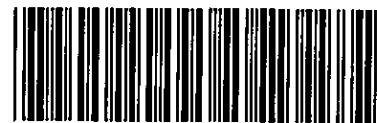


Company Registration No. 4346520

**GRAHAM PACKAGING EUROPEAN
SERVICES LIMITED**

**Annual report and financial statements
for the year ended 31 December 2012**

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GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

F Afarian
R Fernandez Del Carmen
M Bundy
J Hanks

SECRETARY

TMT Corporate Administration Services Limited

REGISTERED OFFICE

5th Floor
6 St Andrew Street
London
EC4A 3AE

BANKERS

National Westminster Bank plc
Spring Gardens
Manchester
M60 2DB

SOLICITORS

Myers Lister Price
7 Market Street
Altrincham
Cheshire
WA14 1QE

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading
RG1 1JG

GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

Following elective resolutions made on 27 October 2004 the company is not required to hold an annual general meeting or lay financial statements before the company in such a meeting

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide employee services to other group companies. The directors do not expect this to change.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Details of the company's performance are given in the profit and loss account on page 6

The profit for the year of £9,163 (2011 loss £381,859) has been transferred to (2011 from) reserves

The directors expect a satisfactory performance from the company in the coming year. No dividend is proposed (2011 £nil)

DIRECTORS

The following directors have held office during the year and up to the date of signing these financial statements unless otherwise stated below:

I C Hallowell	resigned 1/10/12
S Kolakowski	resigned 4/1/13
M S Burgess	resigned 4/1/13
F Afarian	
R Fernandez Del Carmen	appointed 25/9/12
M Bundy	appointed 25/9/12
J Hanks	appointed 25/9/12

GOING CONCERN

The financial statements have been prepared on a going concern basis as the parent company, Graham Packaging LP, has confirmed that it will not require repayment of the intercompany payables due as at 31 December 2012 of £388,063, for a period of at least twelve months from the date of approval of these financial statements.

INDEPENDENT AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

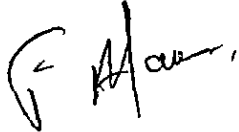
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PricewaterhouseCoopers LLP has expressed their willingness to continue in office as auditors. Appropriate arrangements have been put into place for them to be deemed reappointed as auditors in the absence of an annual general meeting.

Approved by the Board of Directors
and signed on behalf of the Board on 30/09/2013

F Afarian
Director



GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

We have audited the financial statements of Graham Packaging European Services Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAHAM PACKAGING EUROPEAN SERVICES LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report

Steven Formoy (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
1 October 2013

GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2012

		2012 £	2011 £
Turnover	1.3	692,884	666,276
Cost of sales		(679,298)	(653,247)
Gross profit		13,586	13,029
Administrative expenses		(1,449)	(389,756)
Operating profit / (loss)	4	12,137	(376,727)
Interest receivable and similar income		-	-
Profit / (loss) on ordinary activities before taxation		12,137	(376,727)
Tax charge on profit / (loss) on ordinary activities	5	(2,974)	(5,132)
Profit / (loss) on ordinary activities after taxation	11	9,163	(381,859)

The above results all derive from continuing activities

There have been no recognised gains and losses attributable to the shareholders other than those included in the profit and loss account of the company for the current and prior years. Accordingly, no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit / (loss) on ordinary activities before taxation and the profit / (loss) for the financial year stated above and their historical equivalents.

GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

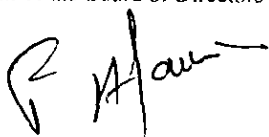
BALANCE SHEET At 31 December 2012

	Note	2012 £	2011 £
Current assets			
Debtors	6	177,934	51,926
Cash at bank and in hand		54,329	152,047
		<u>232,263</u>	<u>203,973</u>
Creditors amounts falling due within one year	7	(82,673)	(63,645)
Net current assets		<u>149,590</u>	<u>140,328</u>
Creditors amounts falling due after one year	8	(388,063)	(388,063)
Net liabilities		<u>(238,473)</u>	<u>(247,735)</u>
Capital and reserves			
Called up share capital	10	100	1
Profit and loss account (deficit)	11	(238,573)	(247,736)
Total shareholders' (deficit)	12	<u>(238,473)</u>	<u>(247,735)</u>

These financial statements on pages 6 to 12, were approved by the Board of Directors and authorised for issue on 30/09/2013

Signed on behalf of the Board of Directors

F Afarian
Director



Registered company number 4346520

GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The particular accounting policies which have been applied consistently in the current and prior years are described below.

Accounting convention

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

Going concern

The company's business activities relate to its agreement to provide employee services to other group companies.

The financial statements have been prepared on a going concern basis as the parent company, Graham Packaging L.P., has confirmed that it will not require repayment of the intercompany payables due as at 31 December 2012 of £388,063, for a period of at least twelve months from the date of approval of these financial statements.

Turnover

Turnover represents amounts receivable for goods and services, net of VAT and trade discounts, and is recognised at the point at which the service is provided.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Cash flow statement

The Company is a wholly-owned subsidiary of Graham Packaging Company L.P. and is included in the consolidated financial statements of that company which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash flow statement (revised 1996)'. The Company is also exempt under the terms of paragraph 3(c) FRS 8 'Related Party Disclosure' from disclosing related party transactions with entities that are part of the Group.

Pensions

The company contributes towards employees' private pensions. All payments are in respect of defined contribution schemes and are charged to the profit and loss account in the period to which they relate.

GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2012

2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors are remunerated by other group companies in respect of their services to the group as a whole and it is not possible to apportion this remuneration among the companies of the group

Employee costs during the year

	2012	2011
	£	£
Wages and salaries	304,323	279,749
Social security costs	40,645	36,794
Other pension costs	25,027	24,023

Average monthly number of employees (including directors)

	2012	2011
	No	No
Consultancy	8	8

3 TURNOVER

Geographical analysis of turnover by destination

	2012	2011
	£	£
Europe	692,884	666,276
	<u>692,884</u>	<u>666,276</u>

All turnover is derived from the principal activity of the business

4 OPERATING (LOSS)/PROFIT

	2012	2011
	£	£
Operating profit / (loss) is stated after charging		
Services provided by the company's auditor		
- audit of the company's annual financial statements fees payable	5,000	2,500
	<u>5,000</u>	<u>2,500</u>

5 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2012	2011
	£	£
Corporation tax		
Current tax charge	2,973	3,772
Adjustment in respect of previous periods	-	1,360
	<u>2,973</u>	<u>5,132</u>

GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2012

5 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Deferred tax	2012	2011
	£	£
Origination and reversal of timing differences	-	1,312
Adjustment in respect of previous periods	-	(1,312)
Total deferred tax charge (note 9)	-	-
Tax charge on profit on ordinary activities	2,973	5,132

Factors affecting tax charge for the current year

The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are explained below:

	2012	2011
	£	£
Profit / (loss) on ordinary activities before taxation	12,137	(376,727)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	2,973	(99,833)
Effect of:		
- Expenses not deductible for tax purposes	-	104,735
- Movement in short term timing differences	-	(1,130)
- Adjustments to tax charge in respect of prior periods	-	1,360
Current tax charge for the year	2,973	5,132

6 DEBTORS

	2012	2011
	£	£
Amounts falling due within one year		
Amounts owed by group undertakings	151,532	28,567
Other debtors	12,032	13,778
Prepayments and accrued income	14,370	9,581
	177,934	51,926

Amounts owed by fellow subsidiaries are unsecured, bear no interest and are repayable on demand.

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	21,737	15,017
Other taxes and social security	11,430	11,082
Corporation tax payable	651	3,771
Accruals and deferred income	48,855	33,775
	82,673	63,645

GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2012

8 CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2012 £	2011 £
Amounts owed to parent company	388,063	388,063
	<u>388,063</u>	<u>388,063</u>

Amounts owed to the parent company are unsecured, bear no interest. The amounts have no set repayment date but the parent company has confirmed that repayment will not be required for a period of at least twelve months from the date of approval of these financial statements.

9 DEFERRED TAX

	2012 £	2011 £
Asset bought forward	-	-
Deferred tax charged in the profit and loss account	-	1,312
Adjustment in respect of prior years	-	(1,312)
	<u>-</u>	<u>-</u>

10 CALLED-UP SHARE CAPITAL

	2012 £	2011 £
Called up, allotted and fully paid		
Ordinary share of £1 each	<u>100</u>	<u>1</u>
Shares issued in the period		
Ordinary share of £1 each	<u>99</u>	<u>-</u>

11 RESERVES

	Profit and loss account £
At 1 January 2012	(247,736)
Profit for the financial year	<u>9,163</u>
At 31 December 2012 (deficit)	<u>(238,573)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S (DEFICIT)/FUNDS

	2012 £	2011 £
Profit / (loss) for the financial year	9,163	(381,859)
Issue of ordinary shares	99	-
Net addition / (reduction in) to shareholder's funds	<u>9,262</u>	<u>(381,859)</u>
Opening shareholder's (deficit) / funds	(247,735)	134,124
Closing shareholder's (deficit)	<u>(238,473)</u>	<u>(247,735)</u>

GRAHAM PACKAGING EUROPEAN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2012

13 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" for wholly owned subsidiaries not to disclose transactions with entities that are part of the same group

14 ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Graham Packaging Company, L P, a company incorporated in the United States of America

The ultimate parent undertaking and controlling party is Reynolds Group Holdings Limited a company incorporated in New Zealand

Reynolds Group Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Reynolds Group Holdings Limited available from Level Nine, 148 Quay Street, Auckland 1140

Graham Packaging Holdings Company Inc. is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Graham Packaging Holdings Company Inc. can be obtained from 2401 Pleasant Valley Road, York, PA 17601 USA