILITIES AND DIVISION EQUITY Current liabilities:	
Notes payable, parent	\$ 3,186
Accounts payable	2,443
Accrued expenses and other liabilities	2,024

Total current liabilities	7,653
Division equity	13,554

	\$ 21,207
	=====

SEE ACCOMPANYING NOTES.

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KNIGHT ENGINEERING AND PLASTICS
DIVISION OF COURTAULDS PACKAGING INC.
CONDENSED STATEMENTS OF OPERATIONS
(In Thousands of Dollars)

	SIX-MONTHS ENDED	
	SEPTEMBER 30, 1998	SEPTEMBER 30, 1997
	(Unaudited)	
Net sales	\$ 11,893	\$ 11,721
Cost of goods sold	10,596	11,097
	-----	-----
Gross margin	1,297	624
Operating expenses:		
Selling, general and administrative	1,377	1,244
Amortization of intangibles	81	81
	-----	-----
Operating income (loss)	(161)	(701)
Other income and expense:		
Gain on sale of property and equipment	--	9
Interest expense, parent	(169)	(226)
Interest income	--	2
	-----	-----
Division loss	\$ (330)	\$ (916)
	=====	=====

SEE ACCOMPANYING NOTES.

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KNIGHT ENGINEERING AND PLASTICS
DIVISION OF COURTAULDS PACKAGING INC.
CONDENSED STATEMENTS OF CASH FLOWS
(In Thousands of Dollars)

<TABLE>
<CAPTION>

	SIX-MONTHS ENDED	
	SEPTEMBER 30, 1998	SEPTEMBER 30, 1997
	(UNAUDITED)	
	<C>	<C>
<S>		
OPERATING ACTIVITIES		
Division loss	\$ (330)	\$ (916)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	918	1,030
Amortization	81	81
Gain on sale of property and equipment	--	(9)
Changes in operating assets and liabilities:		
Accounts receivable, net	841	257
Inventories	--	115
Prepaid expenses and other receivables	(4)	153

Payables and accrued expenses	(363)	(313)
Net cash provided by operating activities	1,143	398
INVESTING ACTIVITIES		
Additions to property and equipment	(781)	(59)
Proceeds from disposal of property and equipment	--	9
Division equity contribution from parent	--	133
Net cash provided by (used in) investing activities	(781)	83
FINANCING ACTIVITIES		
Net payments on note payable, parent	(291)	(286)
Net cash used in financing activities	(291)	(286)
Net increase in cash and cash equivalents	71	195
Cash and cash equivalents at beginning of period	719	238
Cash and cash equivalents at end of period	\$ 790	\$ 433

</TABLE>

SEE ACCOMPANYING NOTES.

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KNIGHT ENGINEERING AND PLASTICS
DIVISION OF COURTAULDS PACKAGING INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(IN THOUSANDS OF DOLLARS, EXCEPT AS OTHERWISE NOTED)
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying financial statements include the accounts of Knight Engineering and Plastics Division of Courtaulds Packaging Inc., a West Virginia Corporation (the Division) and have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Courtaulds Packaging, Inc. (Parent) is owned by Courtauld PLC, a public limited company organized under the laws of England and Wales. The Division was not a legal entity and operated as a component of a larger business. The Division's financial statement includes only assets, liabilities and results of operations which comprise the specific division. The balance sheet and statement of operations, which have been prepared from the historical accounting records of the Division, include all revenues and costs directly attributable to the Division's business, including costs of facilities, employees and related support functions. The Division has not been charged for the cost of certain functions and services performed by the Parent or other related entities on behalf of the Division. Similarly, the Division has not been allocated any income tax expense or benefit. Management believes that the impact of costs performed by Parent and other related entities on behalf of the Division would not be significant to the accompanying financial statements.

2. NOTE PAYABLE, PARENT

At September 30, 1998, the Division had a note payable to Courtaulds Packaging Inc. The note was used to fund the Division's working capital requirements with no stated maturity. Interest was charged to the Division at a rate of approximately 7%.

3. SUBSEQUENT EVENT

On October 16, 1998, a newly formed, wholly-owned subsidiary of Berry Plastics Corporation acquired substantially all of the assets of the Division for aggregate consideration of approximately \$18 million.

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NORWICH INJECTION MOULDERS LIMITED

DIRECTORS

J E Barlow (Chairman)
A R Sandell (Managing)
T D Johnson

SECRETARY
Mrs. J Barlow

REGISTERED OFFICE
Stanford Tuck Road
North Walsham
Norfolk

AUDITORS
Lovewell Blake

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST OCTOBER 1997

The directors present herewith the audited accounts for the year ended 31st October 1997.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:

- o select suitable accounting policies and apply them consistently;
- o make judgements and estimates that are reasonable and prudent;
- o state whether applicable accounting standards have been followed,
- o subject to any material departures disclosed and explained in the accounts;
- o prepare the accounts on the going concern basis unless it is inappropriate
- o to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REVIEW OF ACTIVITIES

The company's main activities are unchanged since last year and are principally those of the production of plastic goods by injection moulding.

In the opinion of the directors the company will be able to maintain its present level of turnover for the foreseeable future.

The profit for the year has been added to the balance on the profit and loss account.

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NORWICH INJECTION MOULDERS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The directors named above held office throughout the year.

In accordance with the articles of association T D Johnson will retire at the annual general meeting and, being eligible, offers himself for re-election.

The interests of the directors of the company at 31st October 1997 in the shares of the company, according to the register required to be kept by Section 325 of the Companies Act 1985 were as follows:

	31ST OCTOBER 1997 ORDINARY SHARES	31ST OCTOBER 1996 ORDINARY SHARES	31ST OCTOBER 1995 ORDINARY SHARES	
	FULLY PAID	FULLY PAID	FULLY PAID	PARTLY PAID
J E Barlow.....	60	60	11	49
A R Sandell.....	29	29	--	29
T D Johnson.....	11	11	--	11

MARKET VALUE OF INTEREST IN LAND

In the opinion of the directors, the current open market value on an existing use basis of the freehold land and buildings exceeds the net book value as shown in the balance sheet at the 31st October 1997 by (pound)80,711.

CLOSE COMPANY PROVISIONS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution to re-appoint Lovewell Blake will be proposed at the annual general meeting.

By order of the board
J BARLOW
Secretary
22nd December 1997

North Walsham

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REPORT OF INDEPENDENT AUDITORS

TO THE DIRECTORS OF

NORWICH INJECTION MOULDERS LIMITED

To the Directors of
Norwich Injection Moulders Limited

We have audited the balance sheets of Norwich Injection Moulders Limited as at 31st October 1997, 31st October 1996 and 31st October 1995, and the related profit and loss accounts and cash flow statements for each of the three years in the period ended 31st October 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with United Kingdom auditing standards which do not differ in any significant respect from United States generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Norwich Injection Moulders Limited at 31st October 1997, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended 31st October 1997 in conformity with accounting principles generally accepted in the United Kingdom which differ in certain respects from those generally accepted in the United States (see Note 24 of Notes to the Accounts).

/S/ LOVEWELL BLAKE
Chartered Accountants

Norwich, England
22nd December 1997 in respect of accounts
to 31st October 1997
31st January 1997 in respect of accounts
to 31st October 1996
11th March 1996 in respect of accounts
to 31st October 1995
except for Note 24 Differences between
United Kingdom and United States
Generally Accepted Accounting Principles
as to which the date is 18th May 1999

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NORWICH INJECTION MOULDERS LIMITED

PROFIT AND LOSS ACCOUNT

<TABLE>

<CAPTION>

	NOTES	YEAR ENDED 31ST OCTOBER 1997	YEAR ENDED 31ST OCTOBER 1996	YEAR ENDED 31ST OCTOBER 1995
		(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>	<C>
Turnover	2	8,117,742	7,308,368	5,046,307
Change in stock of finished goods ..		5,908	26,405	15,783
		8,123,650	7,334,773	5,062,090
Other operating income	3	21,738	6,823	3,749
		8,145,388	7,341,596	5,065,839
Raw materials and consumables		3,772,741	3,521,241	2,270,368
Other external charges		677,847	616,428	468,515
Staff costs	4	1,510,732	1,421,872	1,073,648
Depreciation	6	441,666	338,363	293,657
Other operating charges		537,182	482,605	432,372
Interest payable and similar charges	7	103,769	120,943	128,526

		7,043,937	6,501,452	4,666,086
Profit on ordinary activities before taxation				
Tax on profit on ordinary activities	8	1,101,451	840,144	399,753
	9	261,160	4,618	98,035
Profit on ordinary activities after taxation	*	840,291	835,526	301,718
Balance 1st November 1996		2,209,809	1,374,283	1,072,565
Balance 31st October 1997		3,050,100	2,209,809	1,374,283

</TABLE>

There are no movements in shareholders funds other than the increase to the retained profits for the years ended 31st October 1997, 31st October 1996 and 31st October 1995.

There were no recognized gains or losses other than the profit of (pound)840,291 in the year ended 31st October 1997, (pound)835,526 in the year ended 31st October 1996 and (pound)301,718 in the year ended 31st October 1995.

*A summary of the significant adjustments to the profit on ordinary activities after taxation (net income) that would be required if US Generally Accepted Accounting Principles were to be applied instead of those generally accepted in the United Kingdom is set out in Note 24 of Notes to the Accounts.

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NORWICH INJECTION MOULDERS LIMITED

BALANCE SHEET

<TABLE>

<CAPTION>

	NOTES	31ST OCTOBER 1997	31ST OCTOBER 1996	31ST OCTOBER 1995
		(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>	<C>
FIXED ASSETS				
Tangible assets	10	3,839,712	3,507,176	2,978,664
CURRENT ASSETS				
Stock and work in progress	11	342,324	313,971	231,064
Debtors	12	1,622,209	1,582,819	1,234,573
Bank balances		510,081	560,087	--
Cash in hand		464	338	669
		2,475,078	2,457,215	1,466,306
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR				
	13	2,384,216	2,696,054	1,783,404
NET CURRENT ASSETS/(LIABILITIES)				
		90,862	(238,839)	(317,098)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		3,930,574	3,268,337	2,661,566
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
	14	880,374	1,058,428	1,098,041
PROVISIONS FOR LIABILITIES AND CHARGES				
DEFERRED TAXATION	15	--	--	189,227
		3,050,200	2,209,909	1,374,298
CAPITAL AND RESERVES				
Called up share capital ...	16	100	100	15
Profit and loss account ...		3,050,100	2,209,809	1,374,283
		3,050,200	2,209,909	1,374,298

</TABLE>

JE BARLOW - Director

AR SANDELL - Director

The statutory accounts for the year to 31st October 1997 were approved by the board of directors on 22nd December 1997. The statutory accounts for the year to 31st October 1997 were approved by the board of directors on 31st January 1997. The statutory accounts for the year to 31st October 1996 were approved by the board of directors on 27th February 1996.

- o A summary of the significant adjustments to capital and reserves (shareholders funds) that would be required if US Generally Accepted

Accounting Principles were to be applied instead of those generally accepted in the United Kingdom is set out in Note 24 of Notes to the Accounts.

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NORWICH INJECTION MOULDERS LIMITED

CASH FLOW STATEMENT

<TABLE>
<CAPTION>

	NOTES	YEAR ENDED 31ST OCTOBER 1997	YEAR ENDED 31ST OCTOBER 1996	YEAR ENDED 31ST OCTOBER 1995
		(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>	<C>
CASH FLOW FROM OPERATING ACTIVITIES	20	1,520,397	1,443,181	781,305
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21	(84,576)	(122,884)	(126,426)
TAXATION		(193,817)	(70,214)	(50,052)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21	(980,793)	(635,844)	(924,113)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		261,211	614,239	(319,286)
FINANCING - DECREASE IN DEBT	21	(251,086)	(9,654)	379,110
- CALLS ON SHARE CAPITAL	21	--	85	--
INCREASE IN CASH IN THE YEAR	22	10,125	604,760	59,824
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT				
INCREASE IN CASH IN THE YEAR		10,125	604,760	59,824
CASH OUTFLOW/(INFLOW) FROM DECREASE/INCREASE IN DEBT AND LEASE FINANCING	21	251,086	9,564	(379,110)
MOVEMENT IN NET DEBT IN THE PERIOD		261,211	614,324	(319,286)
NET DEBT AT 1ST NOVEMBER		(921,849)	(1,536,173)	(1,216,887)
NET DEBT AT 31ST OCTOBER	22	(660,638)	(921,849)	(1,536,173)

</TABLE>

The significant differences between the cashflow statement presented above and that required under US Generally Accepted Accounting Principles are set out in Note 24 of Notes to the Accounts.

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

(A) BASIS OF ACCOUNTING

The accounts are prepared under the historical cost basis of accounting and in accordance with applicable UK accounting standards.

(B) DEPRECIATION

Depreciation is provided on fixed assets at rates sufficient to write off, on a straight line basis, the cost of the assets over their expected useful lives. It is the company's policy to maintain its freehold property to such a standard that its residual disposal value will at least equal its book value and accordingly no provision for depreciation has been made. The principal annual rates used for this purpose which are consistent with those of last year are:

Freehold land and buildings	Not depreciated
Leasehold property expenditure	Over period of the lease
Plant and machinery	10% - 50%
Motor vehicles	20% - 25%
Loose tools	Written off on a usage basis

(C) STOCK AND WORK IN PROGRESS

Stock and work in progress are stated at the lower of cost and net realisable

value. In general cost is determined on a first in first out basis and includes transport and handling costs. In the case of work in progress cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolete, slow moving and defective stock.

(D) FINANCE LEASE AND HIRE PURCHASE CONTRACTS

Assets held under finance leases, other than hire purchase contracts, are capitalized at their fair value and are depreciated over either the lease term, or the useful working life of the asset, whichever is the shorter.

Fair value is usually the cost at which the company could have purchased the asset.

Future rental payments due during the primary lease period are shown as creditors.

The difference between the total primary lease payments and the fair value of the asset is treated as a finance charge and is charged to the profit and loss account on a straight line basis over the primary lease period.

Secondary lease rentals are charged to profit and loss account in the period in which they are paid.

Assets held under hire purchase contracts are capitalized at their fair value and are depreciated over their useful working life on the same basis as set out in note 1(b).

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(E) OPERATING LEASES

Operating lease rentals are charged to profit and loss account in the period in which they are incurred.

(F) DEFERRED TAXATION

Provision is made for deferred taxation where, in the opinion of the directors, it is likely to be payable in the foreseeable future.

(G) PENSION SCHEME

The company operates defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The charge in the profit and loss accounts represents the contributions payable by the company to the funds for the year.

(H) FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling on the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Significant differences arising due to exchange fluctuations have been reflected in the profit and loss account.

2. TURNOVER

The contribution to turnover and profit before taxation arises from the production of plastic goods by injection moulding.

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Geographical analysis of turnover			
United Kingdom	7,890,743	7,160,110	4,887,260
Rest of Europe	226,999	148,258	159,047
	-----	-----	-----
	8,117,742	7,308,368	5,046,307
	=====	=====	=====

3. OTHER OPERATING INCOME

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Training grants	500	2,589	3,700
Interest received (gross)	21,238	4,234	49
	-----	-----	-----
	21,738	6,823	3,749

NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

4. EMPLOYEE INFORMATION

The average number of persons employed by the company during the year including directors is analyzed below:

	1997	1996	1995
	-----	-----	-----
Manufacturing and packing	57	52	42
Selling and administration	18	17	16
Former employees	2	2	2
	-----	-----	-----
	77	71	60
	=====	=====	=====

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Staff costs:			
Wages and salaries paid to the company's employees	1,313,859	1,264,343	926,530
Pensions to former employees	14,905	14,905	14,905
Social security costs	139,201	107,619	98,325
Pension contributions	42,767	35,005	33,888
	-----	-----	-----
	1,510,732	1,421,872	1,073,648
	=====	=====	=====

5. DIRECTORS' EMOLUMENTS

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Management remuneration	271,217	363,153	206,546
Pension contributions	15,818	16,043	15,449
Taxable benefits	27,301	28,608	29,403
	-----	-----	-----
	314,336	407,804	251,398
	=====	=====	=====

The directors' emoluments disclosed above (excluding pension contributions) include amounts paid to:

	(pound)	(pound)	(pound)
	-----	-----	-----
The Highest Paid Director.....	106,903	137,910	86,398

Retirement benefits in respect of the three directors are accruing under a defined contribution scheme. The contributions paid in respect of the highest paid director were (pound)5,488 ((pound)5,583 in the year ended 31st October 1996 and (pound)5,365 in the year ended 31st October 1995).

NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

6. DEPRECIATION

The charge for the year is made up as under:

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
The charge for the year is made up as under:			
Depreciation of tangible fixed assets			
Owned assets	342,082	193,832	143,785
Assets held under finance lease and hire purchase contracts	116,103	169,931	151,738
	-----	-----	-----

Profit on sale of tangible fixed assets	458,185	363,763	295,523
	(16,519)	(25,400)	(1,866)
	-----	-----	-----
	441,666	338,363	293,657
	=====	=====	=====

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Bank loan and overdraft	63,718	69,425	80,945
Finance leases and hire purchase contracts expiring within five years	40,051	51,518	47,581
	-----	-----	-----
	103,769	120,943	128,526
	=====	=====	=====

8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging the following amounts:

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Hire of equipment	55,698	71,616	72,385
Rent of land and buildings	22,080	22,127	28,203
Auditors remuneration	3,000	3,000	2,750

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Corporation tax for the year at 30% (1996 30%, 1995 25%)			
Taxation payable	261,163	193,845	70,043
Overprovision in previous year	(3)	--	--
Decrease in provision for deferred tax	--	(189,227)	27,992
	-----	-----	-----
	261,160	4,618	98,035
	=====	=====	=====

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

10. TANGIBLE FIXED ASSETS

<TABLE>					
<CAPTION>					
			EXPENDITURE		
			ON SHORT		
			LEASEHOLD	PLANT AND	MOTOR
			PROPERTY	MACHINERY	VEHICLES
	TOTAL	FREEHOLD	PROPERTY		
	-----	-----	-----	-----	-----
	(pound)	(pound)	(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>	<C>	<C>
COST					
1st November 1994	3,211,137	921,157	298	2,167,594	122,088
Additions	843,420	269,790	--	546,130	27,500
Disposals	(109,686)	--	--	(85,375)	(23,890)
	-----	-----	-----	-----	-----
31st October 1995	3,945,292	1,190,947	298	2,628,349	125,698
Additions	967,725	1,719	--	933,038	32,968
Disposals	(168,686)	--	--	(137,011)	(31,675)
	-----	-----	-----	-----	-----
31st October 1995	4,744,331	1,192,666	298	3,424,376	126,991
Additions	900,630	26,623	--	779,975	94,032
Disposals	(365,688)	--	--	(276,915)	(88,773)
	-----	-----	-----	-----	-----
31st October 1995	5,279,273	1,219,289	298	3,927,436	132,250
	=====	=====	=====	=====	=====

DEPRECIATION					
1st November 1994	729,236	--	225	696,176	32,835
Disposals	(58,131)	--	--	(46,677)	(11,454)
Charge for the year	295,523	--	12	265,347	30,146

31st October 1995	966,628	--	237	914,846	51,545
Disposals	(93,236)	--	--	(70,136)	(23,100)
Charge for the year	363,763	--	12	334,547	29,204

31st October 1996	1,237,155	--	249	1,179,257	57,649
Disposals	(255,779)	--	--	(193,173)	(62,606)
Charge for the year	458,185	--	12	431,284	26,889

31st October 1997	1,439,561	--	261	1,417,368	21,932
=====					
NET BOOK AMOUNT					
31st October 1997	3,839,712	1,219,289	37	2,510,068	110,318
=====					
31st October 1996	3,507,176	1,192,666	49	2,245,119	69,342
=====					
31st October 1995	2,978,664	1,190,947	61	1,713,503	74,153
=====					
31st October 1994	2,481,901	921,157	73	1,471,418	89,253
=====					

</TABLE>

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Net book value at 31st October 1997	808,682	1,080,707	954,467
	=====	=====	=====

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

11. STOCK AND WORK IN PROGRESS

The amounts attributable to the different categories are as follows:

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Raw materials	200,506	200,719	129,345
Packing materials	9,698	11,492	15,035
Finished goods	87,466	81,558	61,156
Work in progress	44,654	20,202	25,528
	-----	-----	-----
	342,324	313,971	231,064
	=====	=====	=====

12. DEBTORS

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Trade debtors	1,595,311	1,562,039	1,219,983
Loans	--	--	160
Prepayments	26,898	20,780	14,430
	-----	-----	-----
	1,622,209	1,582,819	1,234,573
	=====	=====	=====

13. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

<TABLE>

<CAPTION>

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
<S>		<C>	<C>
Bank overdraft (see note (a) below)	--	60,005	105,009
Bank loan (see note (b) below)	36,664	36,664	36,664
	-----	-----	-----
Bank loan and overdraft	36,664	96,669	141,673
Trade creditors	1,578,688	1,743,509	1,044,690
Corporation tax payable 1st August 1998 (1996 - 1st August 1997, 1995 - 1st August 1996)	261,163	193,820	70,189

Taxation and social security payments	163,762	130,944	142,640
Hire purchase obligations (see note (c) below)	254,145	327,177	297,128
Accruals	89,794	203,935	87,084
	-----	-----	-----
	2,384,216	2,696,054	1,783,404
	=====	=====	=====

</TABLE>

- (a) Secured by a fixed and floating charge over the other assets of the company.
(b) Secured by a mortgage on the freehold premises.
(c) Secured on the assets concerned.

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

14. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Bank loan bearing interest at various rates repayable by quarter installments			
(see note (a) below)	705,742	742,406	779,070
(see note (b) below)	174,632	316,022	318,971
	-----	-----	-----
	880,374	1,058,428	1,098,041
	=====	=====	=====

- (a) Secured by a mortgage on the freehold premises
(b) Secured on the assets concerned

The bank loan above analyzed by due dates of repayment

Repayable between one and two years	36,664	36,664	36,664
Repayable between two and five years	109,992	109,992	109,992
Repayable after more than five years by installments	559,086	595,750	632,414
	-----	-----	-----
	705,742	742,406	779,070
	=====	=====	=====

15. DEFERRED TAXATION

<TABLE>

<CAPTION>

	1997		1996		1995	
	PROVIDED	UNPROVIDED	PROVIDED	UNPROVIDED	PROVIDED	UNPROVIDED
	-----	-----	-----	-----	-----	-----
	(pound)	(pound)	(pound)	(pound)	(pound)	(pound)
Accelerated capital						
<S> Allowances	--	<C> 373,364	--	<C> 316,866	<C> 189,227	--
	=====	=====	=====	=====	=====	=====

</TABLE>

16. SHARE CAPITAL

<TABLE>

<CAPTION>

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>
AUTHORIZED			
Ordinary shares of (pound)1 each	100	100	100
	-----	-----	-----
CALLLED UP SHARE CAPITAL			
Shares issued at (pound)1 each (1997:100, 1996:100, 1995:11)	100	100	11
Shares issued at 5p each (1997:nil, 1996:nil, 1995:89)	--	--	4
	-----	-----	-----
	100	100	15
	=====	=====	=====

</TABLE>

17. LEASING COMMITMENTS

The company leases land and building in Norwich. At 31st October 1997 the lease has an unexpired term of two years, at a rental of (pound)22,080.

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

18. CAPITAL EXPENDITURE

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Authorized and contracted for	43,652	--	175,108
	=====	=====	=====

19. CONTROLLING INTEREST

Mr. J E Barlow owns 60% of the issued share capital of the company and, as such, controls the company.

20. NOTES TO CASHFLOW STATEMENT

Reconciliation of operating profit to net cash inflow from operating activities.

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Operating profit	1,101,451	840,144	399,753
Depreciation	441,666	338,363	293,657
Interest payable and similar charges	103,769	120,943	128,526
Interest received	(21,238)	(4,234)	--
Increase in stocks	(28,353)	(82,907)	(59,607)
Increase in debtors	(39,390)	(348,246)	(290,978)
(Decrease)/Increase in creditors	(37,508)	579,118	309,954
	-----	-----	-----
Net cash inflow from operating activities	1,520,397	1,443,181	781,305
	=====	=====	=====

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

<TABLE>

<CAPTION>

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>
Interest received	21,238	4,234	--
Interest paid	(63,598)	(73,625)	(81,245)
Interest element of finance lease rental payments	(42,216)	(53,493)	(45,181)
	-----	-----	-----
NET CASH (OUTFLOW) FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(84,576)	(122,884)	(126,426)
	=====	=====	=====

</TABLE>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

<TABLE>

<CAPTION>

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>
Purchase of tangible fixed assets	(1,107,221)	(736,694)	(977,113)
Proceeds from the sale of fixed assets	126,428	100,850	53,000
	-----	-----	-----
NET CASH (OUTFLOW) FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT .	(980,793)	(635,844)	(924,113)
	=====	=====	=====

</TABLE>

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

(CONTINUED)

FINANCING

	1997	1996	1995
	-----	-----	-----
	(pound)	(pound)	(pound)
Loans advanced to company	--	--	250,000
Loans repaid by company	(36,664)	(36,664)	(29,466)
Hire purchase advances to company	137,700	386,953	453,296
Hire purchase and finance lease repayments .	(352,122)	(359,853)	(294,720)
Calls on share capital	--	85	--

NET CASH (OUTFLOW)/INFLOW FROM FINANCING ...	(251,086)	(9,479)	(379,110)
	=====	=====	=====

22. ANALYSIS OF CHANGES IN NET DEBT

<TABLE>
<CAPTION>

	AT 1ST NOVEMBER 1994	CASH FLOWS	OTHER CHANGES	AT 31ST OCTOBER 1995
	(pound)	(pound)	(pound)	(pound)
<S>	<C>	<C>		<C>
Cash in hand, at bank	131	538	--	669
Overdraft	(164,295)	59,286	--	(105,009)
	-----	-----	-----	-----
	(164,164)	59,824	--	(104,340)
Hire purchase and finance leases	(457,523)	(158,576)	--	(616,099)
Debt due within one year	(25,600)	29,466	(40,530)	(36,664)
Debt due after one year	(569,600)	(250,000)	40,530	(779,070)
	-----	-----	-----	-----
	(1,216,887)	(319,286)	--	(1,536,173)
	=====	=====	=====	=====

	AT 1ST NOVEMBER 1995	CASH FLOWS	OTHER CHANGES	AT 31ST OCTOBER 1996
	(pound)	(pound)	(pound)	(pound)
Cash in hand, at bank	669	559,756	--	560,425
Overdraft	(105,009)	45,004	--	(60,005)
	-----	-----	-----	-----
	(104,340)	604,760	--	500,420
Hire purchase and finance leases	(616,099)	(27,100)	--	(643,199)
Debt due within one year	(36,664)	36,664	(36,664)	(36,664)
Debt due after one year	(779,070)	--	36,664	(742,406)
	-----	-----	-----	-----
	(1,536,173)	614,324	--	(921,849)
	=====	=====	=====	=====

</TABLE>

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

22. ANALYSIS OF CHANGES IN NET DEBT (CONTINUED)

<TABLE>
<CAPTION>

	AT 1ST NOVEMBER 1996	CASH FLOWS	OTHER CHANGES	AT 31ST OCTOBER 1997
	(pound)	(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>	<C>
Cash in hand, at bank	560,425	(49,880)	--	510,545
Overdraft	(60,005)	60,005	--	--
	-----	-----	-----	-----
	500,420	10,125	--	510,545
Hire purchase and finance leases	(643,199)	214,422	--	(428,777)
Debt due within one year	(36,664)	36,664	(36,664)	(36,664)
Debt due after one year	(742,406)	--	36,664	(705,742)
	-----	-----	-----	-----
	(921,849)	261,211	--	(660,638)
	=====	=====	=====	=====

</TABLE>

23. COMPANIES ACT 1985

These financial statements do not comprise the Company's statutory accounts within the meaning of section 240 of the Companies Act 1985 of Great Britain. Statutory accounts for the years ended 31st October 1997, 1996 and 1995, on which the auditors' reports were unqualified, have been delivered to the Registrar of Companies for England and Wales.

24. DIFFERENCES BETWEEN UNITED KINGDOM AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

The company's accounts are prepared in accordance with accounting principles generally accepted in the United Kingdom ("UK GAAP") which differ from United States generally accepted accounting principles ("US GAAP"). The significant differences applicable to the company are summarized below.

DEPRECIATION OF FREEHOLD PROPERTY

Under UK GAAP, the company does not depreciate its freehold property. Under US GAAP, depreciation would be provided.

FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Under UK GAAP, the finance charge relating to finance (capital) leases and hire purchase contracts is charged to the profit and loss account on a straight line basis. Under US GAAP, such finance charges would be charged to income over the period of the lease so as to provide a constant rate of interest on the remaining balance of the capital obligation. It is considered that the difference between the two methods in this case does not have a material effect on either the balance sheets as at 31st October 1995, 31st October 1996 and 31st October 1997 or the reported results for the years then ended.

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

24. DIFFERENCES BETWEEN UNITED KINGDOM AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

DEFERRED TAXATION

Under UK GAAP, provision for deferred taxation is only made where in the opinion of the directors it is likely to be payable in the foreseeable future.

Under US GAAP, deferred taxation is computed for all temporary differences between the tax and book bases of assets and liabilities. Deferred tax assets are recognized to the extent their realisation is more likely than not.

The following is a summary of the significant adjustments to income and shareholders' funds which would be required if US GAAP were to be applied instead of UK GAAP.

INCOME

<TABLE>
<CAPTION>

	YEAR ENDED 31ST OCTOBER 1997	YEAR ENDED 31ST OCTOBER 1996	YEAR ENDED 31ST OCTOBER 1995
	(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>
Profit on ordinary activities after taxation as reported in the profit and loss account	840,291	835,526	301,718
Adjustments			
Depreciation	(22,160)	(21,627)	(21,593)
Deferred taxation - methodology	(73,260)	(250,215)	(9,789)
- on above adjustments	6,648	6,488	6,478
Net income as adjusted to accord with US GAAP Net income	751,519	570,172	276,814

SHAREHOLDERS' FUNDS

	YEAR ENDED 31ST OCTOBER 1997	YEAR ENDED 31ST OCTOBER 1996	YEAR ENDED 31ST OCTOBER 1995
	(pound)	(pound)	(pound)
Capital and reserves as reported	3,050,200	2,209,909	1,374,298
Adjustments			
Fixed assets			
Tangible assets-freehold property depreciation	(97,427)	(75,267)	(53,640)
Deferred taxation - methodology	(361,320)	(288,060)	(37,845)
- on above adjustments	29,228	22,580	16,092
Shareholders' funds as adjusted to accord with US GAAP	2,620,681	1,869,162	1,298,905

</TABLE>

STATEMENT OF CASH FLOWS

The statement of cash flows prepared under UK GAAP presents substantially the same information as that required under US GAAP but it differs with regard to the classification of items within it and as regards the definition of cash under UK GAAP and cash and cash equivalents under US GAAP.

Under UK GAAP, cash flows are presented separately for operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment and financing. US GAAP require only three categories of cash flow activity to be reported, operating, investing and financing. Cash flows from

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

taxation and returns on investments and servicing shown under UK GAAP would be included within operating activities under US GAAP. Capital expenditure and financial investment would be included within investing activities under US GAAP.

Under UK GAAP, cash is defined as cash in hand and deposits repayable on demand less bank overdrafts repayable on demand. Under US GAAP, cash and cash equivalents would not include bank overdrafts but would include cash deposits repayable within three months at their inception.

The categories of cash flows under US GAAP can be summarized as follows:

<TABLE>

<CAPTION>

	YEAR ENDED 31ST OCTOBER 1997	YEAR ENDED 31ST OCTOBER 1996	YEAR ENDED 31ST OCTOBER 1995
	(pound)	(pound)	(pound)
<S>	<C>	<C>	<C>
Cash inflow from operating activities	1,242,004	1,250,083	604,827
Cash outflow on investing activities	(980,793)	(635,844)	(924,113)
Cash outflow from financing activities	(251,086)	(9,479)	379,110
(Decrease)/Increase in cash and cash equivalents	(49,880)	559,756	538
Cash and cash equivalents			
At 1st November	560,425	669	131
At 31st October	510,545	560,425	669

</TABLE>

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NORWICH INJECTION MOULDERS LIMITED

PROFIT AND LOSS ACCOUNT

<TABLE>

<CAPTION>

	6 MONTHS ENDED 30 APRIL 1998	6 MONTHS ENDED 30 APRIL 1997
	(pound)	(pound)
<S>	<C>	<C>
Turnover	4,294,764	3,954,620
Change in stock of finished goods	(8,941)	(5,726)
	4,285,823	4,948,894
Other operating income	11,663	10,707
	4,297,486	3,959,601
Raw materials and consumables	1,813,051	1,735,182
Other external charges	272,590	316,745
Staff costs	812,776	731,892
Depreciation	251,990	201,514
Other operating charges	405,219	434,945
Interest payable and similar charges	47,096	53,500
	3,602,722	3,473,778
Profit on ordinary activities before taxation	694,754	485,823
Tax on profit on ordinary activities	225,798	115,140

Profit on ordinary activities after taxation	468,956	370,683
Balance 1st November	3,050,100	2,209,809
	-----	-----
Balance 30th April	3,519,056	2,580,492
	=====	=====

</TABLE>

There are no movements in shareholders funds other than the increase to the retained profits for the six month periods ended 30th April 1998 and 30th April 1997.

There were no recognized gains or losses other than the profit of (pound)468,956 in the six months ended 30th April 1998, and (pound)370,683 in the six months ended 30th April 1997.

* A summary of the significant adjustments to the profit on ordinary activities after taxation (net income) that would be required if US Generally Accepted Accounting Principles were to be applied instead of those generally accepted in the United Kingdom is set out in the Notes to the Accounts.

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NORWICH INJECTION MOULDERS LIMITED

BALANCE SHEET

	30 APRIL 1998

	(pound)
FIXED ASSETS	
Tangible Assets	3,907,483
CURRENT ASSETS	
Stock and work in progress	307,332
Debtors	1,651,367
Cash at bank and in hand	886,682

	2,845,381
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2,240,635

NET CURRENT ASSETS/(LIABILITIES)	604,746

NET ASSETS LESS CURRENT LIABILITIES	4,512,229
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR .	993,073
PROVISIONS FOR LIABILITIES AND CHARGES	
DEFERRED TAXATION	--

	3,519,156
	=====
CAPITAL AND RESERVES*	
Called up share capital	100
Profit and loss account	3,519,056

	3,519,156

* A summary of the significant adjustments to capital and reserves (shareholders funds) that would be required if US Generally Accepted Accounting Principles were to be applied instead of those generally accepted in the United Kingdom is set out in the Notes to the Accounts.

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NORWICH INJECTION MOULDERS LIMITED

CASH FLOW STATEMENT

<TABLE>

<CAPTION>

	6 MONTHS ENDED	6 MONTHS ENDED
	30TH APRIL 1998	30TH APRIL 1997
	-----	-----
	(pound)	(pound)
<S>	<C>	<C>
CASH FLOW FROM OPERATING ACTIVITIES	887,585	585,484
RETURNS ON INVESTMENTS AND SERVING OF FINANCE	(35,433)	(42,793)
TAXATION	--	--
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(319,771)	(422,933)
	-----	-----
Cash inflow before use of liquid resources and financing	532,381	119,758

FINANCING - Decrease in debt	(156,244)	(159,666)
	-----	-----
INCREASE/(DECREASE) IN CASH IN THE PERIOD	376,137	(39,908)
	=====	=====
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		
INCREASE/(DECREASE) IN CASH IN THE PERIOD	376,137	(39,908)
Cash outflow/(inflow) from decrease/increase in debt and lease financing	156,244	159,666
	-----	-----
MOVEMENT IN THE NET DEBT IN THE PERIOD	532,381	119,758
NET DEBT AT 1ST NOVEMBER	(660,638)	(921,849)
	-----	-----
NET DEBT AT 30TH APRIL	(128,257)	(802,091)
	=====	=====

</TABLE>

The significant differences between the cashflow statement presented above and that required under the US Generally Accepted Accounting Principles are set out in Note 4 of the Notes to the Accounts.

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

The accounts are prepared under the historical cost basis of accounting and in accordance with applicable UK accounting standards.

2. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998	1997
	-----	-----
	(pound)	(pound)
Bank loan (see note (a) below)	36,664	36,664
	-----	-----
Bank loan and overdraft	36,664	36,664
Trade creditor	1,544,442	1,747,629
Corporation tax payable 1st August	261,163	193,820
Taxation and social security payments	187,366	172,042
Hire purchase obligations (see (b) below)	211,000	211,000
	-----	-----
	2,240,635	2,361,155
	=====	=====

- (a) Secured by a mortgage on a freehold premises.
(b) Secured on the assets concerned.

3. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998	1997
	-----	-----
	(pound)	(pound)
Bank loan bearing interest at various rates repayable by quarterly installments (see note (a) below)	687,410	724,074
Hire purchase obligations	79,865	290,865
Corporation Tax	225,798	115,140
	-----	-----
	993,073	1,130,079
	=====	=====

- (a) Secured by a mortgage on the freehold premises.
(b) Secured on the assets concerned.

	1998	1997
	-----	-----
	(pound)	(pound)
The bank loan above analyzed by due dates of repayment		
Repayable between one and two years	36,664	36,664
Repayable between two and five years	109,992	109,992
Repayable after more than five years by installments	540,754	577,418
	-----	-----

4. DIFFERENCE BETWEEN UNITED KINGDOM AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

The company's accounts are prepared in accordance with accounting principles generally accepted in the United Kingdom ("UK GAAP") which differ from United States generally accepted accounting principles ("US GAAP"). The significant differences applicable to the company are summarized below.

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NORWICH INJECTION MOULDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

DEPRECIATION OF FREEHOLD PROPERTY

Under UK GAAP, the company does not depreciate its freehold property. Under US GAAP, depreciation would be provided.

FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Under UK GAAP, the finance charge relating to finance (capital) leases and hire purchase contracts is charged to the profit and loss account on a straight line basis. Under US GAAP, such finance charges would be charged to income over the period of the lease so as to provide a constant rate of interest on the remaining balance of the capital obligation. It is considered that the difference between the two methods in this case does not have a material effect on either the balance sheets as at 30th April 1997 and 30th April 1998 or the reported results for the six month periods then ended.

DEFERRED TAXATION

Under UK GAAP, provision for deferred taxation is only made where in the opinion of the directors it is likely to be payable in the foreseeable future.

Under US GAAP, deferred taxation is computed for all temporary differences between the tax and book bases of assets and liabilities. Deferred tax assets are recognized to the extent their realization is more likely than not.

The following is a summary of the significant adjustments to income and shareholders' funds which would be required if US GAAP were to be applied instead of UK GAAP.

<TABLE>
 <CAPTION>
 INCOME

	6 MONTHS ENDED 30TH APRIL 1998	6 MONTHS ENDED 30TH APRIL 1997
	(pound)	(pound)
<S>	<C>	<C>
Profit on ordinary activities after taxation as reported on the profit and loss account	468,956	370,683
Adjustments		
Depreciation	(11,080)	(10,814)
Deferred taxation - methodology	(37,420)	(36,630)
- an above adjustments	3,324	3,244
Net income as adjusted to accord with US GAAP Net income	423,780	326,483

SHAREHOLDERS' FUNDS

	6 MONTHS ENDED 30TH APRIL 1998	6 MONTHS ENDED 30TH APRIL 1997
	(pound)	(pound)
Capital and reserves as reported	3,519,156	2,580,592
Adjustments		
Fixed Assets		
Tangible Assets - freehold property depreciation	(108,507)	(86,347)
Deferred taxation - methodology	(397,950)	(324,690)
- on above adjustments	32,550	25,904
Shareholders' funds as adjusted to accord with US GAAP	3,045,249	2,195,459

</TABLE>

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STATEMENT OF CASH FLOWS

The statement of cash flows prepared under UK GAAP presents substantially the same information as that required under US GAAP but it differs with regard to the classification of items within it and as regards the definition of cash under UK GAAP and cash and cash equivalents under US GAAP.

Under UK GAAP, cash flows are presented separately for operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment and financing. US GAAP require only three categories of cash flow activity to be reported, operating, investing and financing. Cash flows from taxation and returns on investments and servicing shown under UK GAAP would be included within operating activities under US GAAP. Capital expenditure and financial investment would be included within investing activities under US GAAP.

Under UK GAAP, cash is defined as cash in hand and deposits repayable on demand less bank overdrafts repayable on demand. Under US GAAP, cash and cash equivalents would not include bank overdrafts but would include cash deposits repayable within three months at their inception.

The categories of cash flows under US GAAP can be summarized as follows:

<TABLE>
<CAPTION>

	6 MONTHS ENDED 30TH APRIL 1998	6 MONTHS ENDED 30TH APRIL 1997
	(pound)	(pound)
<S>	<C>	<C>
Cash inflow from operating activities	676,633	501,630
Cash outflow on investing activities	(319,771)	(422,933)
Cash outflow from financing activities	(156,244)	(159,666)
(Decrease)/Increase in cash and cash equivalents	376,137	(39,908)
Cash and cash equivalents		
At 1st November	510,545	500,420
At 30th April	886,682	460,512

</TABLE>

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=====

NO DEALER, SALES PERSON OR ANY OTHER PERSON IS AUTHORIZED IN CONNECTION WITH ANY OFFERING MADE HEREBY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THE PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY OTHER THAN THE SECURITIES OFFERED HEREBY, NOR DOES IT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY TO ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION TO SUCH PERSON. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

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\$25,000,000

BERRY PLASTICS CORPORATION

12 1/4% SERIES C SENIOR SUBORDINATED NOTES
DUE 2004

PROSPECTUS

, 1999

=====

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Certificate or Articles of Incorporation of the Company and each of the Guarantors (except Norwich), in each case as amended, provide that the Company and the Guarantors shall indemnify their respective directors to the fullest extent permitted under the DGCL, Kansas General Corporation Code, Ohio General Corporation Law, South Carolina Business Corporation Act and the laws of England and Wales (collectively, the "Corporation Law"), as applicable.

The Corporation Law provides for indemnification by the Company and each of the Guarantors of their respective directors and officers. In addition, the By-laws of each of the Company and each Guarantor require the respective company to indemnify its current or former directors and officers to the fullest extent permitted by the applicable Corporation Law.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) EXHIBITS

- 2.1 Asset Purchase Agreement dated February 12, 1992, among the Company, Berry Iowa, Berry Carolina, Inc., Genpak Corporation, a New York corporation, and Innopac International Inc., a public Canadian corporation (filed as Exhibit 10.1 to the Registration Statement on Form S-1 filed on February 24, 1994 (Registration No. 33-75706) (the "Form S-1") and incorporated herein by reference)
- 2.2 Asset Purchase Agreement dated December 24, 1994, between the Company and Berry Plastics, Inc. (filed as Exhibit 10.2 to the Form S-1 and incorporated herein by reference)
- 2.3 Asset Purchase Agreement dated March 1, 1995, among Berry Sterling, Sterling Products, Inc. and the stockholders of Sterling Products, Inc. (filed as Exhibit 2.3 to the Annual Report on Form 10-K filed on March 31, 1995 (the "1994 Form 10-K") and incorporated herein by reference)
- 2.4 Asset Purchase Agreement dated December 21, 1995, among Berry Tri-Plas, Tri-Plas, Inc. and Frank C. DeVore (filed as Exhibit 2.4 to the Annual Report on Form 10-K filed on March 28, 1996 (the "1995 Form 10-K") and incorporated herein by reference)
- 2.5 Asset Purchase Agreement dated January 23, 1996, between the Company and Alpha Products, Inc. (filed as Exhibit 2.5 to the 1995 Form 10-K and incorporated herein by reference)
- 2.6 Stock Purchase and Recapitalization Agreement dated as of June 12, 1996, by and among Holding, BPC Mergerco, Inc. ("Mergerco") and the other parties thereto (filed as Exhibit 2.1 to the Current Report on Form 8-K filed on July 3, 1996 (the "Form 8-K") and incorporated

herein by reference)

- 2.7 Preferred Stock and Warrant Purchase Agreement dated as of June 12, 1996, by and among Holding, Mergerco, Chase Venture Capital Associates, L.P. ("CVCA") and The Northwestern Mutual Life Insurance Company ("Northwestern") (filed as Exhibit 2.2 to the Form 8-K and incorporated herein by reference)
- 2.8 Agreement and Plan of Merger dated as of June 18, 1996, by and between Holding and Mergerco (filed as Exhibit 2.3 to the Form 8-K and incorporated herein by reference)

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- 2.9 Certificate of Merger of Mergerco with and into Holding, dated as of June 18, 1996 (filed as Exhibit 2.9 to the Registration Statement on Form S-4 filed on July 17, 1996 (Registration No. 333-08313) (the "1996 Form S-4") and incorporated herein by reference)
- 2.10 Agreement and Plan of Reorganization dated as of January 14, 1997 (the "PackerWare Reorganization Agreement"), among the Company, PackerWare Acquisition Corporation, PackerWare Corporation and the shareholders of PackerWare (filed as Exhibit 2.1 to the Current Report on Form 8-K filed on February 4, 1997 (the "1997 8-K") and incorporated herein by reference)
- 2.11 Amendment to the PackerWare Reorganization Agreement dated as of January 20, 1997 (filed as Exhibit 2.2 to the 1997 8-K and incorporated herein by reference)
- 2.12 Asset Purchase Agreement dated as of January 17, 1997, among the Company, Container Industries and the shareholders of Container Industries (filed as Exhibit 2.12 to the Annual Report on Form 10-K for the fiscal year ended December 28, 1996 (the "1996 Form 10-K") and incorporated herein by reference)
- 2.13 Agreement and Plan of Reorganization dated as of January 14, 1997, as amended on January 20, 1997, among the Company, PackerWare Acquisition Corporation, PackerWare Corporation and the Shareholders of PackerWare Corporation (filed as Exhibits 2.1 and 2.2 to the Current Report on Form 8-K filed February 3, 1997 and incorporated herein by reference)
- 2.14 Asset Purchase Agreement dated May 13, 1997, among the Company, Berry Design, Virginia Design Packaging Corp. and the shareholders of Virginia Design Packaging Corp. (filed as Exhibit 2.14 to the Annual Report on Form 10-K for the fiscal year ended December 27, 1997 (the "1997 Form 10-K") and incorporated herein by reference)
- 2.15 Agreement for the Sale and Purchase of the Entire Issued Share Capital of Norwich Injection Moulders Limited dated July 2, 1998, among the Company, NIM Holdings Limited and the persons listed on Schedule 1 thereto
- 2.16 Stock Purchase Agreement dated June 18, 1999 among the Company, CPI Holding, Cardinal and the Shareholders of CPI Holding (filed as Exhibit 2.1 to the Current Report on Form 8-K filed on July 21, 1999 and incorporated herein by reference).
- 3.1 Amended and Restated Certificate of Incorporation of Holding (filed as Exhibit 3.1 to the 1996 Form S-4 and incorporated herein by reference)
- 3.2 By-laws of Holding (filed as Exhibit 3.2 to the Form S-1 and incorporated herein by reference)
- 3.3 Certificate of Incorporation of the Company (filed as Exhibit 3.3 to the Form S-1 and incorporated herein by reference)
- 3.4 By-laws of the Company (filed as Exhibit 3.4 to the Form S-1 and incorporated herein by reference)
- 3.5 Certificate of Incorporation of Berry Iowa (filed as Exhibit 3.5 to the Form S-1 and incorporated herein by reference)
- 3.6 By-laws of Berry Iowa (filed as Exhibit 3.6 to the Form S-1 and incorporated herein by reference)
- 3.7 Certificate of Incorporation of Berry Tri-Plas (filed as Exhibit 3.7 to the Form S-1 and incorporated herein by reference)
- 3.8 By-laws of Berry Tri-Plas (filed as Exhibit 3.8 to the Form S-1 and

incorporated herein by reference)

- 3.9 Certificate of Amendment to the Certificate of Incorporation of Berry Tri-Plas (filed as Exhibit 3.9 to the 1996 Form 10-K and incorporated herein by reference)

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- 3.10 Certificate of Designation, Preferences, and Rights of Series B Cumulative Preferred Stock of Holding (filed as Exhibit 3.10 to the 1997 Form 10-K and incorporated herein by reference)
- 3.11 Certificate of Incorporation of Berry Sterling
- 3.12 By-laws of Berry Sterling
- 3.13 Certificate of Incorporation of AeroCon
- 3.14 By-laws of AeroCon
- 3.15 Articles of Incorporation of PackerWare
- 3.16 By-laws of PackerWare
- 3.17 Certificate of Incorporation of Berry Design
- 3.18 By-laws of Berry Design
- 3.19 Certificate of Incorporation of Venture Holdings
- 3.20 By-laws of Venture Holdings
- 3.21 Articles of Incorporation of Venture Midwest
- 3.22 Code of Regulations of Venture Midwest
- 3.23 Articles of Incorporation for a Statutory Close Corporation of Venture Southeast
- 3.24 By-laws of Venture Southeast
- 3.25 Memorandum of Association of NIM Holdings
- 3.26 Articles of Association of NIM Holdings
- 3.27 Memorandum of Association of Norwich
- 3.28 Articles of Association of Norwich
- 3.29 Certificate of Incorporation of Knight Plastics
- 3.30 By-laws of Knight Plastics
- 4.1 Form of Indenture between the Company and United States Trust Company of New York, as Trustee (including the form of Note and Guarantees as Exhibits A and B thereto respectively) (filed as Exhibit 4.1 to the Form S-1 and incorporated herein by reference)
- 4.2 Warrant Agreement between Holding and United States Trust Company of New York, as Warrant Agent (filed as Exhibit 4.2 to the Form S-1 and incorporated herein by reference)
- 4.3 Indenture dated as of June 18, 1996, between Holding and First Trust of New York, National Association, as Trustee (the "Trustee"), relating to Holding's Series A and Series B 12.5% Senior Secured Notes Due 2006

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- 4.4 Pledge, Escrow and Disbursement Agreement dated as of June 18, 1996, by and among Holding, the Trustee and First Trust of New York, National Association, as Escrow Agent (filed as Exhibit 4.4 to the 1996 Form S-4 and incorporated herein by reference)
- 4.5 Holding Pledge and Security Agreement dated as of June 18, 1996, between Holding and First Trust of New York, National Association, as Collateral Agent (filed as Exhibit 4.5 to the 1996 Form S-4 and incorporated herein by reference)
- 4.6 Registration Rights Agreement dated as of June 18, 1996, by and among Holding and DLJ (filed as Exhibit 4.6 to the 1996 Form S-4 and incorporated herein by reference)

- 4.7 BPC Holding Corporation 1996 Stock Option Plan (filed as Exhibit 4.7 to the 1996 Form 10-K and incorporated herein by reference)
- 4.8 Form of Nontransferable Performance-Based Incentive Stock Option Agreement (filed as Exhibit 4.7 to the 1996 Form 10-K and incorporated herein by reference)
- 4.9 Indenture dated as of August 24, 1998 among the Company, the Guarantors and United States Trust Company of New York, as trustee
- 4.10 Registration Rights Agreement dated as of August 24, 1998 by and among the Company, the Guarantors and DLJ
- ***5 Opinion of O'Sullivan Graev & Karabell, LLP (including the consent of such firm) regarding the legality of the securities being offered
- ***8 Opinion of O'Sullivan Graev & Karabell, LLP regarding the material United States Federal income tax consequences to the holders of the securities being offered
- 10.1 Second Amended and Restated Financing and Security Agreement dated as of July 2, 1998, as amended, by and among the Company, NIM Holdings, Norwich, Fleet Capital Corporation, General Electric Capital Corporation, Heller Financial, Inc. and NationsBank, N.A.
- 10.2 Employment Agreement dated December 24, 1990, as amended, between the Company and Martin R. Imbler ("Imbler") (filed as Exhibit 10.9 to the Form S-1 and incorporated herein by reference)
- 10.3 Amendment to Imbler Employment Agreement dated November 30, 1995 (filed as Exhibit 10.6 to the 1995 Form 10-K and incorporated herein by reference)
- 10.4 Amendment to Imbler Employment Agreement dated June 30, 1996 (filed as Exhibit 10.4 to the 1996 Form S-4 and incorporated herein by reference)
- 10.5 Employment Agreement dated December 24, 1990, as amended, between the Company and R. Brent Beeler ("Beeler") (filed as Exhibit 10.10 to the Form S-1 and incorporated herein by reference)
- 10.6 Amendment to Beeler Employment Agreement dated November 30, 1995 (filed as Exhibit 10.8 to the 1995 Form 10-K and incorporated herein by reference)
- 10.7 Amendment to Beeler Employment Agreement dated June 30, 1996 (filed as Exhibit 10.7 to the 1996 Form S-4 and incorporated herein by reference)
- 10.8 Employment Agreement dated December 24, 1990, as amended, between the Company and James M. Kratochvil ("Kratochvil") (filed as Exhibit 10.12 to the Form S-1 and incorporated herein by reference)
- 10.9 Amendment to Kratochvil Employment Agreement dated November 30, 1995 (filed as Exhibit 10.12 to the 1995 Form 10-K and incorporated herein by reference)

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- 10.10 Amendment to Kratochvil Employment Agreement dated June 30, 1996 (filed as Exhibit 10.13 to the 1996 Form S-4 and incorporated herein by reference)
- 10.11 Employment Agreement dated as of January 1, 1993, between the Company and Ira G. Boots ("Boots") (filed as Exhibit 10.13 to the Form S-1 and incorporated herein by reference)
- 10.12 Amendment to Boots Employment Agreement dated November 30, 1995 (filed as Exhibit 10.14 to the 1995 Form 10-K and incorporated herein by reference)
- 10.13 Amendment to Boots Employment Agreement dated June 30, 1996 (filed as Exhibit 10.16 to the 1996 Form S-4 and incorporated herein by reference)
- 10.14 Financing Agreement dated as of April 1, 1991, between the City of Henderson, Nevada Public Improvement Trust and the Company (including exhibits) (filed as Exhibit 10.17 to the Form S-1 and incorporated herein by reference)
- 10.15 Letter of Credit of NationsBank, N.A. dated April 16, 1997

- 10.16 Purchase Agreement dated as of June 12, 1996, between Holding and DLJ relating to the 12.5% Senior Secured Notes due 2006 (filed as Exhibit 10.22 to the 1996 Form S-4 and incorporated herein by reference)
- 10.17 Stockholders Agreement dated as of June 18, 1996, among Holding, Atlantic Equity Partners International II, L.P., CVCA and the other parties thereto (filed as Exhibit 10.23 to the 1996 Form S-4 and incorporated herein by reference)
- 10.18 Warrant to purchase Class B Common Stock of Holding dated June 18, 1996, issued to CVCA (Warrant No. 1) (filed as Exhibit 10.24 to the 1996 Form S-4 and incorporated herein by reference)
- 10.19 Warrant to purchase Class B Common Stock of Holding dated June 18, 1996, issued to CVCA (Warrant No. 2) (filed as Exhibit 10.25 to the 1996 Form S-4 and incorporated herein by reference)
- 10.20 Warrant to purchase Class B Common Stock of Holding dated June 18, 1996, issued to The Northwestern Mutual Life Insurance Company (Warrant No. 3) (filed as Exhibit 10.26 to the 1996 Form S-4 and incorporated herein by reference)
- 10.21 Warrant to purchase Class B Common Stock of Holding dated June 18, 1996, issued to The Northwestern Mutual Life Insurance Company (Warrant No. 4) (filed as Exhibit 10.27 to the 1996 Form S-4 and incorporated herein by reference)
- 10.22 Amended and Restated Stockholders Agreement dated June 18, 1996, among Holding and certain stockholders of Holding (filed as Exhibit 10.28 to the 1996 Form S-4 and incorporated herein by reference)
- 10.23 Second Amended and Restated Management Agreement dated June 18, 1996, between First Atlantic Capital, Ltd. and the Company (filed as Exhibit 10.29 to the 1996 Form S-4 and incorporated herein by reference)
- 10.24 Warrant to purchase Class B Non-Voting Common Stock of BPC Holding Corporation, dated August 29, 1997, issued to Willard J. Rathbun (filed as Exhibit 10.30 to the 1997 Form 10-K and incorporated herein by reference)
- 10.25 Warrant to purchase Class B Non-Voting Common Stock of BPC Holding Corporation, dated August 29, 1997, issued to Craig Rathbun (filed as Exhibit 10.31 to the 1997 Form 10-K and incorporated herein by reference)

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- 10.26 Purchase Agreement dated August 19, 1998 among the Company, the Guarantors and DLJ
- ***10.27 Purchase Agreement dated July 6, 1999 among the Company, the Guarantors, DLJ and Chase Securities Inc.
- 10.28 Indenture dated as of July 6, 1999 among the Company, the Guarantors and United States Trust Company of New York, as trustee (filed as Exhibit 10.27 of the S-4 of the Company filed on August 20, 1999 and incorporated herein by reference).
- 10.29 Registration Rights Agreement dated as of July 6, 1999 by and among the Company, the Guarantors, DLJ and Chase Securities, Inc. (filed as Exhibit 10.28 to the S-4 of the Company filed on August 20, 1999 and incorporated herein by reference).
- 21 List of Subsidiaries
- ***23.1 Consent of O'Sullivan Graev & Karabell, LLP (included as part of its opinion filed as Exhibit 5 hereto)
- *23.2 Consent of Ernst & Young LLP, independent auditors
- *23.3 Consent of Deloitte & Touche LLP, independent auditors
- *23.4 Consent of Lovewell Blake, independent auditors
- */**24 Powers of Attorney
- 25 Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of United States Trust Company of New York, as Trustee (separately bound)
- *27 Financial Data Schedule

- 99.1 Form of Letter of Transmittal
- 99.2 Form of Notice of Guaranteed Delivery
- 99.3 Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
- 99.4 Form of Letter to Clients

 * Filed herewith.
 ** Previously filed.
 *** To be filed by amendment.

(b) FINANCIAL STATEMENT SCHEDULES

Report of Independent Auditors	S-1
Schedule I -- Condensed Financial Information of Registrant	S-2
Schedule II -- Valuation and Qualifying Accounts	S-6

Schedules other than the above have been omitted because they are either not applicable or the required information has been disclosed in the financial statements or notes thereto.

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ITEM 22. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrants pursuant to the Corporation Law, the Certificate of Incorporation and By-laws, or otherwise, the Registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of the Registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The Registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;

- (a) To include any prospectus required by Section 10(a)(3) of the Securities Act;
- (b) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;
- (c) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrants hereby undertake that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrants pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this

registration statement as of that time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This

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includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

The undersigned registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

BPC HOLDING CORPORATION

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* _____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
* _____ Martin R. Imbler	President and Director (Principal Executive Officer)	September 9, 1999
* _____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
* _____ David M. Clarke	Director	September 9, 1999
* _____ Lawrence G. Graev	Director	September 9, 1999

*

Donald J. Hofmann Director September 9, 1999

*

Joseph S. Levy Director September 9, 1999

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*

Mathew J. Lori Director September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

BERRY IOWA CORPORATION

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* _____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
* _____ Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
* _____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
* _____ Joseph S. Levy	Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

By: /s/ MARTIN R. IMBLER
 Martin R. Imbler
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
*		
_____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
*		
_____ Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
*		
_____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
*		
_____ Joseph S. Levy	Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
 James M. Kratochvil
 Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

BERRY STERLING CORPORATION

By: /s/ MARTIN R. IMBLER
 Martin R. Imbler
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
*		
_____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
*		
_____ Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
*		
_____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
*		

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

AEROCON, INC.

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* _____ Martin R. Imbler	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	September 9, 1999
* _____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
* _____ Joseph S. Levy	Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

PACKERWARE CORPORATION

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* _____	Chairman of the Board of	

Roberto Buaron <hr/> Martin R. Imbler <hr/> James M. Kratochvil <hr/> Joseph S. Levy	Directors President, Chief Executive Officer and Director (Principal Executive Officer) Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer) Director	September 9, 1999 September 9, 1999 September 9, 1999 September 9, 1999
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*By: /s/ JAMES M. KRATOCHVIL
 James M. Kratochvil
 Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

PACKERWARE CORPORATION

By: /s/ MARTIN R. IMBLER
 Martin R. Imbler
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* <hr/> Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
* <hr/> Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
* <hr/> James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
* <hr/> Joseph S. Levy	Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
 James M. Kratochvil
 Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

By: /s/ MARTIN R. IMBLER
 Martin R. Imbler
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* _____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
* _____ Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
* _____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
* _____ Joseph S. Levy	Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
 James M. Kratochvil
 Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

VENTURE PACKAGING, INC.

By: /s/ MARTIN R. IMBLER
 Martin R. Imbler
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* _____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
* _____ Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
* _____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999

*

Director

September 9, 1999

Joseph S. Levy

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

VENTURE PACKAGING MIDWEST, INC.

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* _____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
* _____ Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
* _____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
* _____ Joseph S. Levy	Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

VENTURE PACKAGING SOUTHEAST, INC.

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
*		
_____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
*		
_____ Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
*		
_____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
*		
_____ Joseph S. Levy	Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

II-20

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

NIM HOLDINGS LIMITED

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
*		
_____ Martin R. Imbler	Chairman of the Board of Directors (Principal Executive Officer)	September 9, 1999
*		
_____ James M. Kratochvil	Director (Principal Financial and Accounting Officer)	September 9, 1999
*		
_____ Trevor D. Johnson	Sales and Marketing Director	September 9, 1999
*		
_____ Alan R. Sandell	Managing Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

II-21

POWER OF ATTORNEY

I, the undersigned director of NIM HOLDINGS LIMITED, do hereby constitute

and appoint JAMES M. KRATOCHVIL and MARTIN R. IMBLER, or either of them, my true and lawful attorneys and agents, to do any and all acts and things in my name and on my behalf in my capacity as a director and to execute any and all instruments for me and in my name in the capacity indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said Corporation to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for me in my name in the capacity indicated below, any and all amendments (including post-effective amendments) hereto; and I do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following person on behalf of the registrant and in the capacity and on the date indicated:

/s/ IRA G. BOOTS	Director	September 9, 1999
Ira G. Boots		

II-22

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

NORWICH INJECTION MOULDERS LIMITED

By: /s/ MARTIN R. IMBLER
 Martin R. Imbler
 Chairman of the Board of Directors

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* Martin R. Imbler	Chairman of the Board of Directors (Principal Executive Officer)	September 9, 1999
* James M. Kratochvil	Director (Principal Financial and Accounting Officer)	September 9, 1999
* Trevor D. Johnson	Sales and Marketing Director	September 9, 1999
* Alan R. Sandell	Managing Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
 James M. Kratochvil
 Attorney-in-fact

II-23

POWER OF ATTORNEY

I, the undersigned director of NORWICH INJECTION MOULDERS LIMITED, do hereby constitute and appoint JAMES M. KRATOCHVIL and MARTIN R. IMBLER, or either of them, my true and lawful attorneys and agents, to do any and all acts and things in my name and on my behalf in my capacity as a director and to execute any and all instruments for me and in my name in the capacity indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said Corporation to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for me in my

name in the capacity indicated below, any and all amendments (including post-effective amendments) hereto; and I do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following person on behalf of the registrant and in the capacity and on the date indicated:

Director

September 9, 1999

/s/ IRA G. BOOTS
Ira G. Boots

II-24

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

KNIGHT PLASTICS, INC.

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
* _____ Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
* _____ Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
* _____ James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
* _____ Joseph S. Levy	Director	September 9, 1999

*By: /s/ JAMES M. KRATOCHVIL
James M. Kratochvil
Attorney-in-fact

II-25

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

CPI HOLDING CORPORATION

By: /s/ MARTIN R. IMBLER
Martin R. Imbler

POWER OF ATTORNEY

We, the undersigned directors and officers of CPI HOLDING CORPORATION, do hereby constitute and appoint JAMES M. KRATOCHVIL and MARTIN R. IMBLER, or either of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said Corporation to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto; and we do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/ ROBERTO BUARON Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
/s/ MARTIN R. IMBLER Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
/s/ JAMES M. KRATOCHVIL James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
/s/ JOSEPH S. LEVY Joseph S. Levy	Director	September 9, 1999

II-26

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

CARDINAL PACKAGING, INC.

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of CARDINAL PACKAGING, INC., do hereby constitute and appoint JAMES M. KRATOCHVIL and MARTIN R. IMBLER, or either of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said Corporation to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto; and we do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on

behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/ ROBERTO BUARON Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
/s/ MARTIN R. IMBLER Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
/s/ JAMES M. KRATOCHVIL James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
/s/ JOSEPH S. LEVY Joseph S. Levy	Director	September 9, 1999

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

NORWICH ACQUISITION LIMITED

By: /s/ MARTIN R. IMBLER
Martin R. Imbler
President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of NORWICH ACQUISITION LIMITED, do hereby constitute and appoint JAMES M. KRATOCHVIL and MARTIN R. IMBLER, or either of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said Corporation to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto; and we do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/ MARTIN R. IMBLER Martin R. Imbler	Chairman of the Board of Directors (Principal Executive Officer)	September 9, 1999
/s/ JAMES M. KRATOCHVIL James M. Kratochvil	Director (Principal Financial and Accounting Officer)	September 9, 1999
/s/ TREVOR D. JOHNSON Trevor D. Johnson	Sales and Marketing Director	September 9, 1999
/s/ ALAN R. SANDELL Alan R. Sandell	Managing Director	September 9, 1999
/s/ IRA G. BOOTS Ira G. Boots	Director	September 9, 1999

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 2 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on the 9th day of September, 1999.

BERRY PLASTICS ACQUISITION CORPORATION

By: /s/ MARTIN R. IMBLER
 Martin R. Imbler
 President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned directors and officers of BERRY PLASTICS ACQUISITION CORPORATION, do hereby constitute and appoint JAMES M. KRATOCHVIL and MARTIN R. IMBLER, or either of them, our true and lawful attorneys and agents, to do any and all acts and things in our name and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, may deem necessary or advisable to enable said Corporation to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Registration Statement, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereto; and we do hereby ratify and confirm all that said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/ ROBERTO BUARON Roberto Buaron	Chairman of the Board of Directors	September 9, 1999
/s/ MARTIN R. IMBLER Martin R. Imbler	President, Chief Executive Officer and Director (Principal Executive Officer)	September 9, 1999
/s/ JAMES M. KRATOCHVIL James M. Kratochvil	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 9, 1999
/s/ JOSEPH S. LEVY Joseph S. Levy	Director	September 9, 1999

REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENT SCHEDULES

The Stockholders and Board of Directors
 BPC Holding Corporation

We have audited the consolidated financial statements of BPC Holding Corporation as of January 2, 1999 and December 27, 1997, and for each of the three years in the period ended January 2, 1999, and have issued our report thereon dated February 19, 1999 (included elsewhere in this Registration Statement). Our audits also included the financial statement schedules listed in Item 21(b) of this Registration Statement. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole,

present fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Indianapolis, Indiana
February 19, 1999

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BPC HOLDING CORPORATION
(PARENT COMPANY)

SCHEDULE I -- CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CONDENSED BALANCE SHEETS

<TABLE>
<CAPTION>

	JANUARY 2, 1999	DECEMBER 27, 1997
	-----	-----
	(IN THOUSANDS)	
	<C>	<C>
<S>		
ASSETS		
Cash	622	\$ 708
Other assets (principally investment in subsidiary)	(25,992)	(31,808)
Assets held in trust	6,679	18,933
Intangible assets	3,704	4,281
Due from Berry Plastics Corporation	8,095	8,095
Other	--	--
	-----	-----
Total assets	\$ (6,892)	\$ 209
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities	\$ 1,240	\$ 510
Accrued dividends	7,225	3,674
Long-term debt	105,000	105,000
	-----	-----
Total liabilities	113,465	109,184
Preferred stock	16,801	16,509
Class A common stock	4	4
Class B common stock	2	2
Class C common stock	--	--
Treasury stock	280	(22)
Additional paid-in capital	45,611	49,374
Warrants	3,511	3,511
Retained earnings (deficit)	(185,923)	(178,353)
	-----	-----
Total stockholders' equity (deficit)	(120,357)	(108,975)
	-----	-----
Total liabilities and stockholders' equity (deficit)	\$ (6,892)	\$ 209
	=====	=====

</TABLE>

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BPC HOLDING CORPORATION

CONDENSED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	YEAR ENDED		
	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
	-----	-----	-----
	(IN THOUSANDS)		
	<C>	<C>	<C>
<S>			
Net sales	\$ --	\$ --	\$ --
Cost of goods sold	--	--	--
	-----	-----	-----
Gross profit	--	--	--
Operating expenses	749	220	3,304
Interest expense, net	12,720	11,560	6,294
	-----	-----	-----
Loss before income taxes and equity in net income (loss) of subsidiary	(13,469)	(11,780)	(9,598)
Equity in net income (loss) of subsidiary	5,899	(2,631)	5,989
	-----	-----	-----

Loss before income taxes	(7,570)	(14,411)	(3,609)
Income taxes	--	--	(262)
	-----	-----	-----
Net loss	(7,570)	(14,411)	(3,347)
Preferred stock dividends	(3,551)	(2,558)	(1,116)
Amortization of preferred stock discount	(292)	(74)	--
	-----	-----	-----
Net loss attributable to common shareholders	\$ (11,413)	\$ (17,043)	\$ (4,463)
	=====	=====	=====

</TABLE>

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BPC HOLDING CORPORATION

CONDENSED STATEMENTS OF CASH FLOWS

	YEAR ENDED		
	JANUARY 2, 1999	DECEMBER 27, 1997	DECEMBER 28, 1996
	(IN THOUSANDS)		
	<C>	<C>	<C>
Net income (loss)	\$ (7,570)	\$ (14,411)	\$ (3,347)
Adjustments to reconcile net loss provided by operating activities:			
Net loss (income) of subsidiary	(5,899)	2,631	(5,989)
Amortization and non cash interest	500	726	441
Interest funded by assets held in trust	12,221	11,256	5,412
Non-cash compensation	--	--	358
Changes in operating assets and liabilities	840	(208)	427
	-----	-----	-----
Net cash provided by (used for) operating activities	92	(6)	(2,698)
Net cash provided by investing activities	--	--	--
Net cash provided by financing activities:			
Exercise of management stock options	--	--	1,130
Proceeds from senior secured notes	--	--	105,000
	-----	-----	-----
Proceeds from issuance of common and preferred stock and warrants	80	325	67,369
	-----	-----	-----
Rollover investments and share repurchases	--	--	(125,219)
Assets held in trust	--	--	(35,600)
Net payments to warrant holders	--	--	(4,502)
Debt issuance costs	--	--	(5,069)
Other	(258)	--	(22)
	-----	-----	-----
Net cash from financing activities	(178)	325	3,087
	-----	-----	-----
Net increase in cash and cash equivalents	(86)	319	389
Cash and cash equivalents at beginning of year	708	389	--
	-----	-----	-----
Cash and equivalents at end of year	\$ 622	\$ 708	\$ 389
	=====	=====	=====

</TABLE>

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Notes to Condensed Financial Statements

(1) BASIS OF PRESENTATION. In the parent company-only financial statements, Holding's investment in subsidiaries is stated at cost plus equity in undistributed earnings of subsidiaries since date of acquisition. The parent company-only financial statements should be read in conjunction with Holding's consolidated financial statements, which are included beginning on page F-1.

(2) GUARANTEE. Berry had approximately \$218.1 million and \$201.3 million of long-term debt outstanding at January 2, 1999 and December 27, 1997, respectively. Under the terms of the debt agreements, Holding has guaranteed the payment of all principal and interest.

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SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

<TABLE>
<CAPTION>

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS - DESCRIBE	DEDUCTIONS - DESCRIBE	BALANCE AT END OF YEAR
<S>	<C>	<C>	<C>	<C>	<C>
Year ended January 2, 1999:					
Allowance for doubtful accounts	\$1,038	\$ 875	\$ 280 (2)	\$ 542 (1)	\$1,651
	=====	=====	=====	=====	=====
Year ended December 27, 1997:					
Allowance for doubtful accounts	\$ 618	\$ 325	\$ 358 (2)	\$ 263 (1)	\$1,038
	=====	=====	=====	=====	=====
Year ended December 28, 1996:					
Allowance for doubtful accounts	\$ 737	\$ 322	\$--	\$ 441 (1)	\$ 618
	=====	=====	=====	=====	=====

</TABLE>

(1) Uncollectible accounts written off, net of recoveries.

(2) Primarily relates to purchase of accounts receivable and related allowance through acquisitions. (1)

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the captions "Selected Historical Financial Data" and "Experts" and to the use of our report dated February 19, 1999 with respect to BPC Holding Corporation and the use of our report dated May 19, 1999 with respect to the Knight Engineering and Plastics Division of Courtaulds Packaging Inc. in Amendment No. 2 to the Registration Statement (Form S-4) and related Prospectus of Berry Plastics Corporation for the registration of \$25,000,000 of 121/4% Series C Senior Subordinated Notes due 2004.

/s/ Ernst & Young LLP

Indianapolis, Indiana
September 7, 1999

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-64599, relating to \$25,000,000 of 12-1/4% Series C Senior Subordinated Notes due 2004, of Berry Plastics Corporation on Form S-4 of our report dated June 11, 1999 relating to the consolidated financial statements of CPI Holding, Inc. as of November 30, 1998 and 1997 and for the years ended November 30, 1998 and 1997 and for the period January 26, 1996 to November 30, 1996 appearing in the Prospectus, which is part of such Registration Statement.

We also consent to the reference to us under the heading "Experts" in such prospectus.

/s/ Deloitte & Touche LLP

Cleveland, Ohio
September 8, 1999

INDEPENDENT AUDITORS' CONSENT

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated 22 December 1997 relating to the financial statements of Norwich Injection Moulders Limited for the years ended October 31, 1997, 1996 and 1995 in Amendment No. 2 the Registration Statement (Form S-4) and related Prospectus of Berry Plastics Corporation for the registration \$25,000,000 of 12.25% Series C Senior Subordinated Notes due 2004.

/s/ Lovewell Blake

Norwich, England
8 September 1999