BWAY CORP
Form 10-K
December 11, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended:

September 27, 2009

Commission File Number	Registrant	I.R.S. Employer Identification Number
001-33527	**BWAY Holding Company** (Delaware) 8607 Roberts Drive, Suite 250 Atlanta, Georgia 30350-2237 (770) 645-4800	**55-0800054**
001-12415	**BWAY Corporation** (Delaware) 8607 Roberts Drive, Suite 250 Atlanta, Georgia 30350-2237 (770) 645-4800	**36-3624491**

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

Registrant	Title of Each Class	Name of Exchange on Which Registered
BWAY Holding Company	Common Stock, $0.01 par value	New York Stock Exchange
BWAY Corporation	None	N/A

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Registrant	
BWAY Holding Company	¨ Yes þ No
BWAY Corporation	¨ Yes þ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Registrant	
BWAY Holding Company	¨ Yes þ No
BWAY Corporation	¨ Yes þ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Registrant	
BWAY Holding Company	þ Yes ¨ No
BWAY Corporation	þ Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Registrant	
BWAY Holding Company	¨ Yes ¨ No
BWAY Corporation	¨ Yes ¨ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this From 10-K.

Registrant	
BWAY Holding Company	¨
BWAY Corporation	¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Registrant	Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company
BWAY Holding Company	¨	þ	¨	¨
BWAY Corporation	¨	¨	þ	¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Registrant	
BWAY Holding Company	¨ Yes þ No
BWAY Corporation	¨ Yes þ No

As of March 29, 2009 (the registrants most recently completed second fiscal quarter), the aggregate market value of the common stock of BWAY Holding Company held by non-affiliates was approximately $85.7 million based on the closing sale price of as reported on the New York Stock Exchange. The common equity of BWAY Corporation was held by BWAY Holding Company and not publicly traded.

Registrant	Description of Common Stock	Shares Outstanding at December 9, 2009
BWAY Holding Company	Par Value $0.01 per share	22,198,718

BWAY Corporation	Par Value $0.01 per share	1,000

DOCUMENTS INCORPORATED BY REFERENCE

Portions of BWAY Holding Company s definitive proxy statement for its annual meeting of shareholders to be held in the first calendar quarter of 2010 are incorporated by reference into Part III of this Form 10-K.

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BWAY HOLDING COMPANY

BWAY CORPORATION

Annual Report on Form 10-K

For the Fiscal Year Ended September 27, 2009

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PART I

In this document, we, our, us and the Company refer to BWAY Holding Company and BWAY Corporation and its subsidiaries, collectivel unless the context requires otherwise.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This Annual Report on Form 10-K and, in particular, the description of our business set forth in Item 1 and our Management s Discussion and Analysis of Financial Condition and Results of Operations set forth in Item 7, contains a number of forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding:

- Our projected changes in sales, gross margin, cash flow, earnings and earnings per share.
- Our expected liquidity, including future expenditures, cash needs and financing sources.
- Our assessment of competitors and potential competitors.

In addition, any statements contained in or incorporated by reference into this report that are not statements of historical fact should be considered forward-looking statements. You can identify these forward-looking statements by use of words such as anticipate, believe, could, estimate, expect, intend, may, plan, predict, should, will and other similar expressions, whether in the negative or affirmativ guarantee that we will achieve the plans, intentions or expectations disclosed in the forward-looking statements. A number of important risks and uncertainties could cause actual results to differ materially from those indicated by our forward-looking statements. These risks and uncertainties include, without limitation, those set forth in Item 1A under the heading Risk Factors. We caution investors not to place undue reliance on any forward-looking statements as these statements speak only as of the date when made. We undertake no obligation to update any forward-looking statements made in this report.

Item 1

Business

Description of Business

BWAY Holding Company (BHC) is a holding company without independent operations. BWAY Corporation (BWAY) is the wholly-owned operating subsidiary of BHC.

We manufacture and distribute metal and rigid plastic containers that are used primarily by manufacturers of industrial and consumer products for packaging. We have operations in the United States, Canada and Puerto Rico and primarily sell to customers located in these geographic markets. We are a leading North American manufacturer of general line rigid metal and plastic containers. We estimate that we are the leaders in U.S. market share in plastic pails, steel paint cans, steel specialty cans, ammunition boxes and plastic paint bottles, as well as the leaders in Canadian market share in steel pails and plastic pails. These products together represented more than 80% of our fiscal 2009 net sales. In fiscal 2009, our total net sales were $0.9 billion, of which 65% were in our metal packaging segment and 35% were in our plastic packaging segment. We believe that our metal and plastic products, which we manufacture in our 21 strategically located facilities in the United States, Canada and Puerto Rico, are complementary and often serve the same customers. Our products include:

Metal Containers. General line rigid metal containers made from steel, including paint cans and components, aerosol cans, steel pails, oblong cans, a variety of other specialty cans and ammunition boxes that our customers use to package paint, household and personal care products, automotive after-market products, paint thinners, driveway and deck sealants and other end-use products; and

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Plastic Containers. Injection-molded plastic pails and blow-molded tight-head containers, bottles and drums that our customers use to package petroleum products, agricultural chemicals, other chemical applications, paint, ink, edible oils, high-solid coatings, roofing mastic and adhesives and driveway sealants. Plastic packing also includes hybrid and all-plastic paint cans.

Metal containers are attractive to many of our customers based on the strength and non-permeability of steel, its ability to hold highly volatile and solvent-based liquids and its fire safety characteristics. Aerosol cans, which are a type of metal container, provide an effective system of delivery for a controlled spray pattern and are the preferred packaging for certain products. In addition, plastic continues to prove adaptable to a wide variety of container end markets including paint and building, non-retail food services, janitorial and chemical, agriculture, oil and petroleum, inks and other general industries. Plastic containers are attractive to many of our customers based on the durability, weight and corrosion resistance of plastic.

Our History and Recent Acquisitions

BHC was incorporated as BCO Holding Company in 2002. BWAY is the successor to a business founded in 1875. In February 2003, BHC acquired BWAY, in a leveraged buyout led by investment funds affiliated with Kelso & Company, L.P., (Kelso) and certain members of management. Upon completion of the acquisition, BWAY became a wholly-owned subsidiary of BHC, and its common stock was delisted from the New York Stock Exchange.

In June 2007, BHC registered shares of its common stock with the Securities and Exchange Commission (SEC) under the Securities Act of 1933, as amended. Following the registration, BHC common stock began trading on the New York Stock Exchange under the ticker symbol BWY. For a further discussion of the initial public offering, see Initial Public Offering of BHC in Note 1, General, to Notes to Consolidated Financial Statements, included in Item 8, Financial Statements and Supplementary Data.

Acquisitions

In July 2006, we acquired substantially all of the assets and assumed certain of the liabilities of Industrial Containers Ltd., a Toronto-based manufacturer of rigid plastic containers and steel pails for industrial packaging markets.

In January 2007, we acquired substantially all of the assets and assumed certain liabilities of Vulcan Containers, Ltd., a Toronto based producer of steel pails for distribution primarily in Canada. The acquired business is referred to as Vulcan in this Annual Report. For a further discussion of the acquisition of Vulcan, see Acquisitions in Note 1, General, of Notes to Consolidated Financial Statements, included in Item 8, Financial Statements and Supplementary Data.

In August 2009, we acquired Central Can Company, Inc., a U.S. producer of rigid general line metal and plastic containers, in a stock purchase transaction. The acquired business is referred to as Central Can in this Annual Report. For a further discussion of the acquisition of Central Can, see Acquisitions in Note 1, General, of Notes to Consolidated Financial Statements, included in Item 8, Financial Statements and Supplementary Data.

In October 2009, subsequent to the end of fiscal 2009, we acquired substantially all of the assets and assumed certain of the liabilities from Ball Plastic Container Corp. related to its plastic packaging plant and business located in Newnan, Georgia. The facility produces injection molded plastic pails and certain other products.

Industry Segments

Our business is organized on the basis of product type with two reportable segments: metal packaging and plastic packaging. We differentiate the segments based on the nature of the products and services they offer. The markets in which we participate can generally be placed into two broad categories: North American general line rigid metal containers and North American general line rigid plastic containers.

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Certain financial information about our industry segments is set forth in Management s Discussion and Analysis of Financial Condition and Results of Operations in Item 7 and in Note 18, Business Segments, of Notes to Consolidated Financial Statements, included in Item 8, Financial Statements and Supplementary Data.

Metal Packaging Segment

Products and Markets

Our metal packaging segment operates primarily in North America in the general line segment of the metal container market. In the United States, we are the third largest producer of steel aerosol cans, and we are the leading producer in our other product lines.

The primary uses for our general line cans are for paint and related products, lubricants, roof and driveway sealants, charcoal lighter fluid and household and personal care products. Specific products include round cans with rings and plugs (generally paint cans), specialty cans (generally PVC or rubber cement cans, brake fluid and other automotive after-market products cans, oblong or F -style cans, ammunition boxes and an assortment of other specialty cans), aerosol cans and steel pails. We produce a full line of these products to serve the specific requirements of a diversified base of nationally recognized customers. Most of our products are manufactured in facilities that are strategically located to allow us to deliver product to our customers within a one-day transit time.

Paint Cans. We believe that we are the leading supplier in North America and the only national supplier of metal paint cans. We believe that we are the sole supplier of metal paint cans to the leading domestic paint companies, and we believe that we are the sole supplier of metal paint can components to the primary manufacturer of hybrid (plastic and metal) paint cans in North America.

Specialty Cans. We believe that we are the leading supplier of metal specialty cans in North America. Specialty cans include screw top cans, pour top cans, oblong or F -style cans and ammunition boxes. Screw top cans typically have an applicator or brush attached to a screw cap and are typically used for PVC pipe cleaner, PVC cement and rubber cement. Pour top cans are typically used for packaging specialty oils and automotive after-market products. Oblong or F -style cans are typically used for packaging paint-related products, charcoal lighter fluid and waterproofing products. Ammunition boxes provide a hermetic seal, are coated with a corrosion-resistant finish and are used to package small arms ammunitions and other ordnance products. We sell ammunition boxes to the U.S. Department of Defense as well as to major domestic and foreign producers of ordnance.

Aerosol Cans. We believe that we are the third largest supplier of aerosol cans in North America. We focus on serving as a primary supplier to small- and medium-sized customers and as a secondary supplier to large customers. Aerosol cans are typically used for packaging various consumer and industrial products, including paint and related products, personal care products, lubricants and insecticides.

Steel Pails. We believe that we are one of the leading suppliers of steel pails in North America. Steel pails are typically used for packaging paint and related products, roof and driveway sealants, marine coatings, vegetable oil and water repellent.

Customers

Our metal packaging segment customers include many of the world s leading paint, consumer and personal care companies. In fiscal 2009, sales to our 10 largest metal packaging segment customers accounted for approximately 50% of the segment s net sales. Of the fiscal 2009 metal packaging segment net sales, approximately 19% were to The Sherwin-Williams Company.

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Consistent with industry practice, we enter into multi-year supply agreements with many of our major customers. However, many of our contracts are requirements contracts under which we supply a percentage of a customer s requirements for our products over a period of time, without any specific commitment to unit volume. In addition, many of our customer contracts, including those with our major customers, provide that the customer may receive competitive proposals for all or a portion of the products we furnish to the customer under the contract, including proposals to reformulate the packaging to another material. We generally have the right to retain the customer s business subject to the terms of the competitive proposal.

In fiscal 2009, approximately 93% and 6% of our metal packaging segment net revenues were in the United States and Canada, respectively.

Raw Materials

Our principal raw materials consist of tinplate, blackplate and cold rolled steel, energy, various coatings, inks and compounds. Steel products represent the largest component of raw material costs. With the exception of pails and ammunition boxes, which are manufactured from either blackplate or cold rolled steel, all of our products are manufactured from tinplate steel. We purchase all required raw materials from outside sources.

Various domestic and foreign steel producers supply us with tinplate steel, although we currently purchase most of our tinplate steel from domestic suppliers. Procurement from suppliers generally depends on the suppliers product offering, product quality, service and price. The majority of our steel purchases are through requirements-based contracts at negotiated prices, subject to prevailing market conditions. We do not engage in forward contracts or other hedging arrangements related to these raw material purchases. Historically, we have generally been able to increase the price of our products to reflect increases in the price of steel, but we cannot be sure that we will be able to do so in the future.

A steel supply shortage could affect, among other things, our ability to obtain steel, the timing of steel deliveries and the price we pay for steel. In the event of supply interruptions, we could experience higher costs due to underutilization of our manufacturing facilities and lower sales due to a reduction in our ability to produce goods for sale.

In addition to steel products, we purchase energy from various suppliers as well as various coatings, inks and compounds. We do not anticipate any future shortages or supply problems for these items based on their historical availability and the current number of suppliers.

Competition

The steel container industry is highly competitive and some of our competitors have greater financial resources than we do. Competition is based primarily on price, manufacturing capacity, manufacturing flexibility, proximity to customer and quality. We believe that (1) the close proximity of our manufacturing facilities to key customer locations, (2) our low-cost, flexible manufacturing capabilities and (3) our reputation for quality and customer service enables us to compete effectively.

In addition to competition within the steel container industry, we face competitive risks from substitute products, such as plastics and hybrids, and, to a lesser extent, composites and flexible packaging containers. Steel containers continue to be the preferred package in the majority of our customers markets. We believe this is primarily due to: (1) their price stability and competitiveness as compared to alternative packaging; (2) the attractive strength and non-permeable characteristics of steel versus other materials, such as plastics; (3) their lower storage and handling costs; (4) their ability to hold highly volatile and solvent-based liquids; and (5) their fire safety characteristics. In addition, we believe steel containers are easier and less costly to recycle and have a higher rate of recycling than alternative materials.

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One of the objectives of our acquisitions of general line rigid plastic container manufacturers was to mitigate competitive risk from plastic substitution. In addition, the broader product offering enables us to provide other products utilized by our existing customer base.

Plastic Packaging Segment

Products and Markets

We believe that we are the largest manufacturer of general line rigid plastic containers in the North American market and we produce products in five broad categories: (1) open-head containers; (2) tight-head containers; (3) F -style plastic bottles; (4) plastic drums; (5) plastic paint bottles; and (6) plastic paint cans.

Open-head Containers. Open-head containers are injection-molded products made of high-density polyethylene, or HDPE, that are used primarily by the paint and coating, petroleum, food, building materials, agricultural and janitorial supply industries.

Tight-head Containers. Tight-head containers are blow-molded products made of HDPE that are used primarily by the food, petroleum, agricultural, chemical, janitorial supply, beverage and coating industries.

F -Style Plastic Bottles. F -style plastic bottles are one-piece, blow-molded HDPE containers that are most commonly used for storing and shipping herbicides and pesticides for the crop protection industries.

Plastic Drums. Plastic drums are large transportable containers made from HDPE available in either an open-head or tight-head format. Plastic drums are most frequently used for shipping concentrated beverage syrup and chemicals.

Plastic Paint Bottles. We are the primary supplier to The Sherwin-Williams Company of an innovative plastic paint container made from HDPE. The paint bottle is proprietary to The Sherwin-Williams Company, and we cannot provide it to other paint manufacturers.

Plastic Paint Cans. Plastic paint cans are either all-plastic containers made with HDPE or hybrid containers constructed of a HDPE body with a seamed on steel ring and plug. The containers are suitable for paints, colorants, coatings, adhesives and powders. The steel components used in the hybrid container are primarily manufactured by our metal segment.

Customers

Our plastic packaging segment customers include some of the world s leading paint, food and industrial companies, several of which are customers of our metal packaging segment. We have long-term relationships with our customers and in many cases we are the exclusive supplier of our customers plastic packaging requirements.

In fiscal 2009, sales to our 10 largest plastic packaging segment customers accounted for approximately 42% of the segment s net sales. Of the fiscal 2009 plastic packaging segment net sales, approximately 18% were to The Sherwin-Williams Company.

We maintain a diversified customer base, which is broadly distributed among industries as diverse as paint, food, construction, petroleum and chemicals. Consistent with industry practice, we enter into multi-year supply agreements with many of our major customers. However, many of our contracts are requirements contracts under which we supply a percentage of a customer s requirements for our products over a period of time, without any specific commitment to unit volume. In addition, many of our customer contracts, including those with our major customers, provide that the customer may receive competitive proposals for all or a portion of the products we furnish to the customer under the contract, including proposals to reformulate the packaging to another material. We generally have the right to retain the customer s business subject to the terms of the competitive proposal.

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In fiscal 2009, approximately 89% and 10% of our plastic packaging segment net revenues were in the United States and Canada, respectively.

Raw Materials

The main raw material utilized in the plastic packaging segment is HDPE, a plastic resin used to produce rigid plastic packaging containers and materials. HDPE is particularly suitable for our plastic packaging products because of its strength, stiffness and resistance to chemicals and moisture. HDPE resin constitutes approximately half of our plastic packaging segment total cost of products sold. As a commodity product, resin is susceptible to price fluctuations. Resin prices have decreased approximately 32% during the last year. Resin prices declined most sharply in the first quarter of fiscal 2009.

In order to mitigate the impact of resin price fluctuations, we have agreements with our customers, which represent a substantial majority of our plastic packaging net sales, allowing changes in resin cost to be passed through to them. Most of these agreements are tied to specific industry recognized chemical indices, which provide a benchmark for the price of resin. Generally, some or all of the change in resin price is passed through to the customer, consistent with industry practice.

HDPE is the primary plastic resin we use in the manufacture of our products, which we purchase from major HDPE suppliers. The majority of our HDPE purchases are through requirements-based contracts at negotiated prices, subject to prevailing market conditions. Historically, we have not engaged in forward contracts or other hedging arrangements related to these raw material purchases.

Competition

The general line rigid plastic containers market is very competitive and some of our competitors have greater financial resources than we do. Competition is based primarily on service, manufacturing flexibility, proximity to customer and price. We believe that (1) our low-cost, flexible manufacturing capacities, (2) the close proximity of our manufacturing facilities to key customer locations and (3) our reputation for quality and customer service enables us to compete effectively.

Employees

At September 27, 2009, we employed approximately 2,200 hourly employees and approximately 500 salaried employees. At September 27, 2009, approximately 28% of our hourly employees worked under seven separate collective bargaining agreements, none of which will expire or become amendable in the next 12 months.

While we consider relations with our employees to be good, we may not be able to negotiate new or renegotiate existing collective bargaining agreements (as they become amendable) with the same terms. A labor dispute could result in production interruptions, and a prolonged labor dispute, which could include a work stoppage, could adversely affect our ability to satisfy our customers requirements and could have a material adverse effect on our business, including our financial position, results of operations and/or cash flows.

Environmental, Health and Safety Matters

We are subject to a broad range of federal, state, provincial and local environmental, health and safety laws, including those governing discharges to air, soil and water, the handling and disposal of regulated materials and the investigation and remediation of contamination resulting from the release of regulated materials. We believe that we are currently in material compliance with all applicable environmental, health and safety laws, although future expenditures may be necessary in order to maintain such compliance, including compliance with air emission control requirements for volatile organic compounds. In addition, in the course of operations we use, store and dispose of hazardous substances.

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Some of the current and former facilities are currently involved in environmental investigations, remediations and other claims resulting from the release of hazardous substances or the presence of other regulated materials. Except to the extent otherwise disclosed herein, we believe it is remote that any material losses may have resulted from identified environmental remediation matters or environmental investigations relating to current or former facilities. While we do not believe that any identified investigation or remediation obligations will have a material adverse effect on our financial position, results of operations and/or cash flows, there are no assurances that such obligations will not arise in the future. Many of our facilities have a history of industrial usage for which investigation and remediation obligations could arise in the future and which could have a material adverse effect on our financial position, results of operations and/or cash flows.

We incurred capital expenditures of approximately $0.5 million in fiscal 2009 to comply with certain environmental laws.

We received a March 14, 2007 letter from the U.S. Environmental Protection Agency (EPA) stating that an investigation was required at our Cincinnati facility to determine if remedial action was necessary to respond to prior releases of hazardous substances at the site. The releases referenced by the EPA occurred prior to our ownership of the site. The EPA has requested that we enter into an Administrative Order on Consent under the Resource Conservation and Recovery Act (RCRA) with respect to corrective action obligations. We are working with the EPA to address its concerns, and we have notified the former owner of the site, whom we believe has indemnity obligations to us with respect to the EPA s claims.

In July 2008, we received a letter from the EPA stating that corrective action was required at our Homerville facility to address certain waste handling and disposal matters. At September 28, 2008, we had accrued $0.2 million for fines and penalties related to this matter, which was settled in the third quarter of 2009.

From time to time, we receive requests for information or are identified as a potentially responsible party (PRP) pursuant to the Federal Comprehensive Environmental Response, Compensation and Liability Act or analogous state laws with respect to off-site waste disposal sites utilized by current or former facilities or our predecessors in interest. We do not believe that any of these identified matters will have a material adverse effect on our financial position, results of operations or cash flows. We cannot, however, provide assurance that such obligations will not arise in the future.

We are a member of a PRP group related to investigation and potential remediation at a waste disposal site in Douglas, Georgia. Our status as a PRP was based on documents indicating that waste materials were transported to the site from our Homerville facility prior to our acquisition of the facility in 1989. We joined the PRP group in order to reduce exposure, which we estimate at approximately $0.1 million.

We record reserves for environmental liabilities when environmental investigation and remediation obligations are probable and related costs are reasonably estimable. There were accrued liabilities of approximately $0.3 million at September 27, 2009 and approximately $0.4 million at September 28, 2008. These accruals are estimates and future expenditures may vary from these amounts.

Available Information

We are required to file reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (Exchange Act). The SEC maintains an internet site that contains this information at http://www.sec.gov. This information may also be accessed through links from our website at www.bwaycorp.com select the Investor Relations link and then the SEC Filings link.

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We also make available on our website the charters of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. In addition, the Corporate Governance Guidelines and Code of Business Conduct and Ethics, each as adopted by our Board of Directors, are available on our Web site. These documents may be accessed at www.bwaycorp.com select the Investor Relations link and then the Corporate Governance link.

Copies of any of the above-referenced documents are available, without charge, upon written request to: BWAY Holding Company, Investor Relations, 8607 Roberts Drive, Suite 250, Atlanta, GA 30350-2237.

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Item 1A

Risk Factors

Described below are certain risks that our management believes are applicable to our business and the industry in which we operate. There may be additional risks that are not presently material or known. There are also risks within the economy and the capital markets, both domestically and internationally, that affect business generally, and our company and industry as well, such as inflation; availability of credit; higher interest rates; higher fuel and other energy costs; higher transportation costs; higher costs of labor, insurance and healthcare; foreign currency exchange rate fluctuations; changes in the level of unemployment; declines in the housing market; and declines in the home improvement sector, which have not been described. You should carefully consider each of the following risks and all other information set forth in this Annual Report.

If any of the events described below were to occur, our business, financial condition, results of operations, liquidity or access to the capital markets could be materially adversely affected. The following risks could cause our actual results to differ materially from our historical results and from results predicted by forward-looking statements made by us or on our behalf related to conditions or events that we anticipate may occur in the future. All forward-looking statements made by us or on our behalf are qualified by the risks described below.

Competition from other steel or plastic container manufacturers could significantly impact our profitability, as could an election by our customers to self-manufacture their steel or plastic container requirements.

The container industries in which we do business are highly competitive and some of our competitors have greater financial, technical, sales and marketing or other resources than we do. The principal methods of competition in our industry include price, manufacturing capacity, proximity to customers, manufacturing flexibility and quality. We may not be able to compete successfully with respect to any of these factors. Competition could force us to reduce our prices or could otherwise result in a loss of market share for our products. In addition, some manufacturers of products that are packaged in steel or plastic containers produce their own steel or plastic containers. The election by some of our existing customers, or potential future customers, to manufacture their steel or plastic containers in-house could significantly impact our profitability.

Our customer contracts generally allow our customers to change, and, in some cases, terminate their contracts on short notice.

A significant part of our fiscal 2009 sales were made to customers with whom we have contractual relationships. Many of these contracts, most of which are with our larger customers, are requirements contracts under which we supply a percentage of a customer s requirements for our products over a period of time, without any specific commitment by the customer to purchase a particular unit volume. As such, we are not guaranteed any minimum level of net sales under many of our contracts and many of our customers, including some of our largest customers, are under no obligation to continue to purchase products from us.

Moreover, if a customer s requirements for our products exceed our ability to supply that customer, as has occurred from time to time, we may have a short-term or long-term inability to supply that customer from our own manufacturing facilities and may be required to purchase containers from third parties or take other proactive steps in order to fill that customer s order. Our inability to supply a customer s specific requirements from our manufacturing facilities could materially adversely affect our relationship with that customer or increase our operating costs.

In addition, many of our requirements contracts with our customers provide that the customer may receive competitive proposals for all or a portion of the products we furnish to the customer under the contract. We generally have the right to retain the customer s business subject to the terms of the competitive proposal. If we match a competitive proposal, it may result in reduced sales prices for the products that are the subject of the

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competitive proposal. If we choose not to match a competitive proposal, we may lose the sales that were the subject of the competitive proposal.

The loss of a key customer could have a significant negative impact on our sales and profitability.

In fiscal 2009, approximately 42% of our consolidated net sales were to our top 10 customers. Sales to our largest customer, The Sherwin-Williams Company, accounted for approximately 19% of our consolidated net sales during fiscal 2009. The loss of, or major reduction in business from, one or more of our major customers could create excess capacity within our manufacturing facilities and could result in the erosion of our gross margins and our market share position.

The loss of one or more members of our senior management team could adversely affect our ability to execute our business strategy.

We are dependent on the continued services of our senior management team. The loss of any such key personnel could have a material adverse effect on our ability to execute our business strategy. We do not maintain key-person insurance for any of our officers, employees or directors.

Increases in the price of our raw materials or energy supply or interruptions or shortages in the supply of raw materials could cause our production costs to increase, which could reduce our ability to compete effectively and erode our margins.

We require substantial amounts of raw materials in our operations, including steel, resin, energy, various inks and coatings. We purchase all required raw materials from outside sources, and consolidate our steel and resin purchases among a select group of suppliers in an effort to leverage purchasing power. As a result, our purchases of both steel and resin are concentrated with a few suppliers and any interruptions in their supply of these materials could have a material adverse effect on our financial position, results of operations and/or cash flows. In addition, the availability and prices of our raw materials may be subject to curtailment or change due to new laws or regulations. For example, the United States previously imposed tariffs or quotas on imports of certain steel products and steel slabs. The availability and prices of raw materials may also be subject to shortages in supply, suppliers allocations to other purchasers, interruptions in production by suppliers (including by reason of labor strikes, work stoppages or severe weather at our suppliers plants), our inability to leverage our purchasing power as successfully as we have in the past, changes in exchange rates and worldwide price levels. Historically, we have generally been able to increase the price of our products to reflect increases in the price of steel and plastic resin, but we may not be able to do so in the future. We have generally not been able to pass on to our customers any price increases of the other raw materials we utilize in our business. To the extent we are not able to leverage our purchasing power as successfully as we have in the past, we are not able to increase the price of our products to reflect increases in the prices of raw materials or we experience any interruptions or shortages in the supply of raw materials, our operating costs could materially increase.

The cost of producing our products is also sensitive to our energy costs such as natural gas and electricity. For example, energy prices increased in recent years, in particular natural gas, with a corresponding effect on our production costs.

Our revenues or operating costs could be adversely affected by product liability or product recall costs involving our products or products of our customers.

We are subject to the risk of exposure to product liability and product recall claims if any of our products are alleged to have resulted in injury to persons or damage to property, based, for example, on alleged product defect. We do maintain product liability insurance, but this insurance may not be adequate to cover losses related to product liability claims brought against us. Product liability insurance could become more expensive and difficult to maintain and may not be available on commercially reasonable terms, if at all. In addition, we do not

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maintain any product recall insurance, so any product recall we are required to initiate could have a significant impact on our financial position, results of operations and/or cash flows.

The outcome of pending and future litigation related to the manufacture and sale of lead pigments and lead-based paint could have a material adverse effect on our financial condition, liquidity, results of operations and/or cash flows.

Several leading paint manufacturers are defendants in a substantial number of lawsuits concerning exposure of children to lead-based paint applied thirty or more years ago, including litigation brought by state and local governments alleging that lead pigment in paint constitutes a public nuisance requiring, among other types of relief, abatement. This or similar product liability litigation could have a material adverse effect on the financial condition of these paint manufacturers, which include several of our paint container customers. To the extent our orders decrease or we are unable to collect receivables from customers due to the effects of product liability litigation on our customers, including the lead-based paint litigation referred to above, our financial condition, liquidity, results of operations and/or cash flows could be unfavorably affected.

In addition, one of our subsidiaries, Armstrong Containers, Inc. (Armstrong) has been named as one of several defendants in several lead-related personal injury cases based upon allegations relating to its alleged corporate predecessor s products that predated our ownership of Armstrong. The allegations in these cases are similar to those against leading paint manufacturers described above. The plaintiffs in the personal injury cases seek unspecified monetary damages in excess of the statutory minimum for personal injuries due to alleged exposure to lead paint, as well as punitive damages. We expect that additional lead pigment/lead-based paint litigation may be filed against Armstrong (or that Armstrong may be added to existing litigation against other defendants) asserting similar or different claims and seeking similar or different types of damages or relief.

Litigation is inherently subject to many uncertainties. Adverse court rulings, determinations of liability, changes in legislation and administrative regulations, among other factors, could affect the lead pigment/lead-based paint litigation against Armstrong and affect the number and impact the nature of future claims and proceedings. We can neither predict the outcome of existing or future cases that name Armstrong as a defendant due to the uncertainties involved nor can we reasonably determine the scope or amount of the potential costs and liabilities related to these matters. We have, therefore, not reserved any amounts in respect of potential payments of damages. Any potential liability determined to be attributable to Armstrong arising out of these matters may have a material adverse effect on our financial position, results of operations and/or cash flows.

For a more detailed discussion of this litigation, see Item 3, Legal Proceedings.

Increased consolidation in our end markets may result in the loss of customers, increased exposure to business risks of larger customers and increased pricing pressure.

In several of our end markets, such as paint and related products, there has been increased consolidation through mergers and acquisitions in recent years, and this trend may continue. We may lose customers if they are not the surviving entity in future mergers and acquisitions. In addition, our results of operations would be increasingly sensitive to changes in the business of customers that represent a larger portion of our sales or to any deterioration of these customers financial condition. A smaller number of larger customers because of industry consolidation may also exert pressure on us with respect to pricing and payment terms or require us to make changes to our facilities or operations, potentially adversely impacting our financial position, results of operations and/or cash flows.

The availability and pricing of steel could be significantly affected by consolidation of key suppliers.

The steel industry has experienced consolidation in recent years and further consolidations could result in a decrease in the number of our major suppliers or a decrease in the number of alternative supply sources available

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to us. In this case, it would be more likely that termination of one or more of our relationships with major suppliers would result in a material adverse effect on our business, financial position, results of operations and/or cash flows as we require a variety of steel raw materials to manufacture our general line metal container products. Consolidation could also result in price increases or unfavorable changes in the payment terms for the raw materials that we purchase. If we were unable to pass the impact of such changes on to our customers, these changes due to supplier consolidation could have a material adverse effect on our business, financial position, results of operations and/or cash flows.

Decreased sales volume in our end markets due to current economic conditions has impacted our net sales.

Despite long-term growth trends in the end markets for our products, we cannot assure you that the end markets for our products will resume growth at historic rates. In addition, the slowdown in the housing market that began in 2007 and spread to the larger economy has resulted in a recent decline in sales volume in our end markets. Our revenues are correlated to the performance of our end markets, especially the home improvement and repair sector, which has recently experienced severe contraction. Decreased demand in our end markets has had and may continue to have an adverse effect on our business, financial position, results of operations and/or cash flows as customers have reduced their purchases of our products. Continued contraction in the end markets for our products may also require us to reduce prices or make changes to our operations, such as closing plants or restructuring, and we can give you no assurance that such actions would be successful in improving our business, financial position, results of operations and/or cash flows.

An increase in the use of alternative packaging as a substitute for the steel and plastic containers we sell could adversely affect our profitability.

Our steel and plastic containers are used by our customers to package a diverse range of end-use products. A variety of substitute products are available to package these end-use products, including steel and plastics, and to a lesser extent, composites and flexible packaging containers. From time to time, our customers, including some of our larger customers, have used such alternative methods to package their products.

A widespread introduction of alternative packages by our customers or by other companies as a substitute for steel or plastic containers could significantly reduce our sales to our customers. More generally, a decrease in the costs of substitute products, improvements in the performance characteristics of substitute products or the successful development or introduction of new substitute products could significantly reduce our customers orders and our profitability.

Labor disruptions with that portion of our workforce which is unionized could decrease our profitability.

At September 27, 2009, approximately 28% of our hourly employees worked under seven separate collective bargaining agreements, none of which will expire or become amendable in the next 12 months. When these agreements become amendable, we may not be able to negotiate the agreements on the same or more favorable terms as the current agreements, or at all, and without production interruptions, including labor stoppages. A prolonged labor dispute, which could include a work stoppage, could impact our ability to satisfy our customers requirements. In particular, a labor dispute with either of the major unions representing employees in Cincinnati could have a material adverse effect on our ability to produce aerosol containers and could result in a deterioration of that business.

Our business may be subject to significant environmental, health and safety costs.

We are subject to a broad range of federal, state, provincial and local environmental, health and safety laws, including those governing discharges to air, soil and water, the handling and disposal of regulated materials and the investigation and remediation of contamination resulting from the release of regulated materials. In addition, in the course of our operations, we use, store and dispose of hazardous substances. Some of our current and

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former facilities are currently involved in environmental investigations, remediations and other claims resulting from releases of hazardous substances or the presence of other regulated materials. For example, in fiscal 2008, we received a letter from the U.S. Environmental Protection Agency (EPA) stating that corrective action was required at our Homerville, Georgia facility to address certain waste handling and disposal matters. In fiscal 2007, we received a letter from the EPA stating an investigation was required at our Cincinnati, Ohio facility to determine if remedial action was necessary to respond to prior releases of hazardous substances at the site. The releases referenced by EPA occurred prior to our ownership of the site. We are working with the EPA to address its concerns and have notified the former owner of the site, whom we believe has indemnity obligations to us with respect to the EPA s claim. In addition, in fiscal 2005, we joined a potentially responsible party (PRP) group related to investigation and potential remediation at a waste disposal site in Douglas, Georgia. Our status as a PRP was based on documents indicating that waste materials were transported to the site from our Homerville, Georgia facility prior to our acquisition of the facility in 1989.

Many of our facilities have a history of industrial usage for which investigation, remediation obligations could arise in the future and which could require us to make material expenditures or otherwise materially affect the way we operate our business. For further discussion of existing environmental issues relating to us, see Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations Environmental Matters.

We may not succeed in our strategy of pursuing or integrating selective acquisitions.

As part of our business strategy, we intend to continue to evaluate and selectively pursue acquisitions. However, we may not be able to locate or acquire suitable acquisition candidates at attractive cash flow multiples consistent with our strategy, and we may not be able to fund future acquisitions because of limitations relating to our indebtedness or otherwise. Successful integration of any acquired business will require significant management and economic resources and could divert our focus from our day-to-day operations. In addition, to the extent that we make any acquisition in the future, our failure to integrate the acquired business successfully could significantly impair our financial position, results of operations and/or cash flows.

Our quarterly operating results may fluctuate due to seasonality and other factors.

Our business is seasonal, reflecting a general pattern of lower sales and earnings in the metal and plastic packaging industry during the first quarter of our fiscal year. These seasonal patterns cause our quarterly operating results and working capital requirements to fluctuate. Because of such seasonality, financial results for a particular quarter may not be indicative of results for the entire year. For example, in the first quarters of fiscal 2009 and 2008 our net sales were approximately 24% and 21%, respectively, of total annual net sales and our gross profit as a percentage of total annual gross profit was approximately 14% and 16% in the first quarters of fiscal 2009 and 2008, respectively.

Furthermore, we have experienced and expect to continue to experience variability in our results of operations on a quarterly basis due to fluctuations in raw material prices and our ability to pass on these changes to our customers. If the economy continues to deteriorate and the end markets for our products do not improve, we may experience volatility in our results of operations on a quarterly basis due to non-payment by our customers.

Current economic conditions could adversely affect our results of operations and financial condition.

As widely reported, financial markets have been experiencing extreme disruption in recent months, including, among other things, extreme volatility in securities prices, severely diminished liquidity and credit availability, rating downgrades of certain investments and declining valuations of others. Among other risks we face, the current tightening of credit in financial markets may adversely affect our ability to obtain financing in the future, including, if necessary, to fund a strategic acquisition. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits. Given the current instability of financial institutions, we cannot be assured that we will not experience losses on these deposits.

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We expect cash on hand, cash provided by operations and borrowings available under revolving credit facilities to provide sufficient working capital to operate our business, to make expected capital expenditures and to meet foreseeable liquidity requirements, including debt service on our long-term debt, in the next 12 months. We expect to use cash provided by operations in excess of amounts needed for capital expenditures and required debt repayments to reduce our debt, to fund potential acquisitions or for other general corporate purposes. However, we cannot provide assurance that our business will generate sufficient cash flow or that future borrowings will be available in an amount sufficient to enable us to service our debt or to fund our other liquidity needs in the long term. A continuation of the recent turmoil in the capital and credit markets and the general economic downturn could adversely impact the availability, terms and/or pricing of financing if we need to raise additional liquidity. We would experience liquidity problems if we are unable to obtain sufficient additional financing as our debt becomes due, or we otherwise need additional liquidity. Adverse economic conditions, increased competition or other unfavorable events also could affect our liquidity.

An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability.

A significant portion of our outstanding debt, including under our credit facility, bears interest at variable rates. As a result, an increase in interest rates, whether because of an increase in market interest rates or a decrease in our creditworthiness, would increase the cost of servicing our debt and could materially reduce our profitability and cash flows. For a discussion of our credit facility, see Note 9, Long-Term Debt, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

Restrictive covenants in the indenture and our credit facility could restrict our operating flexibility.

The indenture and our credit facility contain covenants that limit our ability and our subsidiaries ability to take certain actions. These restrictions may limit our ability to operate our businesses and may prohibit or limit our ability to enhance our operations or take advantage of potential business opportunities as they arise.

The indenture contains restrictive covenants that, among other things limit our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness or issue preferred stock;
- pay dividends, redeem stock or make other distributions;
- make other restricted payments or investments;
- create liens on assets;
- transfer or sell assets;
- engage in mergers or consolidations;
- engage in certain transactions with affiliates;
- incur guarantee obligations; and

change the business conducted by us.

The credit facility requires us to maintain specified financial ratios and satisfy other financial conditions. The credit facility restricts, among other things and subject to certain exceptions, our ability (and/or the ability of some or all of our subsidiaries) to:

incur additional debt;

pay dividends or distributions on our capital stock or to repurchase our capital stock;

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- make certain investments, loans or advances;
- create liens on our assets to secure debt;
- engage in transactions with affiliates;
- merge or consolidate with another company;
- transfer and sell assets;
- incur guarantee obligations;
- prepay other indebtedness or amend other debt instruments;
- enter into sale and leaseback transactions;
- limit our ability to make capital expenditures;
- make acquisitions; and
- change the business conducted by us.

In addition, under our credit facility, we are required to comply with financial covenants, including a minimum consolidated interest coverage ratio and a maximum consolidated total leverage ratio, and to make repayments based on excess cash flow, as defined in the credit agreement.

Our ability to comply with the covenants and restrictions contained in the indenture and our credit facility may be affected by economic conditions and by financial, market and competitive factors, many of which are beyond our control. Our ability to comply with these covenants in future periods will also depend substantially on the pricing of our products and services, our success at implementing cost reduction initiatives and our ability to successfully implement our overall business strategy. The breach of any of these covenants or restrictions could result in a default under either the indenture or our credit facility that would permit the applicable lenders or holders to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest and any applicable redemption premium. In that case, we may be unable to make borrowings under our credit facility and may not be able to repay the amounts due under the notes and our credit facility. This could have serious consequences to our financial position, results of operations and/or cash flows and could cause us to become bankrupt or insolvent.

The indenture and our credit facility contain cross default or cross acceleration provisions that may cause all of the debt issued under those instruments to become immediately due and payable because of a default under an unrelated debt instrument.

The indenture and our credit facility contain numerous covenants and require us to meet certain financial ratios and tests based on EBITDA, with adjustments as determined by the applicable debt agreement. Our failure to comply with the obligations contained in these agreements or other instruments governing our indebtedness could result in an event of default under the applicable instrument, which could result in the related debt and the debt issued under other instruments becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which funds may not be available to us on favorable terms, on a timely basis or at all. Alternatively, such a default could require us to sell our assets and otherwise curtail our operations in order to pay our creditors. These alternative measures could have a material adverse effect on our business, financial position, results of operations and/or cash flows.

We may be unable to raise funds necessary to finance the change of control repurchase offers required by the indenture.

Under the indenture, if we experience specific kinds of change of control, we must offer to repurchase the notes at a price equal to 101% of the principal amount of the notes (at September 27, 2009, 101% of the total principal amount outstanding was $230.8 million) plus accrued and unpaid interest to the date of purchase. The occurrence of specified events that would constitute a change of control would also constitute a default under our credit facility. In addition, our credit facility may limit or prohibit the purchase of the notes by us in the event of a change of control, unless and until the indebtedness under the credit facility is repaid in full. As a result, following a change of control event, we may not be able to repurchase the notes unless all indebtedness outstanding under our credit facility is first repaid and any other indebtedness that contains similar provisions is repaid, or we obtain a waiver from the holders of such indebtedness to permit us to repurchase the notes. We may be unable to repay all of that indebtedness or obtain a waiver of that type. Any requirement to offer to repurchase the notes may therefore require us to refinance our other outstanding debt, which we may not be able to do on commercially reasonable terms, if at all.

We are exposed to exchange rate fluctuations of the Canadian dollar.

In fiscal 2009, approximately 8% of our net sales were in Canadian dollars. Our reporting currency is the U.S. dollar. A decrease in the value of the Canadian dollar relative to the U.S. dollar could reduce our profits from our Canadian operations and the value of the net assets of our Canadian operations when reported in U.S. dollars in our financial statements. This could have a material adverse effect on our business, financial position, results of operations and/or cash flows as reported in U.S. dollars. In addition, fluctuations in the U.S. dollar relative to the Canadian dollar may make it more difficult to perform period-to-period comparisons of our reported results of operations. For purposes of accounting, the assets and liabilities of our Canadian operations are translated using period-end exchange rates, and the revenues and expenses of our Canadian operations are translated using average exchange rates during each period. Translation gains and losses are reported in accumulated other comprehensive loss as a component of stockholders equity.

Item 1B

Unresolved Staff Comments

None.

Item 2

Properties

We believe our properties are sufficiently maintained and suitable for their intended use.

Our owned properties are subject to a mortgage lien in favor of Deutsche Bank Trust Company Americas as collateral agent for the lenders under our credit facility.

We regularly evaluate our various manufacturing facilities in light of current and expected market conditions and demand, and may further consolidate our manufacturing facilities in the future.

In addition to the manufacturing facilities listed below, we lease approximately 16,000 square feet of office space in Atlanta, Georgia for our corporate headquarters.

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Manufacturing Facilities

At December 1, 2009, we operated the manufacturing facilities listed below. The list includes the location and approximate square footage of each facility and whether we lease or own the facility. The list excludes properties not used in manufacturing, including warehouses, administrative offices or closed manufacturing facilities.

Location	Square Footage	Interest
Metal segment		
Brampton, Ontario (1)	41,000	Leased
Chicago, Illinois (Central) (2)	346,000	Leased
Chicago, Illinois (Kilbourn) (1)	141,000	Owned
Cincinnati, Ohio	467,000	Leased
Fontana, California	84,000	Leased
Garland, Texas	108,000	Leased
Homerville, Georgia	395,000	Owned
Memphis, Tennessee	120,000	Leased
Sturtevant, Wisconsin	85,000	Leased
Trenton, New Jersey	105,000	Leased
York, Pennsylvania	97,000	Owned
Plastic segment		
Bryan, Texas	83,000	Leased
Cedar City, Utah	89,000	Owned
Cidra, Puerto Rico	83,000	Leased
Dayton, New Jersey	119,000	Leased
Indianapolis, Indiana	169,000	Leased
Lithonia, Georgia	75,000	Leased
Newnan, Georgia	185,000	Leased
St. Albert, Alberta	62,000	Leased
Toccoa, Georgia	121,000	Leased
Toronto, Ontario	73,000	Leased
Valparaiso, Indiana	106,000	Leased

(1) These facilities are in the process of being closed and consolidated into the Chicago, Illinois (Central) facility.

(2) Products produced at this facility are both metal and plastic segment products. However, the majority of the facility is used by the metal segment.

Item 3

Legal Proceedings

We are involved in legal proceedings from time to time in the ordinary course of business. We believe that the outcome of these proceedings will not have a material effect on our financial condition, results of operations or cash flows. We are also involved in certain proceedings relating to environmental matters as described under Item 1, Business Environmental, Health and Safety Matters. We had accrued liabilities related to pending litigation matters, other than as discussed below, of approximately $2.1 million at September 27, 2009 and $0.4 million at September 28, 2008.

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Lead Pigment and Lead Paint Litigation

Personal Injury Cases

Wisconsin Personal Injury Lawsuits

Godoy v. Armstrong Containers, et al.; In the State of Wisconsin Circuit Court, Milwaukee County; Case No. 06-CV-277.

In late 2006 and early 2007, Armstrong was named in thirty-three (33) lead paint personal injury lawsuits in Wisconsin. Since that time, all but six (6) of these cases have been dismissed, leaving only the *Godoy*, *Burton*, *Clark*, *Gibson, Stokes* and *Owens* cases. *Burton*, *Clark*, *Gibson*, *Stokes* and *Owens* were all previously stayed pending the resolution of an appeal in *Godoy* to the Wisconsin Supreme Court. Now that the Wisconsin Supreme Court has affirmed the trial court s dismissal of plaintiffs design defect claim, *Godoy* has returned to the trial court and the stays in the other cases have been lifted. The dismissal of plaintiff s design defect claim still leaves plaintiff in this action with a failure to warn claim pending. The parties now are engaging in discovery in these cases.

At September 27, 2009 and September 28, 2008, we had accrued approximately $0.2 million in legal fees and expenses related to the lead paint litigation.

For further discussion of both the personal injury and public nuisance cases related to lead pigment and lead-based paint, see Item 1A, Risk Factors Our revenues or operating costs could be adversely affected by product liability or product recall costs involving our products and The outcome of pending and future litigation related to the manufacture and sale of lead pigments and lead-based paint could have a material adverse effect on our financial position, results of operations and/or cash flows.

Other Litigation

Plaze, Inc. and Claire-Sprayway, Inc. v. Bway Corporation, In the Superior Court of the State of Delaware in and for New Castle County, Case No. 08C-12-216-JRJ (Plaze).

In *Plaze*, plaintiffs filed an amended complaint. In response to the amended complaint, BWAY filed an answer generally denying the allegations of the amended complaint and asserting certain defenses thereto. The case currently is in the discovery phase.

Item 4

Submission of Matters to a Vote of Security Holders

No matters were submitted during the fourth quarter of 2009 to a vote of our security holders through the solicitation of proxies or otherwise.

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PART II

Item 5

Market for the Registrant s Common Equity, Related Stockholder

Matters and Issuer Purchases of Equity Securities

In 2009, we did not sell any unregistered equity securities of BHC or BWAY.

In the fourth quarter of 2009, we did not repurchase any equity securities of BHC or BWAY.

Market Information

The common stock of BHC is listed and traded on the New York Stock Exchange (NYSE) under the ticker symbol BWY. The high and low sales prices for BHC common stock on the NYSE for each quarterly period within 2008 and 2009 are stated below.

Quarter	High	Low
Fiscal 2008		
First quarter	$ 11.25	$ 9.01
Second quarter	11.31	9.27
Third quarter	10.09	8.59
Fourth quarter	12.93	7.85
Fiscal 2009		
First quarter	$ 11.73	$ 4.25
Second quarter	9.03	5.28
Third quarter	18.00	7.89
Fourth quarter	19.08	14.54

There is no established public market for the equity of BWAY.

Holders

At December 1, 2009, there were approximately 20 holders of record of BHC common stock.

At December 1, 2009, BHC was the only holder of BWAY common stock.

Dividends

We did not pay a cash dividend on BHC or BWAY common stock in 2008 or 2009. Historically, we have not paid cash dividends, and it is our present intent to continue to retain our net earnings for use in our operations and for debt repayment. As such, we do not anticipate paying any cash dividends in the foreseeable future.

With certain exceptions, we are prohibited by our long-term debt arrangements from paying cash dividends, including cash dividends from BWAY to BHC.

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Securities Authorized for Issuance Under Equity Compensation Plans

As of September 27, 2009, equity securities of BHC are authorized for issuance with respect to compensation plans as follows:

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Available For Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders (1)	5,379,710	$ 6.64	1,348,703
Equity compensation plans not approved by security holders			
Total	5,379,710	$ 6.64	1,348,703

(1) Includes the Holding 1995 Long-Term Incentive Plan, the BCO Holding Company Stock Incentive Plan and the BWAY Holding Company 2007 Omnibus Incentive Plan. For a description of these plans, see Note 11, Share-Based Compensation, of Notes to Consolidated Financial Statements, in Item 8, Financial Statements and Supplementary Data.

Item 6

Selected Financial Data

The following table contains selected historical consolidated financial and other data, which should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 and with the consolidated financial statements and related notes included in Item 8, Financial Statements and Supplementary Data. The selected consolidated financial and other data as of September 27,

2009 and September 28, 2008 and for each of three years in the period ended September 27, 2009 have been derived from the audited consolidated financial statements and related notes included in Item 8, Financial Statements and Supplementary Data. The selected consolidated financial and other data as of September 30, 2007, October 1, 2006 and October 2, 2005 and for each of the two years in the period ended October 1, 2006 have been derived from audited financial statements and related notes not included in this Annual Report. Unless otherwise indicated, references to years in this Item 6 relate to fiscal years rather than to calendar years.

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($ in millions, except per share data)

	Year Ended (1)				
	2009	2008	2007	2006	2005
Statement of Operations Data					
Net sales	$ 904.4	$ 1,019.0	$ 959.0	$ 918.5	$ 829.1
Cost of products sold (excluding depreciation and amortization) (2),(3)	755.5	889.0	830.1	790.6	706.5
Gross profit (excluding depreciation and amortization)	148.9	130.0	128.9	127.9	122.6
Depreciation and amortization (4),(5)	44.8	46.8	45.4	41.6	43.2
Selling and administrative expense (6),(7)	23.4	24.9	37.2	29.8	22.1
Public offering expense (8)			9.6		
Restructuring and impairment charge (9),(10),(11),(12)	5.6	9.6	(0.1)	1.5	5.3
Other expense (income), net (13),(14)	0.5	0.2	1.0	1.8	(0.1)
Income from operations	74.6	48.5	35.8	53.2	52.1
Loss on extinguishment of debt (15)	4.8				
Interest expense, net (16)	35.1	35.3	38.0	34.7	32.2
Income (loss) before income taxes and cumulative effect of change in accounting principle	34.7	13.2	(2.2)	18.5	19.9
Provision for income taxes (17)	11.2	1.3	0.9	9.2	7.2
Cumulative effect of change in accounting principle, net of tax				(0.4)	
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)	$ 8.9	$ 12.7
Net income (loss) per share BHC					
Weighted-average shares outstanding					
Basic (000s)	21,941	21,691	20,851	20,592	20,603
Diluted (000s)	23,419	23,388	20,851	25,348	24,937
Net income (loss) per share					
Basic	$ 1.07	$ 0.55	$ (0.15)	$ 0.43	$ 0.62
Diluted	1.00	0.51	(0.15)	0.35	0.51

	Year Ended (1)				
	2009	2008	2007	2006	2005
	($ in millions, except per share data)				
Other Financial Data					
Adjusted EBITDA (18)	$ 125.0	$ 104.6	$ 110.8	$ 105.6	$ 100.6
Adjusted EBITDA margin % (19)	13.8%	10.3%	11.6%	11.5%	12.1%
Capital expenditures	$ 18.5	$ 34.0	$ 25.5	$ 25.0	$ 20.3
Cash paid for interest	29.0	35.2	33.6	33.2	29.9
Total debt / Adjusted EBITDA	3.3x	4.0x	3.8x	4.2x	3.9 x
Adjusted EBITDA / Cash paid for interest	4.3x	3.0x	3.3x	3.2x	3.4 x
Balance Sheet Data					
Working capital	$ 127.3	$ 117.2	$ 106.5	$ 91.8	$ 55.3
Total assets (20)	855.5	882.4	857.9	854.5	774.9

Total debt and capital lease obligations (21),(22)	411.8	421.7	425.8	440.4	396.0
Stockholders equity	198.3	173.7	157.3	137.8	130.3

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Notes to Selected Financial Data Table:

(1) For the years presented, our fiscal year ended on the Sunday closest to September 30. The fiscal years ended September 27, 2009, September 28, 2008, September 30, 2007, October 1, 2006 and October 2, 2005.

The fiscal years of certain of our subsidiaries ended on September 30. These subsidiaries have been consolidated in the selected financial data as of and for the years ended September 30. There were no significant or unusual transactions that would adversely impact the selected financial data as consolidated between our fiscal year end and the subsidiaries fiscal year end.

Financial data for the periods presented include the results of operations from and including August 21, 2009 for Central Can, January 30, 2007 for Vulcan and July 17, 2006 for ICL.

(2) Stock-based compensation expense recorded by line item:

	Year Ended				
	2009	2008	2007	2006	2005
	($ in millions)				
Stock-Based Compensation Expense					
Cost of products sold (excluding depreciation and amortization) (a)	$ (0.5)	$ 1.5	$ 2.5	$ 0.2	$ 0.4
Selling and administrative expense (b),(c)	1.5	4.8	9.8	9.9	1.5
Total stock-based compensation expense	$ 1.0	$ 6.3	$ 12.3	$ 10.1	$ 1.9

(a) In 2009, 2008 and 2007, stock-based compensation expense (credit) included $(0.7) million, $1.5 million and $0.6 million, respectively, related to exit options for which vesting conditions were modified at the IPO. In 2007, non-cash stock-based compensation expense also included $1.8 million related to the accelerated vesting of certain stock options at the initial public offering.

(b) In 2009, 2008 and 2007, stock-based compensation expense included $1.5 million, $4.8 million and $1.5 million, respectively, related to exit options for which vesting conditions were modified at the IPO. In 2007, non-cash stock-based compensation expense also included $7.8 million related to the accelerated vesting of certain stock options at the initial public offering.

(c) In 2006, stock-based compensation expense included $8.8 million related to the cash settlement of certain stock options exercised by one of our officers.

(3) In 2007, cost of products sold included approximately $2.5 million related to a management bonus, including employer taxes and related employee benefits, paid upon the successful completion of the initial public offering.

(4) In 2008, depreciation and amortization included $1.3 million of additional depreciation related to shortened useful lives of certain long-lived assets, primarily equipment, related to the shutdown of two facilities in 2008.

(5) In 2005 and 2004, depreciation and amortization included $3.9 million and $5.8 million, respectively, of additional depreciation related to shortened useful lives of certain long-lived assets, primarily equipment.

(6) See note 2 above.

(7) In 2007, selling and administrative expense included approximately $8.0 million related to a management bonus, including employer taxes and related employee benefits, paid upon the successful completion of the initial public offering.

(8) Public offering expense included $2.6 million in professional fees and other costs, a $5.0 million financial advisory agreement termination fee and a $2.0 million advisory services fee, each related to costs of the initial public offering.

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(9) In 2009, restructuring charge included $3.1 million related to the consolidation of administrative offices and elimination of redundant positions, $1.8 million related to the closure of our Franklin Park and Cleveland facilities in 2008, $0.3 million related to the planned closure of our Brampton facility, $0.3 million related to positions eliminated from our Canadian operations and $0.1 million related to other prior year restructuring plans. See Note 16, Restructuring, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

(10) In 2008, restructuring charge included $6.8 million to close the Franklin Park, Illinois material center, $1.7 million to close the Cleveland, Ohio plastics manufacturing facility, $1.0 million in severance costs for positions eliminated from our Canadian operations and $0.1 million related to prior year restructuring plans. See Note 16, Restructuring, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

(11) In 2006, restructuring charge included on-going severance and facility holding costs associated with the plastics manufacturing facility shutdowns discussed in note 12 below. The facility holding costs included an additional expense of approximately $0.8 million for changes in our sublease assumptions on the remaining facility.

(12) In 2005, restructuring and impairment charge included $4.3 million for restructuring and $1.0 million for asset impairments. The restructuring charge included severance and facility shutdown costs associated with the shutdown of a manufacturing facility in Picayune, Mississippi and the shutdown of certain of our plastics manufacturing facilities. The charge also included amounts for severance associated with the elimination of redundant positions following the acquisition of NAMPAC. The asset impairment charge related to the write down of certain assets associated with the closed plastics manufacturing facilities.

(13) In 2006, other expense, net, included approximately $0.8 million in financing costs that could not be capitalized and deferred.

(14) In 2007, and in each of 2006 and 2005, other expense, net, included financial advisory fees paid to Kelso of $0.4 million and $0.5 million, respectively. The financial advisory agreement was terminated in conjunction with the initial public offering. See note 8 above.

(15) Loss on extinguishment of debt included a call premium of $3.3 million and the write-off of $1.5 million of unamortized debt issuance costs related to the extinguishment of our senior subordinated notes due 2010. See Note 9, Long-Term Debt, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

(16) In April 2009, we refinanced our $200.0 million aggregate principal amount, 10% senior subordinated notes due 2010 (2010 Notes) with $228.5 million aggregate principal amount, 10% senior subordinated notes due 2014 (2014 Notes). The 2014 Notes were priced at a discount to par of 87.513%. In 2009, interest expense, net, included $1.7 million of additional interest on the 2010 Notes during the mandatory 30-day call period.

(17) In 2008, the provision for income taxes included a $2.3 million benefit related to the correction of an error. See Correction of an Error under Note 1, General, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

(18) Earnings before interest, taxes, depreciation and amortization (EBITDA) and Adjusted EBITDA are reconciled to net income (loss) and Adjusted EBITDA is reconciled to net cash provided by operating activities in the tables below. EBITDA and Adjusted EBITDA are not measurements recognized under GAAP. Adjusted EBITDA differs from the term EBITDA as it is commonly used. Adjusted EBITDA, as used herein, means generally net income (loss) adjusted for, to the extent deducted or added in calculating net income (loss), as the case may be: interest expense, income tax expense, depreciation and amortization, cumulative effect of change in accounting principle,

compensation charges (whether cash or non-cash) resulting from the repurchase of stock options or other equity interests, restructuring charges, amortization of manufacturer s profit in beginning inventory due to purchase accounting, expenses related to an equity offering and other items management believes are of a non-recurring nature and which management

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excludes from its performance measures. Adjusted EBITDA differs from Consolidated EBITDA, as that term is defined in our credit agreement and the indenture governing the notes, which is used to calculate the financial ratios included in our debt covenants.

We present Adjusted EBITDA because it is one of the measures management uses to assess financial performance and it is a metric used in our management short-term incentive plan. We also believe that measures of EBITDA are common performance measurements used by companies in our industry and are frequently used by securities analysts, investors and other interested parties to measure our ability to service our debt obligations and as a measurement of our financial performance. While providing useful information, Adjusted EBITDA should not be considered in isolation or as a substitute for consolidated statement of operations and cash flows data prepared in accordance with GAAP and should not be construed as an indication of a company s operating performance or as a measure of liquidity. Adjusted EBITDA may have material limitations as a performance measure because it excludes items that are necessary elements of our costs and operations. In addition, Adjusted EBITDA or EBITDA presented by other companies may not be comparable to our presentation, since each company may define these terms differently.

			Year Ended		
	2009	2008	2007	2006	2005
			($ in millions)		
Reconciliation of Adjusted EBITDA to Net Income (Loss)					
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)	$ 8.9	$ 12.7
Cumulative effect of change in accounting principle, net of tax				0.4	
Interest expense, net	35.1	35.3	38.0	34.7	32.2
Provision for income taxes	11.2	1.3	0.9	9.2	7.2
Depreciation and amortization (a)	44.8	46.8	45.4	41.6	43.2
EBITDA	114.6	95.3	81.2	94.8	95.3
Adjustments					
Settlement of stock options (b)				8.8	
Restructuring and impairment charge (c)	5.6	9.6	(0.1)	1.5	5.3
Amortization of manufacturer s profit in beginning inventory				0.5	
IPO related expenses (d)			29.7		
Adjustments to allowance for doubtful accounts (e)		(0.3)			
Loss on extinguishment of debt	4.8				
Adjusted EBITDA	$ 125.0	$ 104.6	$ 110.8	$ 105.6	$ 100.6
Reconciliation of Adjusted EBITDA to Net Cash Provided By Operating Activities					
Net cash provided by operating activities	$ 71.3	$ 73.8	$ 46.9	$ 60.9	$ 64.3
Interest expense, net	35.1	35.3	38.0	34.7	32.2
Provision for income taxes	11.2	1.3	0.9	9.2	7.2
Amortization of debt issuance costs	(2.2)	(2.1)	(2.1)	(2.2)	(2.1)
Amortization of debt discount	(2.0)				
Change in operating assets, liabilities and other	11.6	(3.7)	(2.6)	2.5	(1.0)
Amortization of manufacturer s profit in beginning inventory				0.5	
IPO related expenses (f)			29.7		
Adjusted EBITDA	$ 125.0	$ 104.6	$ 110.8	$ 105.6	$ 100.6

(a) See notes 4 and 5 above.

(b) Amount was included in stock-based compensation expense and was related to the cash settlement of certain stock options exercised by one of our officers.

(c) See notes 9, 10, 11 and 12 above.

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(d) IPO related expenses included $9.6 million in public offering expenses (see note 8 above), $10.5 in management bonus expense, including related employer taxes and benefits and $9.6 million of stock-based compensation expense (see note 2(a) and 2(b) above). The bonus was paid concurrent with the successful completion of the initial public offering.

(e) In the second quarter of 2008, we recorded a $1.0 million adjustment related to a change in our estimate of the allowance for doubtful accounts. In the fourth quarter of 2008, the adjustment was partially offset by the write-off of $0.7 million in accounts receivable that became uncollectible following the customer filing for liquidation in bankruptcy.

(f) See note (d).

(19) We define Adjusted EBITDA margin as the ratio of Adjusted EBITDA to net sales. We present Adjusted EBITDA margin because it is used by management as a performance and liquidity measurement of Adjusted EBITDA generated from net sales. See note 18 above for a discussion of Adjusted EBITDA as a non-GAAP measurement and a reconciliation of Adjusted EBITDA to a net income (loss) and net cash provided by operating activities, each a GAAP measurement.

(20) The increase in total assets from October 2, 2005 to October 1, 2006 reflects assets associated with the acquisition of ICL.

(21) Total debt includes capital lease obligations of $9.5 million, $0.4 million, $0.2 million, $0.4 million and $0.7 million, at the end of 2009, 2008, 2007, 2006 and 2005, respectively. The increase in capital leases in 2009 related to the acquisition of $10.8 million of capital leases with Central Can.

(22) In 2009, total debt decreased in part due to required repayments on the credit facility ($18.1 million) and capital lease payments ($1.7 million), which were partially offset by an acquired capital lease ($10.8 million).

Item 7

Management s Discussion and Analysis of Financial Condition and Results of Operation

The following discussion should be read in conjunction with the audited consolidated financial statements and related notes included in Item 8, Financial Statements and Supplementary Data, as well as with a general understanding of our business as discussed in Item 1, Business.

References to years in this discussion refer to our fiscal year, unless the context otherwise indicates a calendar year. Fiscal years 2009, 2008 and 2007 ended September 27, 2009, September 28, 2008 and September 30, 2007, respectively. For the years presented, our fiscal year ended on the Sunday closest to September 30.

Overview

We are a leading North American manufacturer of general line rigid metal and plastic containers. We estimate approximately 80% of our 2009 net sales were generated from the sale of products in which we hold the leading market share position.

In 2009, our total net sales were $904.4 million, of which approximately 65% were in our metal packaging segment and approximately 35% were in our plastic packaging segment. We believe that our metal and plastic packaging products, which we manufacture in our 21 strategically located facilities across the United States and in Canada, are complementary and often serve the same customers.

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Segments

We report results of operations in two segments: metal packaging and plastic packaging. Our products within each of these segments include:

Metal packaging: general line rigid metal containers made from steel, including paint cans and components, aerosol cans, ammunition boxes, steel pails, oblong cans and a variety of other specialty cans that our customers use to package paint, household and personal care products, automotive after-market products, paint thinners, driveway and deck sealants, certain food products and other end-use products. In 2009, net sales for this segment were $590.1 million.

Plastic packaging: injection-molded plastic pails and blow-molded tight-head containers, bottles and drums that our customers use to package petroleum, oils, lubricants, pharmaceuticals, agricultural chemicals, other chemical applications, paint, ink, edible oils, high-tech coatings, high-solid coatings, roofing mastic and adhesives and driveway sealants. Plastic packing also includes the hybrid and all-plastic paint can business acquired in the Central Can acquisition. In 2009, net sales for this segment were $314.3 million.

Factors Affecting Our Results of Operations

Revenue

Our revenue primarily consists of net sales, which are revenues generated from products sold to external customers, reduced for customer credits, sales returns and allowances and earned quantity discounts.

Our net sales depend in large part on the varying economic and other conditions of the end-markets of our customers. Approximately one-third of our sales are to customers that package products for housing related markets, the largest of which is architectural paint and coatings. Our sales to these customers are affected by changes in those markets. Approximately two-thirds of our sales are to customers that serve a relatively broad range of products and markets, which have historically exhibited steady growth. Demand for our products may change due to changes in general economic conditions, the housing market, consumer confidence, weather, commodity prices, employment and personal income growth, each of which is beyond our control.

The current economic conditions affecting the home building and improvement sector and general economic conditions have negatively affected, and may continue to negatively affect, our net sales.

Metal segment pricing is based on the cost of steel, coatings, inks, labor, rent, freight, utilities and operating supplies, volume, order size, length of production runs and competition. Historically, we have adjusted selling prices in the metal packaging segment annually around the beginning of each calendar year primarily in conjunction with negotiated changes in raw material costs. However, as our steel suppliers have moved from annual pricing to more periodic pricing, either through price increases or surcharges, we have begun to adjust our selling prices more frequently in response to this change in the industry. Typically, the price of our manufactured metal segment products is higher for larger, more complex products.

Plastics segment pricing is based on the cost of resin, colorant, fittings, labeling, labor, rent, freight, utilities and operating supplies, volume, order size, length of production runs and competition. Generally, selling prices in the plastic packaging segment are periodically adjusted as the cost of resin fluctuates. Typically, the price of our manufactured plastic segment products is higher for larger, more complex products.

Revenues in each of our segments are seasonal, reflecting a general pattern of lower sales and earnings in the metal and plastic packaging industry during the first quarter of our fiscal year when activity in several of our end markets, most notably the home improvement and repair sector, is generally slower. For example, in the first quarter of 2009 and 2008 net sales were approximately 24% and 21% of total net sales and gross profit was approximately 14% and 16% of total gross profit, respectively. These seasonal patterns cause our quarterly operating results and working capital requirements to fluctuate.

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Our net sales are also impacted by the pass-through of price changes for steel and plastic resin as permitted in sales agreements with our customers. These sales agreements generally contain pass-through mechanisms by which we may recover raw material price increases, although the timing of the recovery may not coincide with when we incur the raw material cost and the amount of the recovery may not equal the increase in raw material costs.

Expenses

Our expenses primarily consist of:

Cost of products sold (excluding depreciation and amortization). These expenses include raw materials, labor and benefits, rent, freight, utilities, repairs and maintenance, operating supplies and other direct and indirect costs associated with the manufacturing process. Cost of products sold is primarily driven by the cost of these items, production volume and the mix of products manufactured. Because we account for our inventories on a First-In-First-Out (FIFO) basis, cost of products sold may significantly vary by period if there are fluctuations in the cost of our key raw materials (steel and plastic resin). Raw materials are further discussed below.

Depreciation and amortization. These expenses include depreciation of property, plant and equipment and amortization of identifiable intangible assets. Depreciation expense is primarily driven by capital expenditures, offset by the reduction of assets that become fully depreciated and disposals of equipment. Depreciation expense may also be affected by additional depreciation due to the shortening of useful lives in association with restructuring plans. Amortization expense is primarily driven by the valuation of intangible assets resulting from acquisitions.

Restructuring. These expenses include costs related to closing redundant facilities and eliminating redundant positions. Restructuring charges are typically driven by our initiatives to reduce our overall operating costs through facility consolidation and headcount reductions. The expenses include severance and termination benefits, rent and other holding costs on vacated facilities (net of estimated or actual sublease revenue) and costs associated with the removal of equipment. These expenses also include pension withdrawal liabilities related to the termination of employees participating in multiemployer pension plans.

Selling and administrative. These expenses include salaries and incentive compensation for corporate and sales personnel, professional fees, insurance, stock-based compensation expense, rent, bad debt expense and other corporate administrative costs. The primary drivers for selling and administrative expense are wage increases, inflation, regulatory compliance, stock-based compensation expense, performance-based incentive compensation and legal, accounting and other professional fees.

Interest. This expense includes interest accruing on our indebtedness and the amortization of debt discount and debt issuance costs. Interest expense is affected by changes in average outstanding indebtedness (including capital lease obligations) and variable interest rates. Due to immateriality, interest income is not shown separately and is netted with interest expense. The Company primarily earns interest from cash on hand.

Other, net. These expenses include gains and losses from foreign currency transactions, gains and losses on the disposition of property, plant and equipment and other non-operating expenses. Prior to the IPO in 2007, other included financial advisory fees paid to a private equity firm that held a majority of the Company s stock.

Raw Materials

Raw materials for the metal segment include tinplate, blackplate and cold rolled steel, various fittings, coatings, inks and compounds. Historically, steel producers implemented annual price changes, generally at the beginning of the calendar year. However, as the cost to produce steel has become more volatile, our suppliers have begun to adjust their prices more frequently, either through price increases or surcharges. Over the last four years there has

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been consolidation in the steel industry, and as a result our steel raw material purchases have been concentrated with the largest suppliers. Over the past several years, steel pricing has increased more than historical levels due to increases in our steel producers cost of raw materials and strong global demand.

Raw materials for the plastics segment include resin, colorant and fittings. Resin prices fluctuate periodically throughout the year, but have increased steadily over the past several years. We have generally been able to recover these raw material price increases through pass-through mechanisms in our sales agreements, although the timing of the recovery may not coincide with when we incur the raw material cost and the amount of the recovery may not equal the increase in raw material costs.

In 2009, steel prices increased and supply normalized compared to the volatility experienced in 2008. In 2009, resin prices declined sharply. Although we do not believe the price changes and restricted supply will be sustained, they show the effect of general economic conditions on commodity pricing.

Historically, we have been able to procure sufficient quantities of raw materials, even during periods of tightened supply, to produce products to meet customer demand. However, we cannot assure that we may be able to do so in the future.

To reduce our overall cost of raw materials, we may periodically purchase additional quantities of steel and resin in advance of price increases, each as may be available.

Acquisitions

The results of operations from the following acquisitions are included in the consolidated financial statements from the date of acquisition. The acquisitions are discussed in further detail under Acquisitions in Note 1, General, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

We approach acquisitions as a part of our strategic growth. This objective includes both add-on acquisitions in our core markets and acquisitions offering organic growth.

Canadian Acquisitions

In July 2006, we acquired substantially all of the assets and assumed certain of the liabilities of Industrial Containers, Ltd., a Toronto-based manufacturer of rigid plastic containers and steel pails for industrial packaging markets. In January 2007, we acquired substantially all of the assets and assumed certain of the liabilities of Vulcan Containers, Ltd., a Toronto-based manufacturer of steel pails for industrial packaging markets. Following the acquisition of Vulcan in 2007, we consolidated the Vulcan steel pail business with and into the metal packaging operations of ICL and closed the Vulcan manufacturing facility.

Central Can Acquisition

In August 2009, we acquired Central Can Company, a U.S. producer of rigid general line metal and plastic containers, in a stock purchase. Central Can, located in Chicago, operates one plant producing metal paint and specialty cans, steel pails, and hybrid and all plastic paint cans. Annual sales for Central Can were approximately $68 million. The acquisition of Central Can fits with our core skills and expands our product offering in North America. In addition to sales growth, the Central Can acquisition provided product portfolio extension through the addition of various sizes of hybrid and all plastic paint cans.

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Ball Plastics Acquisition

In October 2009, subsequent to the end of fiscal 2009, we acquired substantially all of the assets and assumed certain of the liabilities from Ball Plastic Container Corp. related to its plastic packaging plant and business located in Newnan, Georgia. The facility produces injection molded plastic pails and certain other products. The acquisition of Ball Plastics fits with our core skills.

Restructuring Initiatives

In 2007, we consolidated our ICL and Vulcan businesses and closed the Vulcan manufacturing facility. The consolidation enabled us to utilize existing capacity at our ICL facilities.

In 2008, we closed our plastic manufacturing facility in Cleveland, Ohio and our metal material center in Franklin Park, Illinois. The closures enabled us to utilize existing capacity at other facilities and to eliminate redundant positions. In 2009 and 2008, we recorded restructuring expenses of $1.8 million and $8.5 million, respectively, related to these facility closures. The charges included $3.7 million for withdrawal liabilities from union sponsored multiemployer pension plans, $1.2 million for severance and benefits and $5.4 million for facility closure and holding costs.

In 2009, the Board approved a plan to eliminate our operating divisions and restructure management in order to operate the company as a single entity. Management believes the strength of the Company s current management team made the divisional structure unnecessary and that the single operating structure will increase management efficiency and lower overhead expenses in support of our continued efforts to reduce our overall cost base. In 2009, we recorded restructuring expenses related to this plan of approximately $3.1 million for severance and benefits, costs associated with the consolidation of administrative offices and costs to relocate certain employees.

In 2009 and 2008, we also eliminated certain positions at our manufacturing facilities in Canada and recorded restructuring expenses of $0.3 million and $1.0 million, respectively, for severance and benefits.

Following the acquisition of Central Can in August 2009, we implemented a plan to close our metal packaging facilities located in Chicago (Kilbourn) and Brampton, Ontario. The business and certain equipment will be moved into the Central Can facility. We expect to complete the facility consolidation during the second quarter of 2010, which we expect will create our second largest manufacturing operation. The consolidation will result in the termination of approximately 30 salaried and approximately 55 hourly positions. We recorded a restructuring liability of $1.2 million for severance and benefits in the opening balance sheet of Central Can. In addition, we estimate restructuring charges associated with this initiative of approximately $0.8 million for severance and benefits and approximately $3.1 million for facility closure and holding costs. We recorded $0.3 million of the estimated charge in the fourth quarter of 2009 and expect to record the majority of the remaining charge in 2010.

In addition to restructuring charges, we estimate additional depreciation of approximately $1.7 million related to the shortened useful lives of certain equipment, primarily located at our Brampton facility. We recorded additional depreciation of $0.6 million in the fourth quarter of 2009 and expect to record the remaining $1.1 million in the first quarter of 2010. We expect to make capital expenditures of approximately $2.5 million in 2010 to facilitate the consolidation into the Central Can facility and to make certain productivity improvements.

Results of Operations

References to cost of products sold in the following discussion refer to cost of products sold excluding depreciation and amortization.

References to gross margin in the following discussion refer to net sales less cost of products sold excluding depreciation and amortization. References to gross margin percentage refer to gross margin as a percentage of net sales.

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We present cost of products sold and gross margin because these measures are used by management to evaluate segment and overall performance. Management believes gross margin and gross margin percentage provide information on the contribution of sales to EBITDA (a primary performance measure used by management).

Fiscal Year 2009, Fiscal Year 2008 and Fiscal Year 2007

Overview

The following highlights changes in the results of operations for 2009 compared to 2008 and 2008 compared to 2007.

2009

- In 2009, net sales decreased 11.2% ($114.6 million) and gross margin increased 14.5% ($18.9 million) compared to 2008. Net sales continued to be adversely affected by the condition of the general economy. Net sales were impacted by a decline in volume of approximately 16%. Management believes that decreased sales are indicative of market conditions and not a loss of market share. In 2009, the decline in consolidated net sales resulting from lower volume was partially offset by higher average selling prices.

- In 2009, metal packaging segment net sales increased 1.2% and gross margin increased 14.1%. Metal packaging segment net sales were impacted by a decline in volume of 16%. In 2009, the impact of volume declines on metal packaging net sales were offset by higher selling prices previously implemented in response to an increase in the cost of raw materials.

- In 2009, plastic packaging segment net sales decreased 27.9% and gross margin increased 11.2%. Plastic packaging segment net sales were impacted by a decline in volume of approximately 17%. In addition to the impact from lower volume, plastic packaging segment net sales decreased in 2009 due to lower selling prices resulting from the pass through of decreases in the cost of resin.

- In 2009, consolidated gross margin percentage increased to 16.5% from 12.8%, metal packaging segment gross margin percentage increased to 16.8% from 14.9% and plastic packaging segment gross margin percentage increased to 15.8% from 10.3%. Gross margin percentages increased, in part, due to cost reduction initiatives and deflation on certain non-raw material costs.

- In 2009, Interest expense, net, decreased 0.6% to $35.1 million. Interest expense on our variable rate debt declined approximately $5.4 million primarily due to lower interest rates and lower average outstanding borrowings. The decrease in interest expense on these borrowings was offset by an increase in interest expense on senior subordinated notes.

- In 2009, we implemented a plan to eliminate our operating divisions and restructure management in order to operate the company as a single entity. In 2009, related to this consolidation plan, we recorded restructuring expenses of approximately $3.2 million primarily related to severance and benefits, employee relocations and office closure costs. Management believes the change in the operating structure will increase management efficiency and lower overhead expenses in support of its continued efforts to reduce our overall cost base.

2008

- In 2008, net sales increased 6.3% ($60.0 million) and gross margin increased 0.9% ($1.1 million) from 2007. In 2007, gross margin was reduced by $4.3 million of initial public offering expense included in cost of products sold. The increase in net sales is primarily due to higher sales prices driven by higher raw material costs partially offset by lower volumes and an unfavorable product and customer mix. Volume increased for aerosol containers, blow mold containers and injection mold pails and decreased for metal general line containers primarily due to the weak housing market that affected demand for paint and other housing related products.

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Excluding the $4.3 million of initial public offering expense included cost of products sold in 2007, gross margin in 2008 decreased 2.4% ($3.2 million) is primarily due to lower volumes, an unfavorable mix of products sold and higher spending, partially offset by certain sales price increases in excess of higher material costs.

Gross margin as a percentage of net sales decreased to 12.8% in fiscal 2008 from 13.4% in 2007. The decrease is primarily due to lower volume, an unfavorable mix of products sold and higher spending, partially offset by the increase in selling prices relative to higher resin and steel costs. Metal segment gross margin increased 7.0% from $81.1 million in 2007 to $86.8 million in 2008 while plastic segment gross margin decreased 15.3 % from $52.8 million in 2007 to $44.7 million in 2008.

The following tables set forth changes in our statements of operations for the years ended September 27, 2009, September 28, 2008 and September 30, 2007.

				Percentage Change	
	2009	2008	2007	FY09 v FY08	FY08 v FY07
		($ in millions)			
Net sales	$ 904.4	$ 1,019.0	$ 959.0	(11.2)%	6.3%
Cost of products sold (excluding depreciation and amortization)	755.5	889.0	830.1	(15.0)	7.1
Gross margin	148.9	130.0	128.9	14.5	0.9
Depreciation and amortization	44.8	46.8	45.4	(4.3)	3.1
Selling and administrative expense	23.4	24.9	37.2	(6.0)	(33.1)
Public offering expense			9.6		(100.0)
Restructuring expense	5.6	9.6	(0.1)	(41.7)	NM
Interest expense, net	35.1	35.3	38.0	(0.6)	(7.1)
Loss on extinguishment of debt	4.8			NM	
Other	0.5	0.2	1.0	150.0	(80.0)
Income (loss) before income taxes	34.7	13.2	(2.2)	162.9	NM
Provision for income taxes	11.2	1.3	0.9	NM	44.4
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)	97.5%	NM %

NM Not Meaningful

Net Sales

				Percentage Change	
	2009	2008	2007	FY09 v FY08	FY08 v FY07
		($ in millions)			
Net Sales by Segment					
Metal packaging	$ 590.1	$ 583.0	$ 572.8	1.2%	1.8%
Plastic packaging	314.3	436.0	386.2	(27.9)	12.9
Consolidated net sales	$ 904.4	$ 1,019.0	$ 959.0	(11.2)%	6.3%

Metal Packaging. In 2009, metal packaging segment net sales increased as higher selling prices driven by the pass-through of higher raw material costs were largely offset by a volume decline of approximately 16%. In 2008, metal packaging segment net sales increased slightly from 2007 as price increases implemented in response to our higher raw material costs offset a decline in sales related to an overall decline in volume.

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Overall metal packaging volume began to decline in 2007 and continued to decline through 2009. These volume declines are primarily due to declining volumes in paint and other general line containers. Demand for architectural paint and coatings, the largest end use market segment for our metal packaging containers, weakened in 2007 and remained weak through 2009 primarily because of continued weakness in the home construction and improvement sector and in the overall general economy.

Plastic Packaging. In 2009, plastic packaging segment net sales decreased as lower selling prices driven by lower raw material costs were compounded by a volume decline of approximately 17%. In 2008, plastic packaging segment net sales increased over 2007 due to higher selling prices resulting from the pass-through of increases in raw material costs and, to a lesser extent, a slight increase in overall volume in 2008. Volume increased in 2008 due, in part, to gains in market share. Volumes in 2009 and 2008 gains in 2008 were affected by weak demand in the home construction and improvement sector and in the overall general economy, as discussed above.

The volume declines noted above are primarily a result of lower demand for those products packaged by our customers, generally because of the weak overall general economic environment. Management believes that decreased sales are indicative of general economic conditions and not a loss of market share.

Cost of Products Sold and Gross Margin

As noted above, we present and discuss cost of products sold and gross margin excluding depreciation and amortization because management uses EBITDA as a performance measure. Depreciation and amortization are discussed below.

	2009	2008	2007	Percentage Change FY09 v FY08	Percentage Change FY08 v FY07
		($ in millions)			
Cost of Products Sold by Segment					
Metal packaging	$ 491.1	$ 496.2	$ 491.7	(1.0)%	0.9%
Plastic packaging	264.6	391.3	333.4	(32.4)	17.4
Segment cost of products sold	755.7	887.5	825.1	(14.9)	7.6
Corporate undistributed expenses	(0.2)	1.5	5.0	(113.3)	(70.0)
Consolidated cost of products sold	$ 755.5	$ 889.0	$ 830.1	(15.0)%	7.1%

	2009	2008	2007	Percentage Change FY09 v FY08	Percentage Change FY08 v FY07
		($ in millions)			
Gross margin by segment					
Metal packaging	$ 99.0	$ 86.8	$ 81.1	14.1%	7.0%
Gross margin percentage	*16.8%*	*14.9%*	*14.2%*		
Plastic packaging	49.7	44.7	52.8	11.2	(15.3)
Gross margin percentage	*15.8%*	*10.3%*	*13.7%*		
Segment gross margin	148.7	131.5	133.9	13.1	(1.8)
Gross margin percentage	*16.4%*	*12.9%*	*14.0%*		
Corporate undistributed expenses	0.2	(1.5)	(5.0)	(113.3)	(70.0)
Consolidated gross margin	$ 148.9	$ 130.0	$ 128.9	14.5%	0.9%

Gross margin percentage	*16.5%*	*12.8%*	*13.4%*

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In 2009, cost of products sold for each of our metal packaging and plastic packaging segments decreased, in part, due to declines in sales volume. However, we also attribute the decrease in cost of products sold and the increase in gross margin as a percentage of net sales for these segments to strong results from our cost reduction program, reductions in various categories of cost (including freight, fuel surcharges and certain other direct materials) and, for the metal packaging segment, improved operating results for our aerosol products.

In 2008, metal packaging cost of products sold increased slightly from 2007 primarily due to higher raw material costs, partially offset by lower volume and higher productivity. Metal packaging segment cost of products sold as a percentage of segment net sales decreased to 85.1% in 2008 from 85.8% in 2007. The decrease in metal packaging segment cost of products sold as a percentage of net sales in 2008 was positively affected by higher selling prices resulting from the pass-through of higher steel costs. Cost of products sold as a percentage of net sales in 2008 continued to be adversely affected by: (1) the cost of steel which became unfavorable beginning in the second half of 2007 and continued through the first quarter of 2008 due to the disappearance of lower-cost foreign sources and opportunistic spot buys; (2) material cost increases implemented in the second quarter of 2008; (3) competitive pricing pressures, particularly for aerosol cans; and (4) lower volume and an unfavorable customer mix driven by slowness in the home construction and improvement sector and in the overall economy.

In 2008, plastic packaging segment CPS increased primarily due to higher volume, higher resin costs and lower productivity. Plastic packaging segment CPS as a percentage of segment net sales increased to 89.8% in 2008 from 86.3% in 2007 primarily because of higher raw material costs relative to selling price pass-through and lower productivity.

Corporate Expenses. In 2009, corporate undistributed expenses included a reduction in previously accrued stock-based compensation of approximately $1.0 million related to the reversal of accrued stock-based compensation on unvested options that were canceled due to employee terminations.

In 2008, corporate undistributed expenses decreased due to $4.3 million of expenses in 2007 associated with the initial public offering, including $2.5 million of management bonus and $1.8 million of stock-based compensation expense associated with the accelerated vesting of certain stock options. Corporate undistributed expense included stock-based compensation expense of $0.6 million in 2007 and $1.5 million in 2008 related to stock options modified in 2007 because of the IPO. The increase in stock-based compensation expense in 2008 is due to the timing of the IPO, which occurred late in 2007.

Depreciation and Amortization

	2009	2008	2007	Percentage Change FY09 v FY08	Percentage Change FY08 v FY07
		($ in millions)			
Depreciation and Amortization by Segment					
Metal packaging	$ 21.3	$ 23.3	$ 22.7	(8.6)%	2.6%
Plastic packaging	22.0	22.2	21.7	(0.9)	2.3
Segment depreciation and amortization	43.3	45.5	44.4	(4.8)	2.5
Corporate undistributed expenses	1.5	1.3	1.0	15.4	30.0
Consolidated depreciation and amortization	$ 44.8	$ 46.8	$ 45.4	(4.3)%	3.1%

In 2009, depreciation and amortization expense (D&A) decreased due to declining amortization expense on other intangibles, which was partially offset by higher depreciation expense associated with higher capital expenditures in 2008. In 2009, metal packaging segment D&A included approximately $0.6 million of additional depreciation associated with the planned closure of our Brampton facility. In 2008, metal packaging segment D&A included

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approximately $0.8 million of additional depreciation associated with the closure of our Franklin Park facility. In 2008, plastic packaging segment D&A included approximately $0.5 million of additional depreciation associated with the closure of our Cleveland facility.

Selling and Administrative Expense

				Percentage Change	
	2009	2008	2007	FY09 v FY08	FY08 v FY07
		($ in millions)			
Selling and Administrative Expense by Segment					
Metal packaging	$ 4.9	$ 5.9	$ 5.9	(16.9)%	%
Plastic packaging	3.7	4.1	4.5	(9.8)	(8.9)
Segment selling and administrative expense	8.6	10.0	10.4	(14.0)	(3.8)
Corporate undistributed expenses	14.8	14.9	26.8	(0.7)	(44.4)
Consolidated selling and administrative expense	$ 23.4	$ 24.9	$ 37.2	(6.0)%	(33.1)%

In 2009, segment selling and administrative expenses declined primarily due to reduced spending related to our on-going cost reduction initiatives. In 2008, the decrease in segment selling and administrative expense (S&A) for from 2007 was primarily due to lower bonus expense and spending in each of the segments.

Corporate undistributed expense in 2008 included a $1.0 million favorable adjustment related to a change in our estimate of the allowance for doubtful accounts. The adjustment was partially offset by the write-off of $0.7 million in accounts receivable that became uncollectible following a customer filing for liquidation in bankruptcy.

Excluding the above adjustment in 2008, corporate undistributed selling and administrative expenses decreased $1.1 million in 2009 primarily due to lower stock-based compensation expense related to modifications made in 2007 and lower professional fees, partially offset by higher performance based bonus expense, additional bad debt expenses associated with certain uncollectible accounts receivable and higher litigation expenses.

Corporate undistributed expense in 2007 included approximately $15.8 million of an initial public offering expenses consisting of an $8.0 million management bonus and $7.8 million of stock-based compensation expense associated with the accelerated vesting of certain stock options.

Because of the IPO in 2007, the vesting criteria of certain options were modified, which resulted in additional stock-based compensation expense of $1.5 million in 2007 and $4.8 million in 2008. The increase in 2008 over 2007 is due to the timing of the modification, which occurred with the IPO in June 2007. See Note 10, Share-Based Compensation, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

Excluding stock-based compensation and IPO related expenses, corporate undistributed expense increased approximately 13% in 2008 over 2007. The increase in 2008 is primarily due to higher expenses associated with being a public company (primarily board of director expenses and higher D&O insurance premiums), higher bonus expense and higher professional fees.

The majority of bonus expense is based on the achievement of certain performance goals established by the Board. Senior management exceeded established goals in 2009 and, on average, met established goals in 2008. Performance goals were not met in 2007.

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Restructuring Expense

In the third quarter of 2009, the Board approved a plan to eliminate our operating divisions and restructure management in order to operate the company as a single entity. Management believes the strength of the Company s current management team made the divisional structure unnecessary and that the single operating structure will increase management efficiency and lower overhead expenses in support of our continued efforts to reduce the our overall cost base. In 2009, we recorded approximately $1.5 million in severance and benefits and approximately $0.9 million related to administrative office consolidation and employee relocations. In addition to the plan, we recorded approximately $0.7 million in 2009 for severance and benefits related to the elimination of certain other redundant positions.

In addition, we recorded approximately $1.8 million in 2009 in expenses related to the closure of our Franklin Park and Cleveland facilities in 2008.

In 2008, we recorded approximately $8.5 million in expenses related to the closure of the Franklin Park and Cleveland facilities, approximately $1.0 million related to the elimination of certain redundant positions in Canada and approximately $0.1 million related to adjustments in prior year restructuring plans.

See Note 16, Restructuring and Reorganization Liabilities of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

Loss on Extinguishment of Debt

In 2009, we refinanced and extinguished our senior subordinated notes due 2010, resulting in a loss of $4.8 million, which consisted of a call premium of $3.3 million and the write-off of $1.5 million of unamortized debt issuance costs associated with the 2010 notes. See Note 9, Long-Term Debt, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data, for further information.

Interest Expense, Net

In 2009, interest expense decreased $0.2 million from 2008. Although interest expense on our variable rate debt decreased primarily due to lower interest rates and lower average outstanding borrowings, the decrease was offset an increase of approximately $5.1 million related to the refinancing of our senior notes in April 2009, which includes approximately $1.7 million of interest paid on the old notes during the required 30 day call period. See Note 9, Long-Term Debt, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data, for further information on the refinancing of the senior notes.

Income Taxes

In 2009, the provision for income taxes was $11.2 million for an effective tax rate of approximately 32% as compared to a provision for income taxes in 2008 of $1.3 million for an effective tax rate of approximately 10%. In 2008, the provision for income taxes included favorable adjustments related to a tax dispute settlement related to the fiscal 2004 acquisition of NAMPAC ($0.5 million), a favorable tax dispute settlement in Puerto Rico ($0.7 million), a favorable adjustment related to a correction of an error in deferred taxes ($2.3 million) and favorable changes to state and Canadian statutory rates ($1.1 million). These items caused the reduction in the effective tax rate for 2008. The effective tax rate for 2007 was (42.8)%, primarily due to $1.5 million in non-deductible public offering expenses.

Seasonality

Our business is seasonal, reflecting a general pattern of lower sales and earnings in the metal and plastic packaging industry during the first quarter of our fiscal year. For example, in the first quarters of fiscal 2009 and 2008 our net sales were approximately 24% and 21%, respectively, of total annual net sales and gross profit as a percentage of total annual gross profit was approximately 14% and 16% in the first quarters of fiscal 2009 and 2008, respectively.

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Liquidity and Capital Resources

Our long-term debt, including available revolving credit facilities and certain covenants and restrictions, is discussed in Note 9, Long-Term Debt, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data. At September 27, 2009, we were in compliance with our debt covenants. With certain exceptions, we are prohibited by our long-term debt arrangements from paying cash dividends, including cash dividends between BWAY and BHC.

See An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability, The indenture and our credit facility contain cross default or cross acceleration provisions that may cause all of the debt issued under those instruments to become immediately due and payable as a result of a default under an unrelated debt instrument, Restrictive covenants in the indenture and our credit facility could restrict our operating flexibility, We may be unable to raise funds necessary to finance the change of control repurchase offers required by the indenture, Current economic conditions could adversely affect our results of operations and financial condition and The availability and pricing of steel could be significantly affected by consolidation of key suppliers in Item 1A, Risk Factors.

At September 27, 2009, we had $49.4 million available under revolving credit facilities ($4.8 million of which was only available to our Canadian subsidiary). At September 27, 2009, we had $88.7 million of cash on hand, of which $32.0 million was used for the Ball Plastics acquisition in October 2009 and $6.5 million will be used in December 2009 to make a mandatory repayment on the term loans due to Excess Cash Flow (as defined in the credit agreement).

Due to a mandatory repayment of $6.5 million on outstanding term loan borrowings in December 2009, there are no scheduled quarterly repayments due in 2010. Scheduled quarterly repayments of approximately $0.5 million will resume in December 2010 and continue through March 31, 2013.

At September 27, 2009, we had $200.3 million of outstanding borrowings subject to variable interest rates at a weighted-average borrowing rate of 2.6%. Interest of $11.4 million is payable on the Senior Notes in each of April and October.

We expect capital expenditures in 2010 of approximately $27.0 million to $29.0 million, which includes amounts related to the integration of recent acquisitions.

We expect that cash on hand, operating cash flows and available revolving credit will provide sufficient working capital to operate our business, to make expected capital expenditures and to meet foreseeable liquidity requirements, including debt service on our long-term debt, in the next 12 months. However, we cannot provide assurance that our business will generate sufficient cash flow or that future borrowings will be available in an amount sufficient to enable us to service our debt or to fund our other liquidity needs in the long term.

In addition, the current global economic crisis has created volatility in the equity and credit markets and many financial and other institutions continue to experience financial uncertainty. Neither our access to nor the value of our cash equivalents have been negatively affected by the recent liquidity problems of financial institutions. Although it is not possible to predict how financial markets and general economic conditions may affect our financial position, results of operations and/or cash flows, failures of financial and other institutions could impact our customers ability to pay us, could reduce amounts available under our credit facility, could cause losses to the extent cash amounts or the value of securities exceed government deposit insurance limits, and could restrict our access to the equity and credit markets. Continued uncertainty in the capital and credit markets and the general economic downturn could adversely impact the availability, terms and/or pricing of financing if we need to raise additional liquidity. We would experience liquidity problems if we were unable to obtain sufficient additional financing when our debt becomes due, or we otherwise need additional liquidity. Adverse economic conditions, increased competition or other unfavorable events also could affect our liquidity.

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Historical Cash Flows

Summary Cash Flow Information

Fiscal years ended September 27, 2009, September 28, 2008 and September 30, 2007

	2009	2008	2007	Change FY09 v FY08	Change FY08 v FY07
			($ in millions)		
Net cash provided by operating activities	$ 71.3	$ 73.8	$ 46.9	$ (2.5)	$ 26.9
Net cash used in investing activities	(46.2)	(33.6)	(31.4)	(12.6)	(2.2)
Net cash used in financing activities	(25.9)	(1.1)	(13.1)	(24.8)	12.0
Effect of exchange rate changes	(2.6)	(0.4)		(2.2)	(0.4)
Net (decrease) increase in cash and cash equivalents	$ (3.4)	$ 38.7	$ 2.4	$ (42.1)	$ 36.3
Cash and cash equivalents, end of period	$ 88.7	$ 92.1	$ 53.4		

Cash requirements for operations and capital expenditures during 2009, 2008 and 2007 were primarily financed through internally generated cash flows and cash on hand. On occasion, short-term cash shortfalls were covered by borrowings under the revolving credit facility; however, no amounts were outstanding under our revolving credit facility at the end of the year.

In the first quarter of 2010, we used approximately $32.0 million of cash on hand for the acquisition of Ball Plastics and approximately $6.5 million for mandatory excess cash flow repayments on our term loan. In the first quarter of 2009, we used approximately $17.7 million of cash on hand for mandatory excess cash flow repayments on our term loan.

Operating Activities

In 2009, cash provided by operating activities decreased $2.5 million (3%) from 2008 as cash from higher net income was offset by a $13.7 million net increase in primary working capital (accounts receivable and inventories less accounts payable).

In 2008, cash provided by operating activities increased $26.9 million (57%) from 2007. The increase is primarily due to the payment of $20.1 million in IPO related expenses in 2007, as discussed above, and from a $13.1 million net decrease in primary working capital (accounts receivable and inventories less accounts payable) in 2008.

Investing Activities

In 2009, cash used in investing activities increased $12.6 million (37%) from 2008. Capital expenditures decreased $15.5 million (46%) from 2008 due to higher than normal capital expenditures in 2008 (as discussed below). In 2009, we used $27.7 million of cash to acquire Central Can. There were no business acquisitions in 2008.

In 2008, cash used in investing activities increased $2.2 million (7%) from 2007. Capital expenditures increased $8.4 million (33%) to complete capital investments related to machinery and equipment for the production of new plastic containers developed in 2007 and for the production of aerosol components. There were no business acquisitions in 2008, but in 2007 we used $5.9 million of cash to acquire Vulcan.

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Financing Activities

In 2009, cash used in financing activities increased $24.8 million from $1.1 million in 2008 due to a $17.6 million required debt repayment in 2009 related to excess cash flow in 2008, to the payment of a $3.3 million call premium on the early redemption of the senior subordinated notes due 2010 (which were refinanced with senior subordinated notes due 2014) and to the payment of $5.5 million in debt issuance costs related to the refinanced of the senior subordinated notes.

In 2008, cash used in financing activities decreased $12.0 million from 2007 due to a $20.0 million voluntary debt repayment in 2007, which was partially offset by $7.8 million in cash flows from proceeds and excess tax benefits associated with the exercise of stock options in 2007. Option exercises in 2007 were primarily connected with the IPO.

In 2009, long-term debt, including the current portion, decreased $19.0 million to $402.3 million. The decrease was due to required debt repayments of $18.1 million and to changes in the exchange rate used to translate Canadian dollar denominated debt to U.S. dollars for reporting purposes, partially offset by the accretion of debt discount on the senior subordinated notes due 2014 of $2.0 million. Our Canadian dollar denominated debt is serviced by our Canadian operations, which are denominated in Canadian dollars and, as such, cash flows servicing the debt are not affected by the exchange rate.

Management expects financing activities in 2010 to primarily relate to scheduled debt repayments and principal repayments under capital lease obligations. See Contractual Obligations and Commercial Commitments below for a table that includes these amounts.

Market Risk

Our cash flows and earnings are exposed to the risk of interest rate changes resulting from variable rate borrowings under the credit facility. Outstanding borrowings under the credit facility bear interest at a market rate of interest plus an applicable margin (based on certain ratios contained in the credit agreement). At September 27, 2009, borrowings of $200.3 million were subject to interest rate risk. A 100 basis point increase in the interest rate on these borrowings would reduce annual pretax earnings by approximately $2.0 million.

The fair value of the Senior Notes is exposed to the market risk of interest rate changes. A 100 basis point increase in interest rates would cause the market value of the notes to decrease approximately $8.0 million.

Our business is also exposed to variations in the prices of steel and of plastic resin. See Item 1, Business and Commodity Risk below.

Foreign Exchange

Our reported results of operations are exposed to fluctuations of the Canadian dollar against the U.S. dollar, our reporting currency. Net sales denominated in Canadian dollars were approximately 8% in 2009 and 9% in 2008. Excluding purchases denominated in Canadian dollars that are funded by operations in Canada, we do not believe that purchases from suppliers denominated in a currency other than the U.S. dollar are significant and do not believe we are exposed to a significant risk of changes in exchange rates relative to the U.S. dollar.

Off-Balance Sheet Arrangements

Other than standby letters of credit issued by a bank on our behalf primarily in favor of our workers compensation insurers, we do not have any off-balance sheet arrangements.

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Contractual Obligations and Commercial Commitments

Significant contractual obligations at September 27, 2009:

	Total	Less than 1 Year	1 3 Years	3 5 Years	More than 5 Years
			($ in millions)		
Contractual Obligations					
Long-term debt obligations (1),(2),(3)	$ 428.8	$ 6.5	$ 4.1	$ 418.2	$
Interest commitments on senior notes (4)	114.8	23.4	45.7	45.7	
Operating and capital lease obligations	64.0	10.6	15.7	13.4	24.3
Uncertain tax positions (5)					
Pension withdrawal obligations (6)	4.3	0.2	0.4	0.4	3.3
Other obligations (7)	31.4	2.6	5.4	5.6	17.8
Total contractual obligations	$ 643.3	$ 43.3	$ 71.3	$ 483.3	$ 45.4

(1) Includes $228.5 million in principal amount of our 10% Senior Subordinated Notes that become due in 2014 and $200.3 million of outstanding term loan borrowings. In the event of a continuing event of default (as defined in the credit facility agreement), the agent could declare outstanding borrowings immediately due and payable and/or may terminate any future borrowings under the facility. At September 27, 2009, we had borrowing capacity under the revolving credit facilities of approximately $49.4 million. The term loans have scheduled quarterly repayments with a lump sum due at maturity, July 17, 2013. See Note 9, Long-Term Debt, of Notes to Consolidated Financial Statements for additional information.

(2) In the event of a continuing event of default (as defined in the indenture), the trustee or holders of 25% of the outstanding principal of the senior subordinated notes could declare the principal and accrued interest on all the notes to be immediately due and payable. In the event of a change in control (as defined in the indenture), each note holder has the right to require us to purchase all or a portion of their notes at 101% of the principal amount thereof (at September 27, 2009, 101% of the total principal amount outstanding was $230.8 million) plus accrued and unpaid interest to the date of purchase. At September 27, 2009, the entire original principal amount was outstanding. The notes were issued at a discount to par.

(3) Payments due in less than one year include a mandatory repayment of excess cash flow, as defined in the credit agreement, of $5.0 million due on the U.S. dollar denominated term loan and $1.5 million due on the Canadian dollar denominated term loan.

(4) The table does not include variable interest payable on the credit facility borrowings, which is generally due and payable quarterly. Based on outstanding variable borrowings of $200.3 million and a weighted-average interest rate of 2.6% at September 27, 2009, the annual interest obligation would be approximately $5.2 million.

(5) Due to the uncertainty of the timing of settlement with taxing authorities, we are unable to make reasonably reliable estimates of the period of cash settlement of unrecognized tax benefits. At September 27, 2009, $0.9 million of unrecognized tax benefits have been excluded from the table. See Note 12, Income Taxes, of Notes to Consolidated Financial Statements for additional information regarding our unrecognized tax benefits as of September 28, 2008.

(6) At September 27, 2007, we had $3.7 million accrued as an estimate of our obligation to satisfy employer withdrawal liabilities associated with unfunded benefit obligations of union sponsored multiemployer pension plans. The obligation is related to a facility we closed in 2008.

Because our portion of any withdrawal liability is determined as of the end of the applicable plan year in which we withdrew from the plan, we do not know the actual amount or over what period the liability will be settled. In 2009, we received a final determination from one of the plans, which is reflected in the table and includes a liability of $2.6 million and $1.7 million of interest. The final payment related to this plan is

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due in 2029. The remaining liability of $1.1 million is an estimate and payments are not reflected in the table because we do not currently know the actual amount or timing of those payments. See Franklin Park under Note 16, Restructuring, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

(7) Other obligations include estimated future payments related to supplemental executive retirement benefit obligations for certain retired executives, pension liabilities, other postretirement benefits and asset retirement obligations. The amounts shown in the table are the maximum future benefit payments subject to certain actuarial assumptions regarding life expectancy, which differ from the actuarially determined liability related to these obligations recorded in the financial statements. The current and long-term actuarially determined amounts are included in our consolidated balance sheet in Other Current Liabilities and Other Long-Term Liabilities, respectively, at September 27, 2009. Asset retirement obligations are included in Other Long-Term Liabilities.

At September 27, 2009, we had standby letters of credit, which expire in less than one year, in the aggregate amount of approximately $5.6 million in favor of our workers compensation insurers and purchasing card vendor. Outstanding standby letters of credit reduce our borrowing capacity under the revolving credit facilities. At September 27, 2009, $44.6 million of the $50.0 million U.S. Revolver facility was available and $4.8 million of the $5.0 million Canadian Revolver facility was available.

Effect of Inflation

Historically, in certain circumstances, we have been able to pass through price increases in our primary raw materials (steel and resin) to our customers. Although we generally have been able to increase the price of our products to reflect increases in the price of these raw materials, we cannot rely on our ability to do so in the future. However, we believe that inflation in the near term will not have a material adverse impact on us.

Accounting Policies and New Accounting Pronouncements

Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, which often require the judgment of management in the selection and application of certain accounting principles and methods. We believe that the quality and reasonableness of our most critical policies enable the fair presentation of our financial position and results of operations. However, investors are cautioned that the sensitivity of financial statements to these methods, assumptions and estimates could create materially different results under different conditions or using different assumptions.

Other than as described below, no new accounting pronouncement issued or effective during the fiscal year has had or is expected to have a material impact on the Consolidated Financial Statements.

Business Combinations

In December 2007, the Financial Accounting Standards Board (FASB) issued new accounting guidance on business combinations. The new guidance revises the method of accounting for a number of aspects of business combinations, including acquisition costs, contingencies (including contingent assets, contingent liabilities and contingent purchase price), the impacts of partial and step-acquisitions (including the valuation of net assets attributable to non-acquired minority interests) and post-acquisition exit activities of acquired businesses. The new guidance will be effective for us beginning September 28, 2009 primarily affecting the accounting for subsequent acquisitions. We do not believe the adoption of the new guidance will have a material effect on our financial position, results of operations or cash flows.

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Critical Accounting Policies

In response to the SEC s Release No. 33-8040, Cautionary Advice Regarding Disclosure About Critical Accounting Policies, we have identified the most critical accounting policies upon which our financial status depends. These critical policies were determined by considering accounting policies that involve the most complex or subjective decisions or assessments. Our most critical accounting policies are as follows:

Revenue Recognition

We recognize revenue when persuasive evidence of an arrangement exists, our products have been shipped and title and risk of loss have passed, the sales amount is fixed or determinable and collectibility of the amount billed is reasonably assured. We record provisions for discounts, returns, allowances, customer rebates and other adjustments in the same period as the related revenues are recorded. We do not engage in revenue arrangements with multiple deliverables.

Accounts Receivable

Accounts receivable are recorded net of an allowance for uncollectibility. The allowance for doubtful accounts is based on management s assessment of the collectibility of customer accounts. We regularly review the allowance by considering factors such as historical experience, credit quality, the age of the accounts receivable balances, and current economic conditions that may affect a customer s ability to pay. The determination of the amount of the allowance accounts is subject to significant levels of judgment and estimation by management. If circumstances change or economic conditions deteriorate, we may need to increase the allowance for doubtful accounts.

Inventories

Inventories are valued at the lower of cost or market, using the First-In, First-Out (FIFO) method. Inventories are recorded net of reserves for excess or obsolete inventory, which are based on the age of inventory and our estimate of the likelihood the cost of inventory will be recovered based on forecasted demand and probable selling price.

Accrued Rebates

We provide volume rebates on certain products to our customers. We accrue a provision for these rebates, which is recognized as a reduction of net sales, in the period in which revenue is recognized. Accrued rebates may be settled in cash or as a credit against customer accounts receivable.

Long-Lived Assets

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparing the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If these assets are considered impaired, the impairment to be recognized is equal to the amount by which the carrying amount of the assets exceeds the fair value of the assets.

In addition, depreciation and amortization expense is affected by our determination of the estimated useful lives of the related assets. We determine estimated useful lives of our fixed assets and finite-lived intangible assets based on the type and expected usage of the asset.

Goodwill and Other Intangible Assets

Our intangible assets consist of identifiable intangibles (tradenames, customer relationships and technology) and goodwill. We amortize finite-lived, identifiable intangible assets over their remaining useful lives in proportion

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to the underlying cash flows that were used in determining the acquired value. Finite-lived, identifiable intangible assets are also tested for impairment as noted above for long-lived assets. Indefinite-lived identifiable intangibles and goodwill are not amortized, but tested for impairment at least annually at the end of our fiscal year.

We have two reporting units that have goodwill: metal packaging and plastic packaging. Fair value estimates are based on discounted future cash flows and market multiples. The goodwill impairment test involves two steps. In the first step, the fair value of a reporting unit is compared to its carrying value. If the fair value of a reporting unit exceeds its carrying value, then no further testing is required. For purposes of the first step, the fair value of a reporting unit determined in the prior year may be carried forward under certain circumstances. If the carrying value of a reporting unit exceeds its fair value, however, a second step is required to determine the amount of the impairment charge, if any. An impairment charge is recognized if the carrying value of a reporting unit s goodwill exceeds its implied fair value.

We perform our impairment test for our indefinite-lived intangible assets by comparing the fair value of each indefinite-lived intangible asset to its carrying value. The fair value of the asset is estimated based on an income approach, where estimated after-tax royalty savings are discounted and then adjusted for the benefit of tax amortization. We recognize an impairment charge if the carrying value of the asset unit exceeds its estimated fair value.

Share-Based Compensation

We adopted new accounting guidance at the beginning of 2007 related to share-based payments using a prospective transition method. Under this method of adoption, we recognize share-based compensation expense for all new awards and for awards outstanding at adoption that we subsequently modify, repurchase or cancel. Share-based awards are accounted for using a fair value-based method and compensation cost is recognized over the period that service is required in order to receive the benefit. In addition, benefits of tax deductions in excess of recognized compensation cost are recorded as increases to additional paid-in capital and are reported as financing cash flows in the statement of cash flows.

For purposes of determining the grant date fair value of share-based payment awards, we have used the Black-Scholes option-pricing model (the Black-Scholes Model). The Black-Scholes Model requires the input of certain assumptions that involve judgment. Employee stock options have characteristics significantly different from those of traded options and changes in the assumptions used in the model can materially affect estimates of fair value. As such, the option pricing model may not provide a reliable single measure of fair value of our employee stock options.

The following inputs are utilized in the Black-Scholes Model (1) expected dividend yield on the underlying stock, (2) expected price volatility of the underlying stock, (3) risk-free interest rate for a period corresponding with the expected term of the option, (4) expected option term (the period of time from the grant date until the option is exercised) and (5) fair value of the underlying stock. These inputs involve judgment and are determined as of the grant date

For further information, including assumptions used in the models, see Note 11, Share-Based Compensation, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data.

Income Taxes

The provision for income taxes is comprised of taxes that are currently payable and deferred taxes that relate to temporary differences between financial reporting carrying values and tax bases of assets and liabilities. Deferred tax assets and liabilities result from deductible or taxable amounts in future years when such assets and liabilities are recovered or settled and are measured using the enacted tax rates and laws that are expected to be in effect when the assets and liabilities are recovered or settled.

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In the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management s evaluation of the facts, circumstances and information available at the reporting dates. For those tax positions where it is more-likely-than-not that a tax benefit will be sustained, we have recorded the expected amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more-likely-than-not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. Where applicable, we have also recognized associated interest and penalties.

Commodity Risk

We require substantial amounts of raw materials in our operations, including steel, resin and energy. We are exposed to commodity price and quantity risks for a majority of theses raw materials. In addition to steel and resin, we are exposed to fluctuations in the price of energy (primarily electricity and natural gas), the cost of freight (which is impacted by fluctuations in the price of fuel) and the cost of other components that we use in our manufacturing process.

We manage these risks by consolidating our purchases among a select group of suppliers and through provisions in sales agreements that allow for certain increases in raw material costs to be passed through to our customers. The consolidation of suppliers enables us to use leverage in negotiating pricing and supply. However, an interruption in the ability of these suppliers to provide raw materials could have a material adverse effect on our financial position, results of operations and cash flows. The availability and price of raw materials may also be subject to shortages in supply, suppliers allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates, global demand and worldwide price levels.

The price of raw materials has been subject to volatility in the past, and we do not foresee stabilization in these markets in the near future. Historically, we have been able to pass certain cost changes through to our customers. However, we may not be able to do so in the future.

In addition to steel and plastic resin, the prices of other items used in our manufacturing processes are exposed to commodity price risks, and we have experienced increases in the cost of these items above expected trends. Historically, we have not passed these price increases through to our customers. However, given the unprecedented increase in the cost of these other inputs, we are evaluating the impact of increasing our selling prices to compensate for these higher costs.

To the extent we are not able to leverage our purchasing power in the future as successfully as we have in the past, we may not be able to increase the selling price of our products to reflect increases in the costs of raw materials, or if we experience any interruptions or shortages in the supply of raw materials, our operating margins could be adversely affected. In addition, our manufacturing operations are dependent on the availability of natural gas and electricity. In certain cases, these energy sources may become difficult to obtain on acceptable terms due to external factors, or may only be available at a substantially increased cost, which could increase our operating costs or interrupt our ability to produce our products.

For an additional discussion of changes in steel and plastic resin costs and their impact on selling prices, see Factors Affecting Our Results of Operations above. In addition, see Increases in the price of our raw materials or energy supply or interruptions or shortages in the supply of raw materials could cause our production costs to increase, which could reduce our ability to compete effectively and erode our margins and The availability and pricing of steel could be significantly affected by consolidation of key suppliers in Item 1A, Risk Factors.

Environmental Matters

For information regarding environmental matters, see Item 1, *Business Environmental, Health and Safety Matters.*

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Item 7A

Quantitative and Qualitative Disclosures about Market Risk

We do not purchase, sell or hold derivatives or other market risk-sensitive instruments to hedge commodity price risk, interest rate risk or exchange rate risk or for trading purposes.

For a discussion of interest rate risk and its relation to our indebtedness, see Liquidity and Capital Resources and Market Risk in Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operation, which are incorporated herein by reference.

For a discussion of commodity risk and its relation to our cost of products sold, see *Business* in Item 1 and Commodity Risk in Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operation, which are incorporated herein by reference.

Our purchases in transactions denominated in foreign currencies are not material and we do not believe we are exposed to a material market risk of exchange rate changes related to fluctuations in the value of these foreign currencies in relation to the local currency. However, see Item 1A, *Risk Factors* We are exposed to exchange rate fluctuations of the Canadian dollar.

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Item 8

Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of BWAY Holding Company:

We have audited the accompanying consolidated balance sheets of BWAY Holding Company and subsidiaries (the Company) as of September 27, 2009 and September 28, 2008, and the related consolidated statements of operations, stockholders equity and cash flows for each of the three years in the period ended September 27, 2009. Our audits also included the financial statement schedules listed in the Index at Item 8. These consolidated financial statements and financial statement schedules are the responsibility of the Company s management. Our responsibility is to express an opinion on the consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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, such consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 27, 2009 and September 28, 2008, and the results of its operations and cash flows for each of the three years in the period ended September 27, 2009, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of September 27, 2009, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated December 11, 2009 expressed an unqualified opinion on the Company s internal control over financial reporting.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

December 11, 2009

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of BWAY Corporation:

We have audited the accompanying consolidated balance sheets of BWAY Corporation (a wholly owned subsidiary of BWAY Holding Company) and subsidiaries (the Company) as of September 27, 2009 and September 28, 2008, and the related consolidated statements of operations, stockholder s equity and cash flows for each of the three years in the period ended September 27, 2009. Our audits also included the financial statement schedule listed in the Index at Item 8. These consolidated financial statements and financial statement schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on the consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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, such consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 27, 2009 and September 28, 2008, and the results of its operations and its cash flows for each of the three years in the period ended September 27, 2009, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of September 27, 2009, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated December 11, 2009 expressed an unqualified opinion on the Company s internal control over financial reporting.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

December 11, 2009

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CONSOLIDATED BALANCE SHEETS

BWAY Holding Company and Subsidiaries

September 27, 2009 and September 28, 2008

($ in millions, except par value)

	2009	2008
Assets		
Current Assets		
Cash and cash equivalents	$ 88.7	$ 92.1
Accounts receivable, net of allowance for doubtful accounts of $0.5 and $1.2	103.8	113.3
Inventories, net	87.0	112.2
Other current assets	15.6	20.7
Total current assets	295.1	338.3
Property, plant and equipment, net	160.9	141.9
Goodwill	259.0	251.0
Other intangible assets, net	129.4	142.2
Other assets	11.1	9.0
Total assets	$ 855.5	$ 882.4
Liabilities and Stockholders Equity		
Current Liabilities		
Accounts payable	$ 98.0	$ 149.8
Other current liabilities	63.3	52.4
Current portion of long-term debt	6.5	18.9
Total current liabilities	167.8	221.1
Long-term debt	395.8	402.4
Deferred tax liabilities	46.5	55.8
Other liabilities	47.1	29.4
Total liabilities	657.2	708.7
Commitments and contingencies (Note 17)		
Stockholders Equity		
Preferred stock, $0.01 par value, 20,000,000 shares authorized		
Common stock, $0.01 par value, 200,000,000 shares authorized; 22,198,718 and 21,860,650 shares issued and outstanding	0.2	0.2
Additional paid-in capital	137.9	133.7
Retained earnings	64.0	40.5
Accumulated other comprehensive loss	(3.8)	(0.7)
Total stockholders equity	198.3	173.7
Total liabilities and stockholders equity	$ 855.5	$ 882.4

The accompanying notes are an integral part of the consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS

BWAY Holding Company and Subsidiaries

Years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions, except per share amounts)

	2009	2008	2007
Net sales	$ 904.4	$ 1,019.0	$ 959.0
Costs and Expenses			
Cost of products sold (excluding depreciation and amortization)	755.5	889.0	830.1
Depreciation and amortization	44.8	46.8	45.4
Selling and administrative	23.4	24.9	37.2
Public offering			9.6
Restructuring	5.6	9.6	(0.1)
Interest, net	35.1	35.3	38.0
Loss on extinguishment of debt	4.8		
Other	0.5	0.2	1.0
Total costs and expenses	869.7	1,005.8	961.2
Income (loss) before income taxes	34.7	13.2	(2.2)
Provision for income taxes	11.2	1.3	0.9
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)
Net income (loss) per share (Note 10)			
Basic	$ 1.07	$ 0.55	$ (0.15)
Diluted	1.00	0.51	(0.15)

The accompanying notes are an integral part of the consolidated financial statements.

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CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

BWAY Holding Company and Subsidiaries

Year ended September 27, 2009, September 28, 2008 September 30, 2007

($ in millions)

	2009	2008	2007
Common Stock			
Balance, beginning and end of period	$ 0.2	$ 0.2	$ 0.2
Additional Paid-In Capital			
Balance, beginning of period	133.7	125.9	106.2
Proceeds from stock option exercises	2.1	0.9	3.5
Excess tax benefit related to share-based payments	0.6	0.1	4.4
Stock-based compensation expense	1.0	6.3	11.7
Other	0.5	0.5	0.1
Balance, end of period	137.9	133.7	125.9
Retained Earnings			
Balance, beginning of period	40.5	28.8	31.9
Net income (loss)	23.5	11.9	(3.1)
Cumulative impact of adopting new accounting guidance for uncertainty in income taxes		(0.2)	
Balance, end of period	64.0	40.5	28.8
Accumulated Other Comprehensive (Loss) Income			
Balance, beginning of period	(0.7)	2.4	(0.5)
Other comprehensive (loss) income	(3.1)	(3.1)	2.8
Cumulative impact of adopting new accounting guidance for defined benefit plans, net of tax			0.1
Balance, end of period	(3.8)	(0.7)	2.4
Total Stockholders Equity	$ 198.3	$ 173.7	$ 157.3
Comprehensive Income (Loss)			
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)
Other Comprehensive (Loss) Income			
Foreign currency translation adjustments	(1.1)	(1.2)	2.8
Pension and other postretirement prior service cost and actuarial loss, net of tax	(2.0)	(1.9)	
Total other comprehensive (loss) income	(3.1)	(3.1)	2.8
Comprehensive income (loss)	$ 20.4	$ 8.8	$ (0.3)

Number of Common Shares Issued (000s)

Balance, beginning of period	21,861	21,661	20,525
Shares issued for stock option exercises	291	178	1,083
Other	47	22	53
Balance, end of period	22,199	21,861	21,661

The accompanying notes are an integral part of the consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

BWAY Holding Company and Subsidiaries

Years Ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Cash Flows from Operating Activities			
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation	29.9	31.0	29.5
Amortization of other intangible assets	14.9	15.8	15.9
Amortization of debt issuance costs	2.2	2.1	2.1
Amortization of debt discount	2.0		
Credit for doubtful accounts	(0.7)	(0.5)	
Loss on disposition of property, plant and equipment	0.1	0.2	0.3
Deferred income taxes	(7.5)	(8.3)	(10.4)
Stock-based compensation expense	1.0	6.3	12.3
Loss on extinguishment of debt	4.8		
Other	0.3		
Change in accounts receivable	16.3	(6.2)	12.8
Change in inventories	31.3	(0.8)	(10.4)
Change in accounts payable	(61.3)	20.1	9.4
Change in other assets	4.7	(5.1)	(2.2)
Change in accrued and other liabilities	4.9	5.0	(7.7)
Change in income taxes, net	4.9	2.3	(1.6)
Net cash provided by operating activities	71.3	73.8	46.9
Cash Flows from Investing Activities			
Capital expenditures	(18.5)	(34.0)	(25.6)
Business acquisitions, net of cash acquired	(27.7)		(5.9)
Other		0.4	0.1
Net cash used in investing activities	(46.2)	(33.6)	(31.4)
Cash Flows from Financing Activities			
Issuance of senior subordinated notes	200.0		
Repayment of senior subordinated notes	(200.0)		
Premium on call of senior subordinated notes	(3.3)		
Repayments of other long-term debt	(18.1)	(1.9)	(20.6)
Principal repayments under capital lease obligations	(1.7)	(0.2)	(0.2)
Proceeds from stock option exercises	2.1	0.9	3.4
Excess tax benefits related to share-based payments	0.6	0.1	4.4
Debt issuance costs	(5.5)		(0.1)
Net cash used in financing activities	(25.9)	(1.1)	(13.1)

Effect of exchange rate changes on cash and cash equivalents	(2.6)	(0.4)	
Net (decrease) increase in cash and cash equivalents	(3.4)	38.7	2.4
Cash and cash equivalents, beginning of period	92.1	53.4	51.0
Cash and cash equivalents, end of period	$ 88.7	$ 92.1	$ 53.4

The accompanying notes are an integral part of the consolidated financial statements.

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CONSOLIDATED BALANCE SHEETS

BWAY Corporation and Subsidiaries

September 27, 2009 and September 28, 2008

($ in millions, except par value)

	2009	2008
Assets		
Current Assets		
Cash and cash equivalents	$ 88.7	$ 92.1
Accounts receivable, net of allowance for doubtful accounts of $0.5 and $1.2	103.8	113.3
Inventories, net	87.0	112.2
Other current assets	15.6	20.7
Total current assets	295.1	338.3
Property, plant and equipment, net	160.9	141.9
Goodwill	259.0	251.0
Other intangible assets, net	129.4	142.2
Other assets	11.1	9.0
Total assets	$ 855.5	$ 882.4
Liabilities and Stockholder s Equity		
Current Liabilities		
Accounts payable	$ 98.0	$ 149.8
Other current liabilities	63.3	52.4
Current portion of long-term debt	6.5	18.9
Total current liabilities	167.8	221.1
Long-term debt	395.8	402.4
Deferred tax liabilities	46.5	55.8
Other liabilities	47.1	29.4
Total liabilities	657.2	708.7
Commitments and Contingencies (Note 17)		
Stockholder s Equity		
Preferred stock, $0.01 par value, 500 shares authorized		
Common stock, $0.01 par value, 2,500 shares authorized; 1,000 shares issued and outstanding		
Additional paid-in capital	144.6	140.4
Retained earnings	57.5	34.0
Accumulated other comprehensive loss	(3.8)	(0.7)
Total stockholder s equity	198.3	173.7
Total Liabilities and Stockholder s equity	$ 855.5	$ 882.4

The accompanying notes are an integral part of the consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS

BWAY Corporation and Subsidiaries

Years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Net sales	$ 904.4	$ 1,019.0	$ 959.0
Costs and Expenses			
Cost of products sold (excluding depreciation and amortization)	755.5	889.0	830.1
Depreciation and amortization	44.8	46.8	45.4
Selling and administrative	23.4	24.9	37.2
Public offering			9.6
Restructuring	5.6	9.6	(0.1)
Interest, net	35.1	35.3	38.0
Loss on extinguishment of debt	4.8		
Other	0.5	0.2	1.0
Total costs and expenses	869.7	1,005.8	961.2
Income (loss) before income taxes	34.7	13.2	(2.2)
Provision for income taxes	11.2	1.3	0.9
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)

The accompanying notes are an integral part of the consolidated financial statements.

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CONSOLIDATED STATEMENTS OF STOCKHOLDER S EQUITY

BWAY Corporation and Subsidiaries

Years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Common Stock and Additional Paid-In Capital			
Balance, beginning of period	$ 140.4	$ 132.6	$ 112.9
Proceeds from stock option exercises	2.1	0.9	3.5
Excess tax benefit related to share-based payments	0.6	0.1	4.4
Stock-based compensation expense	1.0	6.3	11.7
Other	0.5	0.5	0.1
Balance, end of period	144.6	140.4	132.6
Retained Earnings			
Balance, beginning of period	34.0	22.3	25.4
Net income (loss)	23.5	11.9	(3.1)
Cumulative impact of adopting new accounting guidance for uncertainty in income taxes		(0.2)	
Balance, end of period	57.5	34.0	22.3
Accumulated Other Comprehensive (Loss) Income			
Balance, beginning of period	(0.7)	2.4	(0.5)
Other comprehensive (loss) income	(3.1)	(3.1)	2.8
Cumulative impact of adopting new accounting guidance for defined benefit plans, net of tax			0.1
Balance, end of period	(3.8)	(0.7)	2.4
Total Stockholder s equity	$ 198.3	$ 173.7	$ 157.3
Comprehensive Income (Loss)			
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)
Other Comprehensive (Loss) Income			
Foreign currency translation adjustments	(1.1)	(1.2)	2.8
Pension and other postretirement prior service cost and actuarial loss, net of tax	(2.0)	(1.9)	
Total other comprehensive (loss) income	(3.1)	(3.1)	2.8
Comprehensive income (loss)	$ 20.4	$ 8.8	$ (0.3)
Number of Common Shares Issued	1,000	1,000	1,000

The accompanying notes are an integral part of the consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

BWAY Corporation and Subsidiaries

Years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Cash Flows from Operating Activities			
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation	29.9	31.0	29.5
Amortization of other intangible assets	14.9	15.8	15.9
Amortization of debt issuance costs	2.2	2.1	2.1
Amortization of debt discount	2.0		
Credit for doubtful accounts	(0.7)	(0.5)	
Loss on disposition of property, plant and equipment	0.1	0.2	0.3
Deferred income taxes	(7.5)	(8.3)	(10.4)
Stock-based compensation expense	1.0	6.3	12.3
Loss on extinguishment of debt	4.8		
Other	0.3		
Change in accounts receivable	16.3	(6.2)	12.8
Change in inventories	31.3	(0.8)	(10.4)
Change in accounts payable	(61.3)	20.1	9.4
Change in other assets	4.7	(5.1)	(2.2)
Change in accrued and other liabilities	4.9	5.0	(7.7)
Change in income taxes, net	4.9	2.3	(1.6)
Net cash provided by operating activities	71.3	73.8	46.9
Cash Flows from Investing Activities			
Capital expenditures	(18.5)	(34.0)	(25.6)
Business acquisitions, net of cash acquired	(27.7)		(5.9)
Other		0.4	0.1
Net cash used in investing activities	(46.2)	(33.6)	(31.4)
Cash Flows from Financing Activities			
Issuance of senior subordinated notes	200.0		
Repayment of senior subordinated notes	(200.0)		
Premium on call of senior subordinated notes	(3.3)		
Repayments of other long-term debt	(18.1)	(1.9)	(20.6)
Principal repayments under capital lease obligations	(1.7)	(0.2)	(0.2)
Proceeds from stock option exercises	2.1	0.9	3.4
Excess tax benefits related to share-based payments	0.6	0.1	4.4
Debt issuance costs	(5.5)		(0.1)
Net cash used in financing activities	(25.9)	(1.1)	(13.1)

Effect of exchange rate changes on cash and cash equivalents	(2.6)	(0.4)	
Net (decrease) increase in cash and cash equivalents	(3.4)	38.7	2.4
Cash and cash equivalents, beginning of period	92.1	53.4	51.0
Cash and cash equivalents, end of period	$ 88.7	$ 92.1	$ 53.4

The accompanying notes are an integral part of the consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BWAY Holding Company and Subsidiaries

BWAY Corporation and Subsidiaries

1. GENERAL

Basis of Presentation and Background

The consolidated financial statements of BWAY Holding Company (BHC) include the accounts of BHC and its wholly-owned subsidiary, BWAY Corporation (BWAY). The consolidated financial statements of BWAY include the accounts of BWAY and its subsidiaries, each wholly-owned. In these notes, BHC and BWAY are collectively referred to as the Company, we or our.

These notes are equally applicable to BHC and BWAY, unless otherwise indicated. Net Income (Loss) per Share in Note 10, Stockholders Equity is only applicable to BHC and Note 19, Supplemental Guarantor Subsidiaries Information is only applicable to BWAY.

Unless otherwise indicated, references in these notes to years or quarters relate to fiscal periods and references to U.S. based subsidiaries or operations include those in the Commonwealth of Puerto Rico.

Prior to 2010, our fiscal year ended on the Sunday closest to September 30. Beginning with 2010, our fiscal year will end on September 30 rather than the closest Sunday. Our North America Packaging Corporation (NAMPAC) and ICL Industrial Containers ULC (ICL) subsidiaries currently report their financial position, results of operations and cash flows on a calendar month basis with a fiscal year ending on September 30. These subsidiaries have been consolidated in the accompanying consolidated financial statements as of and for the years ended September 30. There were no significant or unusual transactions between the calendar and fiscal ending dates that should have been considered in the consolidated financial statements.

Investment funds affiliated with Kelso & Company, L.P. (Kelso) own approximately 45.3% of BHC s common stock. As a result, the Kelso Affiliates exercises significant influence over matters required BHC stockholder approval and BHC s polices and affairs.

Business and Segment Information

BHC is a holding company without independent operations. BWAY, BHC s operating subsidiary, produces and sells metal and rigid plastic containers primarily to industrial and consumer products manufacturers for use as packaging. We have operations in the United States and Canada and primarily sell to customers located in these geographic markets. We report our operations in two business segments, metal packaging and plastic packaging, which are described in Note 18, Business Segments .

Recent Acquisitions

For the following acquisitions, we recorded acquired assets and assumed liabilities at fair value in accordance with applicable accounting guidance. The purchase price allocations were based on our fair value estimates. The results of operations related to these acquisitions are included in the consolidated financial statements from the applicable acquisition date.

The acquisition of Vulcan (as defined below) expanded our presence in the Canadian industrial use steel pail market and provided an opportunity to leverage the manufacturing capacity of our existing Canadian operations. The acquisition of Central Can (as defined below) provided strategic opportunities in our core markets and offered organic growth initiatives by expanding our product offering.

Vulcan Containers

In January 2007, we acquired substantially all of the assets and assumed certain of the liabilities of Vulcan Containers, Ltd., (Vulcan Ltd.), which was headquartered in Toronto. Vulcan Ltd. produced steel pails, which it

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sold primarily in Canada. We acquired the net assets for approximately $5.9 million in cash, which was funded with available cash on hand. We refer to this acquisition as the Vulcan Acquisition and to the net assets and associated business acquired as Vulcan. Vulcan is included in the metal packaging segment.

In 2007, we consolidated our ICL and Vulcan businesses, closed the Vulcan manufacturing facility and terminated approximately 100 employees. The consolidation enabled us to utilize existing capacity at our ICL facilities. In the purchase price allocation, we recorded a reorganization liability of approximately $3.7 million for severance and facility closure costs.

Central Can

In August 2009, we acquired Central Can Company, Inc. (Central Can) in a stock purchase transaction. Central Can, located in Chicago, Illinois, produces and sells rigid general line metal and plastic containers. We acquired the stock for approximately $27.7 million in cash, which was funded with available cash on hand. We refer to this acquisition as the Central Can Acquisition. Central Can is allocated between the metal packaging and plastic packaging segments.

Following the acquisition of Central Can, we implemented a plan to close our metal packaging facilities located in Chicago (Kilbourn) and Brampton, Ontario. The business and certain equipment will be moved into the Central Can facility. We expect to complete the facility consolidation during the second quarter of 2010. The consolidation will result in the termination of approximately 30 salaried and approximately 55 hourly positions. We recorded a reorganization liability of $1.2 million for severance and benefits in the opening balance sheet of Central Can.

The following table is a summary of our purchase price allocation for the fair value of the assets acquired and liabilities assumed in the above acquisitions. The Central Can purchase price allocation is preliminary and subject to completion.

($ in millions)

	Central Can	Vulcan
Current assets	$ 14.5	$ 4.3
Property, plant and equipment	31.0	
Intangible assets subject to amortization (customer relationships)	3.3	5.4
Goodwill	10.4	1.4
Other assets	1.5	
Total assets acquired	60.7	11.1
Current liabilities	14.2	1.5
Reorganization liability	1.2	3.7
Other liabilities	17.6	
Total liabilities assumed	33.0	5.2
Net assets acquired, net of cash acquired	$ 27.7	$ 5.9

We allocated goodwill and intangible assets of Central Can and Vulcan to our metal and plastic packaging segments and metal packaging segment, respectively, based on estimated fair value. See Note 8, Goodwill and Other Intangible Assets. Goodwill related to these acquisitions is not deductible for U.S. income tax purposes.

The weighted-average life of acquired customer relationships for Central Can and Vulcan was each approximately 14 years.

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Initial Public Offering of BHC Common Stock

In June 2007, we registered BHC s common stock with the U.S. Securities and Exchange Commission (the SEC) and the stock began trading on the New York Stock Exchange under the ticker symbol BWY. In this initial public offering, certain selling stockholders, including Kelso and certain members of the Board, offered shares to the public. BHC did not receive any offering proceeds. The shares offered by the selling stockholders represented a portion of their holdings of BHC s common stock. We refer to this initial public offering as the public offering or the IPO.

We paid and recorded $9.6 million in offering expenses that included $5.0 million to Kelso to terminate an annual financial advisory fees agreement. We also paid and recorded $10.0 million for a management bonus and $0.5 million for related employer payroll taxes and benefits. The selling stockholders paid underwriting discounts and commissions associated with the offering.

Concurrent with the IPO, we recorded $9.6 million in stock-based compensation expense related to the accelerated vesting of certain stock options concurrent with and contingent upon the public offering. See Note 11, Share-Based Compensation.

IPO related expenses for the fiscal year ended September 30, 2007:

($ in millions)

	Line Item			
	Cost of Products Sold	Selling and Administrative Expense	Public Offering Expense	Total
IPO Related Expenses				
Offering costs	$	$	$ 2.6	$ 2.6
Deutsche Bank advisory fee			2.0	2.0
Kelso termination fee			5.0	5.0
Management bonus (a)	2.5	8.0		10.5
Stock-based compensation (b)	1.8	7.8		9.6
Total IPO related expenses	$ 4.3	$ 15.8	$ 9.6	$ 29.7

(a) Includes $0.5 million in related employer payroll taxes and benefits.

(b) Related to the accelerated vesting of certain stock options. See Note 11, Share-Based Compensation.

Subsequent Event

On October 23, 2009, we acquired substantially all of the assets and assumed certain of the liabilities from Ball Plastic Container Corp. related to its plastic packaging plant and business located in Newnan, Georgia (Ball Plastics). The facility produces injection molded plastic pails and certain other products. We paid approximately $32.0 million for the acquisition, which was funded using available cash on hand. A preliminary purchase price allocation will be reported in our 2010 first quarter financial statements. Ball Plastics will be included in our plastic packaging segment. The initial purchase price allocation for this acquisition is currently incomplete.

At September 27, 2009, we had incurred approximately $0.5 million in transaction related costs related to this acquisition, which were recorded in other current assets. These costs were expensed in the first quarter of 2010 upon the adoption of new accounting guidance related to business combinations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and the rules and regulations of the U.S. Securities and Exchange Commission (SEC). The consolidated financial statements include the accounts of the Company and its subsidiaries, each wholly owned. All significant intercompany accounts and transactions have been eliminated. Results of operations related to acquisitions are included from the date of acquisition.

Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make certain estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingencies. Actual amounts could materially differ from these estimates and assumptions.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments purchased with original maturities of three months or less.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are included in the consolidated balance sheets net of an allowance for uncollectibility. The allowance for doubtful accounts is based on management s assessment of the collectibility of customer accounts. We regularly review the allowance for adequacy by considering factors such as historical experience, credit quality, the age of the accounts receivable balances and current economic conditions that may affect a customer s ability to pay.

Inventories

Inventories are valued at the lower of cost or market, using the First-In, First-Out (FIFO) method. Inventories are recorded net of reserves for excess or obsolete inventory, which are based on the age of inventory and our estimate of the likelihood the cost of inventory will be recovered based on forecasted demand and probable selling price.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost net of accumulated depreciation. Depreciation is recognized using a straight-line method over an estimated useful life. Generally, we estimate useful lives as 30 years for buildings and improvements, 5 to 15 years for machinery and equipment, 5 to 7 years for furniture and fixtures and 3 to 5 years for computer information systems.

Leasehold improvements are amortized over the lesser of the estimated useful life of an improvement or the remaining term on the underlying lease, which includes renewals that are reasonably assured. Equipment that is subject to capital leases is amortized using a straight-line method over the lesser of the estimated useful life of the equipment or the term of the lease. We periodically assess the appropriateness of and revise, as needed, our estimate of the remaining useful life of property, plant and equipment. Leasehold improvements are amortized over the lesser of the useful life of the asset or the term of the lease that includes renewals that are reasonably assured at the date of the business combination or purchase.

We capitalize expenditures for major renewals and replacements and charge against income expenditures for general maintenance and repairs. When property, plant and equipment are retired or otherwise disposed of, the cost and associated accumulated depreciation are removed from the account balances and any resulting gain or loss is recognized.

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Interest is capitalized for costs associated with major machinery and equipment projects. Capitalized interest is recorded as part of the cost of the associated asset and is depreciated with the asset over estimated useful life of the asset. Interest capitalized in 2009, 2008 and 2007 was insignificant.

Assets acquired under capital leases are recorded to property, plant and equipment and the related amortization is included in depreciation expense.

Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price over fair value of net assets acquired in a business combination. Goodwill is not amortized but may be written down for subsequent impairment. We test goodwill for impairment annually. We would also test goodwill for impairment if an event occurred or circumstances changed that more likely than not would reduce the value of goodwill below its carrying value.

The goodwill impairment test involves two steps. In the first step, we compare the fair value of each reporting unit with its carrying amount, including goodwill. For purposes of the first step, the fair value of a reporting unit determined in the prior year may be carried forward under certain circumstances. Each of our operating segments is considered a reporting unit for goodwill impairment testing. The fair value of each reporting unit is determined based on expected discounted future cash flows and a market comparable method. If the carrying amount of a reporting unit exceeds its fair value, goodwill is considered impaired. If goodwill is considered impaired, we would record an impairment loss equal to the excess of the carrying amount of goodwill over the implied fair value of the goodwill.

We perform the annual goodwill impairment test as of September 30 and determined that goodwill was not impaired at September 30, 2009, 2008 and 2007.

Our other intangible assets consist of finite-lived and indefinite-lived identifiable intangibles. Acquired finite-lived, identifiable intangible assets are amortized over the remaining useful life of the assets in proportion to the underlying cash flows that were used in determining the acquired value.

We test finite-lived intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable based on our estimate of future undiscounted cash flows. If we determine that impairment has occurred, the impaired asset would be written down to its fair value based on an estimate of future discounted cash flows.

Indefinite-lived identifiable intangibles are not amortized, but tested for impairment at least annually. We perform an impairment test for indefinite-lived intangible assets by comparing the fair value and carrying value of indefinite-lived intangible assets.

The fair value of an indefinite-lived intangible asset is estimated using an income approach, where estimated after-tax royalty savings are discounted and then adjusted for the benefit of tax amortization.

We would recognize an impairment charge if the carrying value of indefinite-lived identifiable intangible assets exceeded management s estimate of their fair value. There were no impairments of other intangible assets recognized in 2009, 2008 and 2007.

Debt Issuance Costs

We amortize debt issuance costs to interest expense over the term of the related financing agreement. Costs associated with agreements having a single payoff date are amortized on a straight-line basis and costs associated with agreements having scheduled payoffs are amortized on a declining balance method. Each of these methods of amortization approximates the effective yield method.

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Debt Discount

We amortize debt discount to interest expense over the term of the senior notes. The notes have a coupon rate of 10%, but were priced at a discount to par of 87.513% to yield 13.5%. The amount recognized in interest expense each period is equal to the effective interest rate at the time of issuance (13.5%) multiplied by the amount of net debt outstanding at the beginning of any given period.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparing the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If these assets are considered impaired, the impairment to be recognized is equal to the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Assets to be disposed of are recorded at the lower of net book value or fair value less cost to sell at the date management commits to a plan of disposal. Assets to be disposed of are reclassified to other current assets on the consolidated balance sheets. At September 27, 2009, there was $0.1 million recorded for assets held for sale. There were no assets held for sale recorded at September 28, 2008.

Revenue Recognition

We recognize revenue when persuasive evidence of an arrangement exists, our products have been shipped and title and risk of loss have passed to the customer, the sales amount is fixed or determinable and collectibility of the amount billed is reasonably assured. We record provisions for discounts, returns, allowances, customer rebates and other adjustments in the same period as the related revenues are recorded. We do not engage in revenue arrangements with multiple deliverables.

Accrued Rebates

We provide volume rebates on certain products to our customers. We accrue a provision for these rebates, which is recognized as a reduction of net sales, in the period in which revenue is recognized. Accrued rebates may be settled in cash or as a credit against customer accounts receivable.

Share-Based Compensation

We adopted new accounting guidance at the beginning of 2007 related to share-based payments using a prospective transition method. Under this method of adoption, we recognize share-based compensation expense for all new awards and for awards outstanding at adoption that we subsequently modify, repurchase or cancel. Share-based awards are accounted for using a fair value-based method and compensation cost is recognized over the period that service is required in order to receive the benefit. In addition, benefits of tax deductions in excess of recognized compensation cost are recorded as increases to additional paid-in capital and are reported as financing cash flows in the statement of cash flows.

Income Taxes

The provision for income taxes is comprised of taxes that are currently payable and deferred taxes that relate to temporary differences between financial reporting carrying values and tax bases of assets and liabilities. Deferred tax assets and liabilities result from deductible or taxable amounts in future years when such assets and liabilities are recovered or settled and are measured using the enacted tax rates and laws that are expected to be in effect when the assets and liabilities are recovered or settled.

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In the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management s evaluation of the facts, circumstances and information available at the reporting dates. For those tax positions where it is more-likely-than-not that a tax benefit will be sustained, we have recorded the expected amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more-likely-than-not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. Where applicable, we have also recognized associated interest and penalties.

Foreign Currency Translation

The financial statements of our Canadian subsidiary are translated into U.S. dollars for financial reporting purposes. The cumulative translation adjustments are reflected in accumulated other comprehensive income (loss) in stockholders equity. Assets and liabilities are translated at the rate of exchange on the balance sheet date, while revenues and expenses are translated at average exchange rates during the year.

Restructuring

From time to time, we implement plans to close certain facilities or permanently eliminate certain positions. We account for these restructurings following accounting guidance related to one-time termination benefits, contract termination costs and other associated costs. Under the guidance, a liability for a cost associated with an exit or disposal activity is to be recognized and measured initially at fair value only when the liability is incurred.

Fair Value of Financial Instruments

We estimate a fair value for our credit facility borrowings and publicly held senior notes based on quoted bid prices provide by our lenders. We consider the carrying value of cash and cash equivalents, trade accounts receivable and trade accounts payable to approximate fair value due to the short-term nature of such instruments. Our estimate of fair value involves judgment and may not be indicative of an amount that could be realized or paid in a current market exchange.

Derivative Financial Instruments and Hedging Activities

We do not enter into or hold derivatives for trading or hedging purposes. We review contracts for embedded derivatives that would require separate reporting and disclosure. Through our review, we did not identify any embedded derivates for separate reporting and disclosure at September 27, 2009 or September 28, 2008.

New Accounting Pronouncements and Policies

Other than as described below, no new accounting pronouncement issued or effective during the fiscal year has had or is expected to have a material impact on the Consolidated Financial Statements.

Business Combinations

In December 2007, the Financial Accounting Standards Board (FASB) issued new accounting guidance on business combinations. The new guidance revises the method of accounting for a number of aspects of business combinations, including acquisition costs, contingencies (including contingent assets, contingent liabilities and contingent purchase price), the impacts of partial and step-acquisitions (including the valuation of net assets attributable to non-acquired minority interests) and post-acquisition exit activities of acquired businesses. The new guidance will be effective for us beginning September 28, 2009 primarily affecting the accounting for subsequent acquisitions. We do not believe the adoption of the new guidance will have a material effect on our financial position, results of operations or cash flows.

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3. SUPPLEMENTAL CASH FLOW DISCLOSURES

The following information supplements the consolidated statements of cash flows for the years ended September 27, 2009, September 28, 2008 and September 30, 2007:

($ in millions)

	2009	2008	2007
Cash payments for:			
Interest	$ 29.0	$ 35.2	$ 33.6
Income taxes	13.0	7.6	9.9
Business acquisitions			
Fair value of assets acquired	$ 60.7	$	$ 10.7
Fair value of liabilities assumed	(33.0)		(4.8)
Cash used for business acquisitions	27.7		5.9
Non-cash investing and financing activities			
Amounts owed for capital expenditures	$ 0.7	$ 0.8	$ 3.3
Assets acquired through capital leases		0.4	

4. INVENTORIES

The components of inventories as of September 27, 2009 and September 28, 2008 were:

($ in millions)

	2009	2008
Raw materials	$ 21.6	$ 32.6
Work-in-progress	35.7	39.0
Finished goods	29.7	40.6
Total inventories	$ 87.0	$ 112.2

5. OTHER CURRENT ASSETS AND LIABILITIES

The components of other current assets and other current liabilities as of September 27, 2009 and September 28, 2008 were:

($ in millions)

	2009	2008
Other current assets		
Income taxes receivable	$	$ 2.8
Deferred tax assets	9.3	7.2

Other	6.3	10.7
Total other current assets	$ 15.6	$ 20.7
<u>Other current liabilities</u>		
Accrued salaries and wages	$ 18.8	$ 13.5
Accrued interest	11.9	10.1
Accrued rebates	4.2	10.6
Income taxes payable	3.6	
Self insurance	6.7	7.4
Other	18.1	10.8
Total other current liabilities	$ 63.3	$ 52.4

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6. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment as of September 27, 2009 and September 28, 2008 were:

($ in millions)

	2009	2008
Land	$ 3.3	$ 3.3
Buildings and improvements	24.6	15.1
Machinery and equipment	270.5	244.6
Furniture, fixtures and computer information systems	22.2	20.0
Construction-in-progress	15.5	7.3
	336.1	290.3
Accumulated deprecation	(175.2)	(148.4)
Property, plant and equipment, net	$ 160.9	$ 141.9

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

We do not carry any financial instruments at fair value. Other than our long-term debt, we believe the carrying amounts of financial instruments at September 27, 2009 approximate the fair values of those instruments.

Estimated fair value of long-term debt at September 27, 2009:

($ in millions)

	Carrying Value	Estimated Fair Value
Long-term debt		
10% senior subordinated notes due April 2014, gross of debt discount	$ 228.5	$ 241.7
Variable rate term loan, U.S. dollar denominated, maturing July 2013	153.8	142.2
Variable rate term loan, Canadian dollar denominated, maturing July 2013	46.5	43.0
	428.8	$ 426.9
Unamortized debt discount	(26.3)	
Total long-term debt	$ 402.3	

We have estimated the fair value of our long-term debt financial instruments based on quoted market prices in the secondary credit market.

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8. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The change in goodwill for 2008 and 2009 by reportable segment was:

($ in millions)

	Metal Packaging	Plastic Packaging	Total
Balance, September 30, 2007	$ 122.6	$ 131.0	$ 253.6
Acquisition adjustments	0.1		0.1
Income tax adjustment (1)		0.9	0.9
Error correction (2)		(2.2)	(2.2)
Currency translation adjustment	(0.4)	(1.0)	(1.4)
Balance, September 28, 2008	122.3	128.7	251.0
Acquired (3)	6.9	3.5	10.4
Expired tax contingency (4)		(0.9)	(0.9)
Currency translation adjustment	(0.5)	(1.0)	(1.5)
Balance, September 27, 2009	$ 128.7	$ 130.3	$ 259.0

(1) The adjustment represents the adoption of new accounting guidance related to uncertain tax positions. See Note 12, Income Taxes for additional information.

(2) The adjustment represents the correction of an error in the fourth quarter of 2008. See Correction of an Error under Note 1, General for additional information.

(3) In 2009, represents goodwill acquired from Central. See Note 1, General-Recent Acquisitions-Central Can, for additional information.

(4) In the fourth quarter, certain tax contingences previously recognized to goodwill were reversed as the underlying statute of limitations expired on those tax years.

Other Intangible Assets

The components of other intangible assets at September 27, 2009 and September 28, 2008 were:

($ in millions)

	2009			2008		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net

Amortizable intangible assets						
Customer relationships	$ 187.5	(74.3)	113.2	$ 185.5	$ (61.5)	$ 124.0
Tradenames	26.1	(10.5)	15.6	26.2	(8.6)	17.6
Total amortizable intangible assets	213.6	(84.8)	128.8	211.7	(70.1)	141.6
Unamortizable intangible assets						
Technology	0.6		0.6	0.6		0.6
Total other intangible assets	$ 214.2	$ (84.8)	$ 129.4	$ 212.3	$ (70.1)	$ 142.2

The useful lives of customer relationships range from 14 to 18 years and the useful lives of tradenames range from 10 to 15 years.

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Expected Future Amortization Expense

Expected future amortization expense at September 27, 2009 was:

($ in millions)

	Amortization Expense
Fiscal year	
2010	$ 15.0
2011	14.7
2012	14.1
2013	13.1
2014	12.5
Thereafter	59.4
Total expected future amortization expense	$ 128.8

9. LONG-TERM DEBT

Outstanding Long-Term Debt

Long-term debt outstanding at September 27, 2009 and September 28, 2008 consisted of:

($ in millions)

	2009	2008
Long-term debt		
10% senior subordinated notes due April 2014	$ 228.5	$
10% senior subordinated notes due October 2010		200.0
Variable rate term loan, U.S. dollar denominated, maturing July 2013	153.8	168.2
Variable rate term loan, Canadian dollar denominated, maturing July 2013	46.5	53.1
	428.8	421.3
Unamortized debt discount	(26.5)	
Total long-term debt	402.3	421.3
Less current portion of long-term debt	(6.5)	(18.9)
Long-term debt, net of current portion	$ 395.8	$ 402.4

The weighted-average interest rate on variable rate credit facility borrowings at September 27, 2009 and September 28, 2008 was approximately 2.6% and 4.8%, respectively.

Current Portion of Long-Term Debt

The current portion of long-term debt at September 27, 2009 included a mandatory excess cash flow repayment of $6.5 million ($5.0 million on the U.S. dollar denominated term loan and $1.5 million on the Canadian dollar denominated term loan). The repayments are due in December 2009.

The current portion of long-term debt at September 28, 2008 included a mandatory excess cash flow repayment of $18.4 million ($14.0 million on the U.S. dollar denominated term loan and $4.4 million on the Canadian dollar denominated term loan.) The repayments occurred in December 2008 (the amount paid in December 2008 was $17.7 million, which differed from the balance at September 28, 2008 due to a change in the exchange rate between the U.S. dollar and the Canadian dollar). The current portion of long-term debt at September 28, 2008 also included a $0.5 million scheduled repayment on the U.S. dollar denominated term loan that occurred on September 30, 2008.

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Under the terms of the credit agreement, non-scheduled repayments generally reduce the subsequent four scheduled payments and then reduce the remaining payments thereafter on a pro rata basis. The next scheduled repayments on the term loans are not due until December 2010 because of the mandatory prepayments due in December 2009.

Scheduled Maturities of Long-Term Debt

Scheduled maturities of long-term debt at September 27, 2009 were:

($ in millions)

	Amount
Fiscal year	
2010	$ 6.5
2011	2.1
2012	2.0
2013	190.0
2014	228.2
Thereafter	
Total scheduled maturities of long-term debt	$ 428.8

Senior Subordinated Notes

2014 Notes

On April 6, 2009, BWAY completed a private placement offering of approximately $228.5 million aggregate principal amount of 10% Senior Subordinated Notes due April 15, 2014 (2014 Notes) which priced at a discount to par of 87.513%. The 2014 Notes were issued pursuant to an indenture, dated as of April 6, 2009 (the Indenture), among BWAY, the Guarantors (as defined below) and The Bank of New York Mellon Trust Company, N.A., as trustee (the Trustee.)

The 2014 Notes are unsecured and subordinated to all of BWAY s existing and future senior debt, including its existing credit facilities. Each of BWAY s wholly-owned U.S. subsidiaries (the Guarantors) have guaranteed the 2014 Notes with a guarantee that will be unsecured and subordinated to all existing and future senior debt of each such subsidiary. If any subsidiary of BWAY that is not a Guarantor guarantees certain indebtedness of BWAY in the future, such subsidiary will guarantee the 2014 Notes.

BWAY may redeem the 2014 Notes, in whole or in part, at any time on or after April 15, 2011 at the redemption prices set forth in the 2014 Notes. In addition, prior to April 15, 2011, BWAY may redeem up to 35% of the 2014 Notes with the net proceeds of one or more equity offerings at a redemption price equal to 110% of the principal amount plus accrued interest. If BWAY undergoes a change of control or sells certain of its assets, it may be required to offer to purchase the 2014 Notes from holders at a purchase price equal to 101% of the principal amount (at September 27, 2009, 101% of the total principal amount outstanding was $230.8 million) plus accrued interest.

The Indenture contains covenants limiting BWAY s and the Guarantors ability to: (i) incur additional debt or issue certain preferred stock; (ii) pay dividends or distributions on capital stock or repurchase capital stock; (iii) make certain investments; (iv) create liens on assets to secure debt; (v) engage in transactions with affiliates; (vi) merge or consolidate with another company; and (vii) transfer and sell assets, in each case subject to a number of limitations and exceptions provided in the Indenture.

Upon the occurrence of customary events of default the Trustee or the holders of 25% of the principal amount of the outstanding 2014 Notes may declare the principal of and accrued and unpaid interest on the 2014 Notes to be

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due and payable. Upon the occurrence of certain bankruptcy events affecting BWAY or certain of its subsidiaries the principal of and accrued and unpaid interest on the 2014 Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

The 2014 Notes were offered in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the Securities Act), and outside the United States pursuant to Regulation S under the Securities Act.

In connection with the issuance of the 2014 Notes, BWAY and the Guarantors entered into a registration rights agreement, dated as of April 6, 2009, with the initial purchasers of the 2014 Notes (the Registration Rights Agreement), obligating BWAY, to use its commercially reasonable efforts to file with the SEC and cause to become effective a registration statement relating to an offer to exchange the 2014 Notes for new notes evidencing the same continuing indebtedness as the 2014 Notes with terms substantially identical to the 2014 Notes. BWAY will not be required to consummate the exchange offer to the extent that before April 7, 2010 (1) the 2014 Notes are freely tradeable pursuant to Rule 144 under the Securities Act and (2) the restrictive legend has been removed from the 2014 Notes. If applicable interpretations of the staff of the SEC do not permit BWAY to effect the exchange offer, BWAY will be required to use its commercially reasonable efforts to make available an effective shelf registration statement relating to resales of any 2014 Notes. In the event that BWAY defaults on these obligations, it will be required to pay additional interest on the 2014 Notes with respect to which such default exists until the default is cured.

We incurred costs of approximately $5.5 million associated with the issuance of the 2014 Notes. The amount includes an underwriting fee of approximately $4.3 million. The costs have been capitalized and are being amortized to interest expense over the term of the 2014 Notes.

At September 27, 2009, we were in compliance with applicable financial covenants related to the senior notes.

2010 Notes

On April 6, 2009, BWAY used the net cash proceeds from the offering of the 2014 Notes and approximately $14.5 million of cash on hand to pre-fund the redemption of the 2010 Notes and to satisfy and discharge its obligations under the indenture governing the 2010 Notes. On April 6, 2009, BWAY provided notice of redemption to holders of the 2010 Notes. The $14.5 million included a redemption premium of $3.3 million (1.667% of the then outstanding principal) and accrued interest through May 6, 2009, the date of redemption, of $11.2 million, which included approximately $1.7 million of interest accrued from the date the redemption was pre-funded to the date the notes were redeemed. Under the terms of the notes, BWAY could not redeem the notes prior to 30 days after providing the notice of redemption.

Loss on Extinguishment of Debt

In the third quarter of 2009, we recorded a loss on extinguishment of debt of $4.8 million. The loss included a redemption premium of $3.3 million (as discussed above) and the write-off of unamortized debt issuance costs associated with the 2010 Notes of $1.5 million.

Credit Facility

Our credit facility consists of a U.S. denominated term loan (the U.S. term loan), a $50.0 million revolving credit facility (the U.S. revolver), a Canadian denominated term loan (the Canadian term loan) and a US$5.0 million equivalent revolving credit facility (the Canadian revolver), (collectively, the credit facility). We initially borrowed $190.0 million on the U.S. term loan and Cdn$56.4 million (US$50.0 million equivalent at the borrowing date) on the Canadian term loan. We have subsequently made repayments of these term loans that we may not re-borrow.

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BWAY is the borrower of the U.S. term loan and only BWAY can borrow on the U.S. revolver. ICL is the borrower of the Canadian term loan and only ICL can borrow on the Canadian revolver. The Canadian revolver can be drawn in either U.S. dollars or Canadian dollars, at the option of the borrower.

The term loans mature on July 17, 2013 and the revolving credit facilities mature on July 17, 2012.

The term loans are subject to scheduled quarterly repayments. Scheduled repayments may be offset by voluntary prepayments or by mandatory repayments. In December 2009, a mandatory repayment of $6.5 million is due, which will offset scheduled repayments in 2010. Scheduled quarterly repayments of approximately $0.4 million on the U.S. term loan and approximately $0.1 million on the Canadian term loan will resume in December 2010 and continue through March 31, 2013. The remaining unpaid balance is due on the maturity date.

Amounts repaid on the term loans may not be re-borrowed. The mandatory repayments in December 2009 and December 2008 represented a portion of excess cash flow, as defined in the credit agreement.

Interest accrues on the term loans at a variable base rate plus a fixed margin. At September 27, 2009, the effective interest rate on outstanding U.S. loan borrowings was approximately 2.6% and on outstanding Canadian term loan borrowings was approximately 2.7%.

Interest on outstanding revolving credit facility borrowings, if any, accrues at a variable base rate plus a variable margin. The margin is based on a consolidated total leverage ratio, as defined in the credit agreement. At September 27, 2009, we had $5.4 million in standby letter of credit commitments that reduced the amount available to borrow under the U.S. revolver to $44.6 million. At September 27, 2009, we had $0.2 million in standby letter of credit commitments that reduced the amount available to borrow under the Canadian revolver to $4.8 million.

BHC and each of our U.S. subsidiaries have guaranteed the U.S. term loan and U.S. revolver, each of which is secured by substantially all the U.S. assets of BWAY and the assets of BHC. In addition, we have pledged as collateral all of the issued and outstanding stock of our U.S. subsidiaries, which are wholly-owned, and, subject to certain limitations, the outstanding stock of ICL. ICL has guaranteed the Canadian term loan and Canadian revolver, each of which is secured by all of the assets of ICL.

The credit agreement contains covenants that, among other things, limit our ability (and the ability of some or all of our subsidiaries) to: incur additional debt, pay dividends or distributions on our capital stock or to repurchase our capital stock, make certain investments, loans or advances, create liens on our assets to secure debt, engage in transactions with affiliates, merge or consolidate with another company, transfer and sell assets and make acquisitions. We are limited in the amount of capital expenditures we may expend annually, and we may be required to make mandatory repayments of the term loans based on excess cash flow.

We are required to maintain a minimum consolidated interest coverage ratio, as defined in the credit agreement, and to not exceed a maximum consolidated total leverage ratio, as defined in the credit agreement. The calculation of these ratios is based on consolidated EBITDA, which, as defined in the credit agreement, permits certain adjustments including cash restructuring charges. However, these adjustments, including cash restructuring charges, are limited over a certain period or in the aggregate.

We must maintain a minimum consolidated interest coverage ratio of 3.05 and a maximum consolidated total leverage ratio of 3.55. These ratios are determined at the end of each quarter based on the preceding 12 months.

The covenants contained in the credit agreement, including the ratios discussed above, are subject to a number of important limitations and exceptions. At September 27, 2009, we were in compliance with all applicable financial covenants contained in the credit agreement.

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Debt Issuance Costs

We are amortizing original debt issuance costs of approximately $11.4 million related to the 2014 Notes and our credit facility. The costs are amortized to interest expense over the term of the related debt utilizing a method that approximates the effective yield method. At September 27, 2009, approximately $8.7 million of deferred costs remained to be amortized. Deferred debt issuance costs are recorded in other assets.

At September 28, 2008, approximately $6.9 million of deferred costs remained to be amortized. The unamortized costs at September 28, 2008 included costs related to the issuance of the 2010 Notes, a portion of which were written off in the third quarter of 2009 as discussed above under Loss on Extinguishment of Debt.

Debt Discount

We are amortizing debt discount on the 2014 Notes to interest expense over the term of the notes. The notes, when issued, were priced at a discount to par of 87.513% to yield 13.5%. The amount recognized in interest expense each period is equal to the effective interest rate at the time of issuance (13.5%) multiplied by the amount of net debt outstanding at the beginning of any given period.

10. STOCKHOLDERS EQUITY

Net Income (Loss) per Share

Net income (loss) per share for the fiscal years ended September 27, 2009 and September 28, 2008, and September 30, 2007 was:

($ in millions, except per share amounts)

	2009	2008	2007
Net income (loss)	$ 23.5	$ 11.9	$ (3.1)
Basic net income (loss) per share			
Weighted-average number of shares outstanding (000s)	21,941	21,691	20,851
Basic net income per share	$ 1.07	$ 0.55	$ (0.15)
Diluted net income (loss) per share			
Weighted-average number of shares outstanding (000s)	21,941	21,691	20,851
Dilutive effect of stock options (1) (000s)	1,478	1,697	
Weighted-average number of shares outstanding assuming dilution (000s)	23,419	23,388	20,851
Diluted net income per share	$ 1.00	$ 0.51	$ (0.15)

(1) Approximately 1.5 million in 2009, 1.4 million in 2008 and 5.6 million in 2007 of our outstanding stock options were not included in the diluted net income per share calculation because the options were out-of-the-money, unvested with vesting based on an unachieved market condition or to do so would have been anti-dilutive.

Deferred Shares

In 2004, we issued 45,382 deferred shares of BHC common stock to an officer of NAMPAC in satisfaction for amounts due under a long-term performance plan that was terminated as part of the NAMPAC Acquisition. The shares were valued at $0.4 million at the time of issuance. Concurrent with the IPO, we issued an equal number of shares of BHC common stock in exchange for the deferred shares.

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BHC Registration Rights Agreement

In February 2003, BHC and the Non-Kelso Securityholders entered into a registration rights agreement (the Holding Registration Rights Agreement). The agreement grants Kelso the right to make an unlimited number of requests for BHC to register their shares under the Securities Act following the first anniversary of an initial public offering. In any demand registration, all of the parties to the Holding Registration Rights Agreement have the right to participate on a pro rata basis, subject to certain conditions. In addition, if BHC proposes to register any of its shares (other than registrations related to exchange offers, benefit plans and certain other exceptions), all of the holders of registration rights under the Holding Registration Rights Agreement have the right to include their shares in the registration statement, subject to certain conditions.

In September 2009, at the request of Kelso and one of our directors, each pursuant to the registration rights agreement, we filed a registration statement with the Securities and Exchange Commission to register BHC securities owned by them.

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss as of September 27, 2009 and September 28, 2008 are as follows:

($ in millions)

	2009	2008
Accumulated other comprehensive loss		
Pension and other postretirement benefits, net of tax of $2.8 and $1.6, respectively	$ (4.6)	$ (2.5)
Cumulative foreign currency translation adjustments	0.8	1.8
Accumulated other comprehensive loss	$ (3.8)	$ (0.7)

11. SHARE-BASED COMPENSATION

We adopted new accounting guidance at the beginning of 2007 using a prospective transition method. Under this method of adoption, we recognize share-based compensation expense for all new awards and for awards outstanding at adoption that we subsequently modify, repurchase or cancel.

Summary of Share-Based Compensation Plans

We have share-based compensation plans under which we grant stock option awards to management and grant restricted stock shares to our independent directors. Exercise prices on options granted were set equal to the market price of the underlying shares of BHC on the date of grant.

Management stock option awards granted since June 2007 have a 10 year life and vest equally over three years on the grant s anniversary date. Director restricted stock granted since June 2007 vested at the end of the fiscal year in which it was granted.

Management stock option awards granted from February 2003 through May 2007 have a 10 year life. The awards originally vested based on a mixture of service period, Company financial performance and an exit event. At September 27, 2009, approximately 1.3 million shares were available for grant.

In June 2007, concurrent with BHC s IPO, all then unvested shares with service and performance vesting criteria and a portion of the unvested shares with exit event criteria were immediately vested. The exit event vesting criteria on the unvested shares were modified to vest based on the market performance of BHC s common stock. Under the modified criteria, unvested options would become vested in three equal tranches based on an average

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per share closing price of BHC s common stock over a consecutive 45 day period with a minimum closing price on the 45th day for each tranche, as follows:

	45 Day Average Price	Minimum Closing Price
First tranche	$ 19.26	$ 16.37
Second tranche	21.52	18.29
Third tranche	23.78	20.21

All outstanding, unvested options may become exercisable upon a change-in-control, as defined in the applicable plan document.

Outstanding Stock Options

Stock options outstanding at September 27, 2009 and changes during the year then ended:

	Outstanding		Nonvested	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Options outstanding, September 28, 2008	5,229,930	$ 5.80	1,168,641	$ 6.84
Options granted	580,000	15.58	580,000	15.58
Options exercised	(291,338)	7.17		
Options forfeited	(138,882)	11.33	(138,882)	11.33
Options vested			(16,669)	10.64
Options outstanding, September 27, 2009	5,379,710	6.64	1,593,090	9.59
Options vested and exercisable, September 27, 2009	3,786,620	$ 5.39		

At September 27, 2009, the weighted-average remaining contractual term was 4.0 years for options outstanding and 3.1 years for options vested and exercisable. At September 27, 2009, the aggregate intrinsic value was $63.1 million for options outstanding and $49.1 million for options vested and exercisable. At September 27, 2009, approximately 0.6 million of nonvested shares subject to options will become exercisable based on fulfilling a service condition, of which approximately 0.2 million are expected to vest in 2010.

We received cash from exercised options of $2.1 million, $0.9 million and $3.4 million in 2009, 2008 and 2007, respectively. We recognized excess tax benefits related to the exercised options, net of tax benefits lost due to forfeitures, of $0.6 million, $0.1 million and $4.4 million in 2009, 2008 and 2007, respectively. The total fair value of options vested in 2009, 2008 and 2007 was $0.1 million, $0.1 million and $7.2 million, respectively.

The weighted-average grant date fair value of options granted was $6.63, $4.34 and $9.51 in 2009, 2008 and 2007, respectively. The total intrinsic value of options exercised was $2.4 million, $1.3 million and $12.0 million, 2009, 2008 and 2007, respectively.

Stock-Based Compensation Expense

Years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Stock-based compensation expense (a)			
Cost of products sold (excluding depreciation and amortization) (b)	$ (0.5)	$ 1.5	$ 2.5
Selling and administrative expense (c)	1.5	4.8	9.8
Total stock-based compensation expense	$ 1.0	$ 6.3	$ 12.3

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(a) Stock-based compensation expense is included in undistributed corporate expense in the business segment disclosure in Note 18, Business Segments.

(b) In 2009, 2008 and 2007, non-cash stock-based compensation expense (credit) included $(0.7) million, $1.5 million and $0.6 million, respectively, related to exit options for which vesting conditions were modified at the IPO. In 2007, non-cash stock-based compensation expense also included $1.8 million related to the accelerated vesting of certain stock options at the IPO.

(c) In 2009, 2008 and 2007, non-cash stock-based compensation expense included $1.5 million, $4.8 million and $1.5 million, respectively, related to exit options for which vesting conditions were modified at the IPO. In 2007, non-cash stock-based compensation expense also included $7.8 million related to the accelerated vesting of certain stock options at the IPO.

At September 27, 2009, there was $3.8 million of compensation cost that has not yet been recognized related to stock awards. We expect to recognize the cost over a remaining weighted-average period of 2.9 years.

Grant Date Fair Value

For purposes of determining the grant date fair value of share-based payment awards, we use the Black-Scholes option-pricing model (Black-Scholes Model). The model utilizes the following inputs, determined as of the grant date: (1) expected dividend yield on the underlying stock, (2) expected price volatility of the underlying stock, (3) risk-free interest rate for a period corresponding with the expected term of the option, (4) expected option term (the period of time from the grant date until the option is exercised) and (5) fair value of the underlying stock.

The weighted-average grant date fair value for the options granted in 2009, 2008 and 2007 was based on the Black-Scholes Model assumptions in the table below. Our volatility assumption was based on the historical volatility of BWAY s common stock when it was publicly traded.

Fiscal years ended September 27, 2009, September 28, 2008 and September 30, 2007

	2009	2008	2007
Expected dividend yield (a)	%	%	%
Expected volatility (b)	40.0%	40.0%	52.9%
Risk-free interest rate (c)	2.5	3.5	4.4
Expected term (in years) (d)	6.0	6.0	10.0

(a) The Company has not paid dividends and does not expect to pay dividends. As such, we have assumed a 0% dividend yield.

(b) The expected price volatility is based on the historical volatility of BWAY common stock, which was publicly traded between May 1995 and February 2003. We believe this historical volatility is currently the best indicator of future volatility of BHC common stock, which has only traded publically since June 2007.

(c) The risk-free interest rate is based on the yield curve of U.S. Treasury securities for a period corresponding with the expected term of the option.

(d) We estimate an expected term using a simplified method, which is applicable to plain-vanilla options. The SEC staff allows this method for companies that conclude that their historical exercise experience does not provide a reasonable basis upon which to estimate an expected term. We concluded that sufficient historical data was not available to enable us to determine a reasonable estimate of exercise experience.

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Accelerated and Modified Vesting

At the IPO in June 2007, all then unvested shares with service and performance vesting criteria and a portion of the unvested shares with exit event criteria were immediately vested. In addition, the vesting criteria on the remaining unvested shares were modified to vest based on the market performance of BHC s common stock. The accelerated and modified vesting of these options constituted a modification of previously issued awards, which required the recognition of stock-based compensation expense.

For the options with accelerated vesting, we immediately recognized stock-based compensation of approximately $9.6 million. The charge represented (i) previously unrecognized stock-based compensation expense related to the modified options and (ii) the incremental fair value resulting from the modification as determined using a Black-Scholes option-pricing model.

For the options with modified vesting, we recognized stock-based compensation expense over the derived service period of approximately 28 months beginning in June 2007. At September 27, 2009, we had fully recognized the charge of approximately $9.2 million. The original charge was expected to be approximately $11.3 million. The actual charge was less due to cancelled options that had not vested. Although the entire expense related to the modification has been fully recognized, accrued stock-based compensation on cancelled options may be reversed in the future unless the related options have vested.

Stock-based compensation related to the options with modified vesting was based on the increase in fair value, if any, of such options due to the modification. The fair value was determined at the modification date using a Monte Carlo simulation model. The derived service period over which the expense was recognized was estimated as the median time to meet the underlying market condition, as determined by the simulation model.

The Monte Carlo simulation model required the following inputs, as of the modification date: (1) expected dividend yield on the underlying stock, (2) expected price volatility of the underlying stock, (3) risk-free interest rate for a period corresponding with the expected term of the option and (4) fair value of the underlying stock. The methodology used to determine these assumptions is similar as for the Black-Scholes Model discussed above; however, the expected term is determined by the model in Monte Carlo simulation.

The following inputs were used in the Monte Carlo simulation model to determine fair value as of the IPO date for the modified options: risk-free interest rate ranging from 4.6% to 5.4%, no dividends and expected volatility ranging from 38.5% to 49.1%.

12. INCOME TAXES

Provision for Income Taxes

Fiscal years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Provision for Income Taxes			
Federal	$ 16.4	$ 9.0	$ 6.9
Foreign	1.0	0.3	2.3
State	1.3	0.3	2.1
Current provision for income taxes	18.7	9.6	11.3
Deferred benefit from income taxes	(7.5)	(8.3)	(10.4)
Provision for income taxes	$ 11.2	$ 1.3	$ 0.9

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Fiscal years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Reconciliation of the Provision for Income Taxes with the Federal Statutory Rate			
Provision for (benefit from) income taxes at the federal statutory rate	$ 12.1	$ 4.6	$ (0.8)
State income tax expense, net of federal income tax benefits	0.9	0.3	0.1
Foreign income taxed at rates other than the federal statutory rate	0.2	0.3	0.1
Non-deductible public offering costs			1.5
Puerto Rican tax assessment		(0.7)	
Adjustment to estimated effective state tax rates	(0.5)	(0.7)	(0.8)
Section 199 deduction	(1.1)	(0.6)	
Foreign tax credit	(0.3)	(0.3)	
Correction of an error (a)		(2.3)	
Other items, net	(0.1)	0.7	0.8
Provision for income taxes	$ 11.2	$ 1.3	$ 0.9
Effective tax rate as a percentage of pretax income (loss)	32.3%	9.9%	(42.8)%

(a) In 2008, we recorded a $2.3 million reduction in deferred income tax expense to correct errors related to misstatements of certain components of deferred taxes. The $2.3 million corrects certain deferred tax liabilities that were overstated by approximately $2.6 million, certain deferred tax assets that were understated by approximately $2.0 million and an income taxes receivable that was overstated by approximately $0.1 million. The errors related to the consolidated financial statements for 2004 through 2007. The correction also resulted in a decrease to goodwill of $2.2 million.

Tax benefits credited to stockholders equity for 2009, 2008 and 2007 were $1.8 million, $1.4 million and $5.1 million, respectively. These primarily relate to income tax benefits from the exercise of stock options and the impacts of certain adjustments to pension and other retiree benefit obligations recorded in stockholders equity.

Deferred Taxes

The components of deferred tax assets and liabilities at September 27, 2009 and September 28, 2008 were as follows:

($ in millions)

	2009	2008
Deferred Tax Liabilities		
Property, plant and equipment	$ 30.1	$ 23.9
Intangible assets	44.8	46.2
Section 481 method change related to LIFO (a)	2.6	5.2
Other	0.6	0.5
Total deferred tax liabilities	78.1	75.8

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	2009	2008
Deferred Tax Assets		
Restructuring reserves	1.2	1.1
Employee benefits	15.5	11.3
Inventory	3.4	2.3
Accounts receivable	0.5	0.6
Stock-based compensation expense	8.5	8.5
Unrecognized tax benefits	0.4	0.5
Other	11.4	2.9
Total deferred tax assets	40.9	27.2
Deferred tax liability, net	$ 37.2	$ 48.6
Current deferred tax assets, net	$ (9.3)	$ (7.2)
Noncurrent deferred tax liabilities, net	46.5	55.8
Deferred tax liability, net	$ 37.2	$ 48.6

(a) Represents amounts due to the Internal Revenue Service for previously realized tax benefits from our use of the Last-In, First-Out (LIFO) method of accounting for inventory. We changed our inventory valuation method from the LIFO method to the FIFO method in 2007, which resulted in approximately $10.5 million in income taxes due. The $10.5 million is payable over four years and payments began with the 2007 tax year.

At September 27, 2009, deferred tax assets included federal net operating loss (NOL) carryforwards of $7.1 million and foreign NOL carryforwards of $0.2 million. These NOL carryforwards have various expiration dates through 2029. At September 27, 2009, deferred tax assets also included $0.2 million of state income tax credit carryforwards. These credits have various expiration dates through 2028.

On October 1, 2007, we adopted new accounting guidance on the accounting for uncertainty in income taxes. The adoption of the new guidance resulted in a decrease to retained earnings of approximately $0.2 million, which was reflected as a cumulative effect of a change in accounting principle, with a corresponding increase to the net liability for unrecognized tax benefits. The impact primarily reflects the accrual of additional statutory interest and penalties as required by the new accounting guidance and increases to existing unrecognized tax benefits to comply with measurement principles. The implementation of the new guidance also resulted in an increase in our net tax liabilities for uncertain tax positions related to prior acquisitions accounted for under purchase accounting, resulting in a $0.9 million increase to goodwill. Additionally, we historically classified unrecognized tax benefits in current taxes payable. Because of the adoption of the new guidance, unrecognized tax benefits not expected to be paid in the next 12 months were reclassified to other noncurrent liabilities.

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A reconciliation of the beginning and ending liability of unrecognized tax benefits for the fiscal years ended September 27, 2009 and September 28, 2008:

($ in millions)

	2009	2008
Unrecognized Tax Benefits		
Beginning balance	$ 2.0	$ 1.7
Increases in tax positions for prior years	0.3	0.1
Increases in tax positions for current year	0.1	0.2
Settlements with taxing authorities	(0.6)	
Lapse in statute of limitations	(1.1)	
Acquisitions	0.2	
Ending balance	$ 0.9	$ 2.0

We file income tax returns in the U.S., Canada and Puerto Rico, as well as in multiple state and provincial jurisdictions therein. With few exceptions, we are no longer subject to income tax examinations by any taxing authorities for years prior to 2006.

Included in the total liability for unrecognized tax benefits at September 27, 2009 is approximately $1.2 million that, if recognized, would impact the effective tax rate in future periods.

We recognize accrued interest related to unrecognized tax benefits in interest expense. We recognize penalties related to unrecognized tax benefits in income tax expense. As of September 27, 2009 and September 28, 2008, we had accrued interest of $0.1 million and $0.5 million and penalties of $0.2 million and $0.1 million, respectively that are not included in the above table. In 2009, we recognized $0.1 million in penalties, and in 2008 we recognized $0.2 million in interest.

We do not expect any significant changes to the unrecognized tax benefits within twelve months of the reporting date.

13. LEASE COMMITMENTS

We lease manufacturing facilities, warehouses and office space under operating leases and lease vehicles and equipment under operating and capitalized leases. We recorded lease expense of approximately $11.6 million in 2009, $12.2 million in 2008 and $11.8 million in 2007.

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Future minimum lease payments under non-cancelable lease commitments as of September 27, 2009:

($ in millions)

	Capitalized Leases	Operating Leases
Fiscal year ending September 30		
2010	$ 1.0	$ 9.6
2011	1.1	7.8
2012	1.1	5.7
2013	1.0	5.0
2014	1.2	6.2
2015 and thereafter	9.6	14.7
Total minimum lease payments	15.0	$ 49.0
Less: imputed interest	(5.5)	
Present value of minimum capitalized lease payments	9.5	
Less: current portion of capitalized lease obligations	(1.9)	
Long-term capitalized lease obligations	$ 7.6	

At September 27, 2009, there was approximately $8.4 million of property, plant and equipment, net, related to assets held under capital leases.

14. EMPLOYEE BENEFIT OBLIGATIONS

Pension and Postretirement Benefit Plans

We have a defined benefit pension plan sponsored by NAMPAC that covers certain hourly and salaried employees. The plan was frozen for salaried and hourly participants in 2004 and 1998, respectively. Benefits are based on the participant s compensation and period of employment as of the date the plan was frozen.

We offer postretirement medical coverage to certain union employees at our Cincinnati, Ohio manufacturing facility in accordance with certain of our collective bargaining agreements. We closed the plan to new participants in 1998.

The measurement dates used to determine pension benefit obligations are September 30, 2009 and September 30, 2008 and the measurement dates used to determine other postretirement benefit obligations are September 27, 2009 and September 28, 2008.

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The following table reflects the components of net periodic benefit cost for the fiscal years ended September 27, 2009, September 28, 2008 and September 30, 2007:

($ in millions)

	Pension Benefits			Other Benefits		
	2009	2008	2007	2009	2008	2007
Components of net periodic benefit cost						
Service cost	$	$	$	$	$	$
Interest cost	0.9	0.7	0.7	0.4	0.4	0.4
Expected return on plan assets	(0.7)	(0.8)	(0.7)			
Recognized net actuarial loss	0.1			0.1	0.1	0.1
Total net periodic benefit cost	$ 0.3	$ (0.1)	$	$ 0.5	$ 0.5	$ 0.5

The following table reflects the change in the fair value of plan assets and projected benefit obligation and weighted-average assumptions at September 27, 2009 and September 28, 2008:

($ in millions)

	Pension Benefits		Other Benefits	
	2009	2008	2009	2008
Change in Benefit Obligation				
Benefit obligation, beginning of period	$ 11.6	$ 10.6	$ 6.7	$ 7.0
Service cost				
Interest cost	0.9	0.6	0.4	0.4
Actuarial loss (gain)	2.4	0.7	0.9	(0.3)
Acquisitions	14.5			
Benefit payments	(0.5)	(0.3)	(0.5)	(0.3)
Benefit obligation, end of period	28.9	11.6	7.5	6.8
Change in Plan Assets				
Fair value of plan assets, beginning of period	8.1	9.7		
Actual return on plan assets	0.5	(2.1)		
Acquisitions	6.4			
Company contributions	0.4	0.8	0.5	0.3)
Benefit payments	(0.5)	(0.3)	(0.5)	(0.3)
Fair value of plan assets, end of period	14.9	8.1		
Funded status	$ (14.0)	$ (3.5)	$ (7.5)	$ (6.8)

($ in millions)

	Pension Benefits	Other Benefits

	2009	2008	2009	2008
Assumptions used to Determine Benefit Obligations				
Discount rate	5.50%	6.75%	5.33%	6.50%
Assumptions used to Determine Net Periodic Benefit Cost				
Discount rate	6.19%	6.30%	6.50	6.00%
Expected return on plan assets	8.00%	8.00%		
Assumed Health Care Cost Trend Rates				
Health care cost trend rates assumed for next year			10.50%	10.00%
Rate to which the health care cost trend rate is assumed to decline (ultimate trend rate)			5.00%	5.00%
Year that the rate reaches the ultimate trend rate			2016	2015

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The accumulated benefit obligation for the defined benefit pension plans was $28.9 million at the end of 2009 and $11.6 million at the end of 2008. The accumulated benefit obligation for the other benefit plan was $7.5 million at the end of 2009 and $6.8 million at the end of 2008.

Our defined benefit pension and other postretirement benefit costs and obligations are dependent on actuarial assumptions in calculating such amounts. These assumptions, which we review annually, include the discount rate, long-term expected rate of return on plan assets, healthcare cost trend rate and other economic and demographic factors. We determine the discount rate assumption for the defined benefit pension plan based on the estimated rate at which annuity contracts could be purchased to discharge the pension benefit obligation. In estimating discount rates for the defined benefit pension plan and the other postretirement benefit plans, we evaluate the AA-rated corporate long-term bond yield rate in the United States at the end of our fiscal year as an estimate of the rate that would generate matching cash flows to pay benefits under the plans if invested in a portfolio of high quality debt instruments. The long-term expected rate of return on plan assets is based on a combination of historical results of the portfolio and our expectation of future returns that we expect to realize over the estimated remaining life of the plan liabilities that will be funded with the plan assets. The healthcare cost trend rate assumptions are based on historical cost and payment data, the near-term outlook and an assessment of the likely long-term trends. Since the defined benefit pension plan was frozen, as discussed below, we did not make salary growth assumptions.

The following table presents plan assets as a percentage of total plan assets for our defined benefit pension plans at September 27, 2009 and September 28, 2009:

($ in millions)

	2009	2008
Asset Category		
Equity mutual funds	34%	59%
Fixed income mutual funds	22	41
Annuities	27	
Debt securities	15	
Cash	2	
Total	100%	100%

We employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a determined level of risk. Risk tolerance is established through consideration of plan liabilities, plan funded status and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across domestic and non-domestic stock, as well as growth, value and small and large capitalizations. Other assets such as real estate, private equity and hedge funds may be used to enhance long-term returns while improving portfolio diversification. Derivatives may be used to gain market exposure; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an ongoing basis through periodic investment portfolio reviews, annual liability measurements and periodic asset/liability studies.

In August 2009, we acquired Central Can, which has a defined benefit pension plan. The asset categories used to invest the plan assets include annuities and debt securities. We will evaluate the asset allocation of the plan assets based on the above stated objectives and adjust the asset allocation accordingly.

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Estimated future benefit payments under the defined benefit pension plans and other postretirement benefits by fiscal year are as follows:

($ in millions)	Pension Benefits	Other Benefits
Years Ending September 30		
2010	$ 1.4	$ 0.5
2011	1.4	0.5
2012	1.4	0.6
2013	1.4	0.6
2014	1.5	0.5
2015 - 2019	8.8	2.7

In 2010, we expect to contribute approximately $1.2 million to the pension plans and pay approximately $0.5 million for the other benefit plans.

Assumed health care cost trend rates could have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

($ in millions)	1% Increase	1% Decrease
Effect on total of service and interest components	$	$
Effect on accumulated postretirement benefit obligation	0.7	(0.6)

Defined Contribution Plans

We offer qualified defined contribution plans that cover substantially all full-time employees. Under the plans, we match employee contributions up to a certain limit. One of the plans provides for a deferred profit sharing component, which is funded at the discretion of the Board of Directors. Our net contributions to these plans were approximately $2.6 million in 2009, $3.0 million in 2008 and $3.1 million in 2007.

Supplemental Executive Retirement Plans

We provide retirement benefits to certain current and former executives in the form of supplemental executive retirement plan (SERP) benefits. We recorded expenses of approximately $1.0 million in 2009, $0.1 million in 2008 and $0.5 million in 2007 related to these plans. We paid SERP benefits of approximately $0.7 million in 2009, $0.7 million in 2008 and $0.5 million in 2007. We had accrued SERP liabilities of $6.3 million at September 27, 2009 and $6.0 million at September 28, 2008. The current and the noncurrent portions of the SERP liability are recorded in other current liabilities and other noncurrent liabilities, respectively, in the consolidated balance sheets. The liabilities at the end of 2009 and 2008 were determined using a discount rate of 5.5% and 6.7%, respectively. The SERPs are unfunded.

Estimated future benefit payments under the SERP agreements are as follows:

($ in millions)	SERP Benefits
Years Ending September 30	
2010	$ 0.7
2011	0.7
2012	0.7
2013	0.8
2014	0.7
2015 - 2019	2.7

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Multiemployer Pension Plans

Certain of our union employees are covered by union sponsored multiemployer pension plans. Generally, we have no obligations to these plans other than to remit premiums (either withheld from employees or paid by company on behalf of the employee). In accordance with GAAP, the net plan assets or net plan obligations of these multiemployer plans do not appear in our financial statements. However, as discussed in Note 16, Restructuring, related to the closure of our Franklin Park facility, we could be subject to withdrawal liabilities. Generally, the liability is determined at the end of the plan year in which an employer withdraws. The employer would be required to pay to the fund its pro rata share of any plan deficit at the end of the plan year. The employer would not be entitled to any portion of a plan surplus.

We contribute to certain union sponsored defined contribution plans that provide benefits to certain union employees under collective bargaining agreements. Our contributions to these plans were approximately $1.0 million in 2009 and approximately $1.4 million in each of 2008 and 2007.

At September 27, 2009 and September 28, 2008, we had accrued liabilities for pension withdrawal liabilities related to the closure of our Franklin Park facility of $3.7 million and $3.4 million, respectively. Because our portion of any withdrawal liability is determined as of the end of the applicable plan year in which we withdrew from the plan, we do not know the actual amount or over what period the liability will be settled. In 2009, we received a final determination from one of the plans. The amount accrued at September 27, 2009 related to this plan was $2.6 million, which is payable monthly plus interest through 2029. The remaining liability of $1.1 million was an estimate for the remaining Franklin Park pension withdrawal liabilities.

15. RELATED PARTY TRANSACTIONS

Prior to the IPO in June 2007, we paid an annual financial advisory fee of approximately $0.5 million to Kelso and reimbursed them for related expenses, which were included in other expense, net. In 2007 we paid $5.0 million to Kelso to terminate the advisory fee agreement (see Note 1, General).

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16. RESTRUCTURING

The components of restructuring liabilities by reportable segment, including certain amounts not allocated to a segment, as of September 28, 2008 and September 27, 2009 and the change in the liabilities during the fiscal year ended September 27, 2009 were:

($ in millions)	Severance Costs	Facility Closure Costs	Pension Withdrawal Liabilities	Total
Plastic Packaging Segment				
Balance, September 30, 2007	$	$ 0.5	$	$ 0.5
Restructuring expense	1.5	1.3		2.8
Expenditures	(1.0)	(0.7)		(1.7)
Balance, September 28, 2008	0.5	1.1		1.6
Restructuring expense	0.2	0.6		0.8
Expenditures	(0.7)	(1.0)		(1.7)
Balance, September 27, 2009		0.7		0.7
Metal Packaging Segment				
Balance, September 30, 2007				
Restructuring charge	0.7	2.7	3.4	6.8
Expenditures	(0.5)	(1.1)		(1.6)
Balance, September 28, 2008	0.2	1.6	3.4	5.2
Restructuring expense	0.4	0.9	0.3	1.6
Acquisitions	1.2			1.2
Expenditures	(0.3)	(1.2)		(1.5)
Balance, September 27, 2009	1.5	1.3	3.7	6.5
Corporate Unallocated				
Balance, September 28, 2008				
Restructuring charge	2.3	0.9		3.2
Expenditures	(1.0)	(0.9)		(1.9)
Balance, September 27, 2009	1.3			1.3
Total restructuring liabilities	$ 2.8	$ 2.0	$ 3.7	$ 8.5

Restructuring liabilities were recorded in other current liabilities with the exception Franklin Park pension plan withdrawal liabilities of $3.4 million and $3.7 million at September 28, 2008 and September 27, 2009, respectively, which were recorded in other liabilities. The nature of the liabilities is discussed below.

Division Consolidation

In May 2009, the Board of Directors approved a plan to eliminate our operating divisions and restructure management in order to operate the company as a single entity. Management believes the change in the operating structure change will increase management efficiency and lower overhead expenses in support of its continued efforts to reduce the Company s overall cost base. Under the plan, divisional offices will be closed, approximately 23 salaried positions will be eliminated and approximately 20 salaried positions will be relocated.

We estimate the plan will result in restructuring expenses of approximately $3.1 million, consisting of approximately $1.6 million for severance and benefits, approximately $1.3 million for employee relocations and approximately $0.2 million for other associated costs.

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We recognized approximately $1.5 million of the estimated severance and benefits costs in 2009 and estimate that the remaining approximately $0.1 million will be recognized in the first quarter of 2010. We recognized approximately $0.9 million of employee relocation expenses and other costs in 2009. These costs are recognized as they are incurred.

The amount and timing of cash flows estimated above are preliminary and will be updated as facts and circumstances warrant.

Other Initiatives

Vulcan. In 2007, as part of the acquisition of Vulcan, we committed to a plan to consolidate the Vulcan business with and into our ICL operations. As a result, the Vulcan manufacturing facilities were closed and approximately 100 employees were terminated. As part of the purchase price allocation, we recorded a reorganization liability of approximately $3.7 million for severance and facility closure costs. The liability was fully extinguished by September 28, 2008.

In connection with our on-going productivity and cost-savings initiatives, in 2008 we announced our intent to close Franklin Park and our manufacturing facility in Cleveland, Ohio (Cleveland.) We began the closures during 2008 and operations have ceased at the facilities. Until the leases on these facilities expire, we will continue to incur certain holding costs. Franklin Park and Cleveland are part of the metal packaging and plastic packaging segments, respectively.

Franklin Park. In 2008, we recorded restructuring expense of approximately $6.8 million, consisting of approximately $0.6 million of severance and benefits, approximately $3.4 million as an estimate of our obligation to satisfy withdrawal liabilities associated with our portion of unfunded benefit obligations of union sponsored multiemployer pension plans and approximately $2.8 million of facility shutdown and holding costs. Facility holding costs include approximately $1.6 million in long-term lease obligations, net of estimated sublease proceeds. In 2009, we recorded restructuring charges of approximately $0.9 million related to costs associated with removal of equipment and holding costs associated with the closed facility and $0.3 million related to the estimated pension withdrawal liability. Approximately 85 employees were affected by the facility closure.

In 2008, we recorded additional depreciation expense of $0.8 million related to the shortened expected useful lives of certain assets, primarily machinery and equipment that were dismantled and permanently taken out of service. In 2009 and 2008, we incurred approximately $0.8 million and $0.9 million, respectively, in capital expenditures related to rebuilding and installing certain assets relocated from Franklin Park for use at other facilities.

Cleveland. In 2008, we recorded restructuring expense of approximately $1.7 million, consisting of approximately $0.5 million of severance and benefits and approximately $1.2 million of facility shutdown and holding costs. Facility holding costs include approximately $1.1 million in long-term lease obligations, net of sublease assumptions. In 2009, we recorded restructuring charges of approximately $0.5 million related to costs associated with removal of equipment and holding costs associated with the closed facility and $0.1 million related to severance and benefits. Approximately 95 employees were affected by the facility closure.

In 2008, we recorded additional depreciation expense of $0.5 million related to the shortened expected useful lives of certain assets, primarily machinery and equipment that were dismantled and permanently taken out of service. In 2009 and 2008, we incurred approximately $1.1 million and $1.2 million, respectively, in capital expenditures related to rebuilding and installing certain assets relocated from Cleveland for use at other facilities.

Central Can. In August 2009 in conjunction with the Central Can acquisition, management committed to a plan close our manufacturing facility in Brampton, Ontario and our Kilbourn facility located in Chicago, Illinois. The

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facilities will be consolidated with Central Can. We recorded a reorganization liability in purchase accounting of approximately $1.2 million for severance and benefits for the elimination of redundant positions at Central Can. We expect to record restructuring charges of approximately $0.9 million related to severance and benefits for eliminated positions at the Brampton facility. We recorded approximately $0.3 million in the fourth quarter of 2009 and expect to record the remaining $0.6 million in the first quarter of 2010. In addition to severance and benefits, we expect to record restructuring charges of approximately $3.0 million related to the leasehold, shutdown and holding costs of the Brampton and Kilbourn facilities. The majority of the costs will be recognized in 2010.

In addition to the above costs, we recorded additional depreciation related to long-lived assets that will be taken out of service of $0.6 million in 2009 and expect to record an additional $1.1 million in the first quarter of 2010.

17. COMMITMENTS AND CONTINGENCIES

Environmental

We are subject to a broad range of federal, state, provincial and local environmental, health and safety laws, including those governing discharges to air, soil and water, the handling and disposal of hazardous substances and the investigation and remediation of contamination resulting from the release of hazardous substances. We believe that we are currently in material compliance with all applicable environmental, health and safety laws, although future expenditures may be necessary in order to maintain such compliance, including compliance with air emission control requirements for volatile organic compounds. In addition, in the course of operations we use, store and dispose of hazardous substances.

Some of our current and former facilities are currently involved in environmental investigations, remediation or other claims resulting from the release of hazardous substances or the presence of other contaminants. Except to the extent otherwise disclosed, we believe the likelihood is remote that any material losses may have resulted from identified environmental remediation matters or environmental investigations relating to current or former facilities. While we do not believe that any identified investigation or remediation obligations will have a material adverse effect on our financial position, results of operations or cash flows, there is no assurance that such obligations will not arise in the future. Many of our facilities have a history of industrial usage for which investigation and remediation obligations could arise in the future and which could have a material adverse effect on our financial position, results of operations or cash flows.

In a letter dated March 14, 2007, the United States Environmental Protection Agency (EPA) informed us that corrective action was required at our Cincinnati facility to address documented releases of hazardous substances at the site. The documented releases referenced by the EPA occurred prior to our ownership of the site. The EPA has requested that we enter into an Administrative Order on Consent under the Resource Conservation and Recovery Act (RCRA) with respect to corrective action obligations. We are working with the EPA to address their concerns, and we have notified the former owner of the site that we believe has indemnity obligations to us with respect to these claims.

In July 2008, we received a letter from the EPA stating that certain requirements of the RCRA were violated, based on a compliance review inspection, at our Homerville facility. We settled this matter in the third quarter of 2009 for $0.2 million, which was accrued at September 28, 2008.

From time to time, we receive requests for information or are identified as a potentially responsible party (PRP) pursuant to the Federal Comprehensive Environmental Response, Compensation and Liability Act or analogous state laws with respect to off-site waste disposal sites utilized by current or former facilities or our predecessors in interest. We do not believe that any of these identified matters will have a material adverse effect on our

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financial position, results of operations or cash flows. We cannot, however, provide assurance that such obligations will not arise in the future.

We are a member of a PRP group related to a waste disposal site in Georgia. Our status as a PRP was based on documents indicating that waste materials were transported to the site from our Homerville, Georgia facility prior to our acquisition of the facility in 1989. We joined the PRP group in order to reduce exposure, which is estimated to be approximately $0.1 million.

We record reserves for environmental liabilities when environmental investigation and remediation obligations are probable and related costs are reasonably estimable. The amounts related to these liabilities (including those amounts noted above) are included in other current liabilities and were approximately $0.3 million at September 27, 2009 and approximately $0.4 million at September 28, 2008. These accruals are estimates and future expenditures may exceed these amounts.

Self Insurance

The majority of our medical and workers compensation benefits are under high-deductible plans with certain stop loss arrangements. We determine our workers compensation liability using data based on filed claims, and we determine our medical claims liability based on our analysis of actual claims. The amounts related to these claims are included in other current liabilities and were $6.7 million at September 27, 2009 and $7.4 million at September 28, 2008.

Litigation

We are involved in legal proceedings from time to time in the ordinary course of business. We believe that the outcome of these proceedings will not have a material effect on our financial condition, results of operations or cash flows. We are also involved in certain proceedings relating to environmental matters as described under Environmental above.

Lead Paint Litigation

One of our subsidiaries, Armstrong Containers, Inc. (Armstrong) has been named as one of several defendants in several lead-related personal injury cases based upon allegations relating to its alleged corporate predecessor s products that predated our ownership of Armstrong. The allegations in these cases are similar to those against leading paint manufacturers, who are defendants in a substantial number of lawsuits concerning exposure of children to lead-based paint applied thirty or more years ago. The plaintiffs in the personal injury cases seek unspecified monetary damages in excess of the statutory minimum for personal injuries due to alleged exposure to lead paint, as well as punitive damages. We expect that additional lead pigment/lead-based paint litigation may be filed against Armstrong (or that Armstrong may be added to existing litigation against other defendants) asserting similar or different claims and seeking similar or different types of damages or relief.

Litigation is inherently subject to many uncertainties. Adverse court rulings, determinations of liability, changes in legislation and administrative regulations, among other factors, could affect the lead pigment/lead-based paint litigation against Armstrong and affect the number and impact the nature of future claims and proceedings. We can neither predict the outcome of existing or future cases that name Armstrong as a defendant due to the uncertainties involved nor can we reasonably determine the scope or amount of the potential costs and liabilities related to these matters. We have, therefore, not reserved any amounts in respect of potential payments of damages. Any potential liability determined to be attributable to Armstrong arising out of these matters may have a material adverse effect on our financial position, results of operations and/or cash flows.

At September 27, 2009 and September 28, 2008, we had accrued approximately $0.2 million in legal fees and expenses related to the lead paint litigation.

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Other Litigation

In December 2008, two of our customers filed a lawsuit against us that arose from the sale of aerosol cans to them. The lawsuit attempts to state two causes of action against BWAY: (1) bad faith breach of contract and (2) fraudulent inducement. The plaintiffs allege losses and seek to recover all available damages in an amount no less than three times their non-punitive damages, attorneys fees and costs and any other damages the court deems appropriate. The case is currently in the discovery stage.

At September 27, 2009 and September 28, 2008, we had accrued approximately $2.1 million and $0.4 million, respectively, related to pending litigation matters. At September 27, 2009, the accrued liability included an estimate related to the matter discussed above under other litigation.

Letters of Credit

At September 27, 2009, a bank had issued standby letters of credit on our behalf in the aggregate amount of $5.6 million primarily in favor of our workers compensation insurers.

Collective Bargaining Agreements

At September 27, 2009, we employed approximately 2,200 hourly employees and approximately 500 salaried employees. At September 27, 2009, approximately 28% of our hourly workforce was covered by seven separate collective bargaining agreements, none of which will expire or become amendable in the next 12 months.

Commodity Risk

We are subject to various risks and uncertainties related to changing commodity prices for, and the availability of, the raw materials (primarily steel and plastic resin) and energy (primarily electricity and natural gas) used in our manufacturing processes.

18. BUSINESS SEGMENTS

Our operations are organized and reviewed by management along our product lines in two reportable segments: metal packaging and plastic packaging. The primary raw materials and manufacturing processes are unique for each segment. We differentiate the segments based on the nature of the products they manufacture. Our business segments are further described below.

Metal Packaging. The metal packaging segment includes those products primarily manufactured from steel. Products in this segment include paint cans, aerosol containers, ammunition boxes and other general line metal containers. Metal packaging production facilities, generally, and manufacturing processes are distinct from those of our plastic packaging segment.

Plastic Packaging. The plastic packaging segment includes those products primarily manufactured from plastic resin. Products in this segment include open- and tight-head pails and drums and other multi-purpose rigid industrial plastic packaging. Plastic packaging production facilities, generally, and manufacturing processes are distinct from those of our metal packaging segment.

We do not allocate stock-based compensation expense or certain other general administrative expenses to our business segments for reporting purposes. These unallocated expenses are included in our business segment disclosures as corporate undistributed expenses.

Our segment asset disclosures include those inventories, property, plant and equipment, goodwill and other intangible assets applicable to the segment. The accounting policies of our segments are the same as those described in Note 2, Summary of Significant Accounting Policies. There were no significant inter-segment sales in the periods presented in the financial statements. Management s evaluation of segment performance is principally based on a measure of segment earnings, which we calculate as segment gross profit (excluding depreciation and amortization) less selling expenses (Segment Earnings).

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The following tables set forth certain financial information attributable to our business segments for the fiscal years ended September 27, 2009, September 28, 2008 and September 30, 2007:

($ in millions)

	2009	2008	2007
Net Sales			
Metal packaging	$ 590.1	$ 583.0	$ 572.8
Plastic packaging	314.3	436.0	386.2
Consolidated net sales	$ 904.4	$ 1,019.0	$ 959.0

Income (Loss) Before Income Taxes			
Segment earnings			
($ in millions)	2009	2008	2007
Metal packaging	$ 94.1	$ 80.9	$ 75.2
Plastic packaging	46.0	40.6	48.3
Segment earnings	140.1	121.5	123.5
Expenses not Distributed to Segments			
Corporate undistributed expenses	14.6	16.4	31.8
Depreciation and amortization (summarized below)	44.8	46.8	45.4
Public offering expenses			9.6
Restructuring	5.6	9.6	(0.1)
Interest, net	35.1	35.3	38.0
Loss on extinguishment of debt	4.8		
Other	0.5	0.2	1.0
Total expenses not distributed to segments	105.4	108.3	125.7
Consolidated income (loss) before income taxes	$ 34.7	$ 13.2	$ (2.2)
Depreciation and Amortization			
Metal packaging	$ 21.3	$ 23.3	$ 22.7
Plastic packaging	22.0	22.2	21.7
Segment depreciation and amortization	43.3	45.5	44.4
Corporate	1.5	1.3	1.0
Consolidated depreciation and amortization	$ 44.8	$ 46.8	$ 45.4

Although not included in our measures of segment earnings, other amounts regularly provided to management for the fiscal year ended September 27, 2009 included $0.9 million and $0.6 million for restructuring expense, $0.3 million and $0.5 million for other expense and $(0.1) million and $8.6 million for provision for (benefit from) income taxes for the metal packaging segment and plastics packaging segment, respectively. These amounts also included $1.9 million for interest expense for the plastic packaging segment.

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Total assets attributable to our business segments at September 27, 2009 and September 28, 2008:

($ in millions)

	2009	2008
Total Assets		
Metal packaging	$ 336.0	$ 322.6
Plastic packaging	290.0	316.6
Segment total assets	626.0	639.2
Corporate	229.5	243.2
Total assets	$ 855.5	$ 882.4

Fiscal years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Capital Expenditures			
Metal packaging	$ 5.4	$ 14.3	$ 12.0
Plastic packaging	9.2	16.9	12.4
Segment total	14.6	31.2	24.4
Corporate	3.9	2.8	1.2
Consolidated capital expenditures	$ 18.5	$ 34.0	$ 25.6

Fiscal years ended September 27, 2009, September 28, 2008 and September 30, 2007

	2009	2008	2007
Percentage of Sales to Top Ten Customers			
Metal packaging segment	50%	45%	47%
Plastic packaging segment	42	38	36
Consolidated	42	37	37
Percentage of Sales to the Largest Customer			
Metal packaging segment	19%	16%	16%
Plastic packaging segment	18	19	17
Consolidated	19	17	16
Percentage of Sales by Geographic Location			
United States	92%	90%	90%
Canada	8	9	9
Other		1	1

19. SUPPLEMENTAL GUARANTOR SUBSIDIARIES INFORMATION

The 2014 Notes are guaranteed on a full, unconditional joint and several basis by our U.S. based subsidiaries, which are wholly-owned. The following is condensed, consolidating financial information for BWAY and its subsidiaries, segregating the guarantor subsidiaries and non-guarantor subsidiaries, as of September 27, 2009 and September 28, 2008 and for the three years ended September 27, 2009. We have not presented separate financial statements for the guarantor subsidiaries or the non-guarantor subsidiaries because we believe the statements would not provide materially useful information to investors.

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BWAY Corporation and Subsidiaries

Supplemental Condensed Consolidating Balance Sheet Information

September 27, 2009

($ in millions)	BWAY Corporation	Guarantor Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Assets					
Current Assets					
Cash and cash equivalents	$ 58.0	$ 21.7	$ 9.0	$	$ 88.7
Accounts receivable, net	58.5	38.1	7.2		103.8
Inventories, net	59.8	22.7	4.5		87.0
Other current assets	43.2	4.1	0.6	(32.3)	15.6
Total current assets	219.5	86.6	21.3	(32.3)	295.1
Property, plant and equipment, net	73.3	79.7	7.9		160.9
Goodwill	120.3	107.1	31.6		259.0
Other intangible assets, net	33.6	74.7	21.1		129.4
Other assets	9.9	0.5	0.7		11.1
Intercompany		93.6		(93.6)	
Investment in subsidiaries	320.7	26.7		(347.4)	
Total assets	$ 777.3	$ 468.9	$ 82.6	$ (473.3)	$ 855.5
Liabilities and Stockholder s Equity					
Current Liabilities					
Accounts payable	$ 56.9	$ 35.0	$ 6.1	$	$ 98.0
Other current liabilities	47.1	47.2	1.3	(32.3)	63.3
Current portion of long-term debt	5.0		1.5		6.5
Total current liabilities	109.0	82.2	8.9	(32.3)	167.8
Long-term debt	350.8		45.0		395.8
Deferred tax liabilities	10.9	34.5	1.1		46.5
Intercompany	83.5	9.5	0.6	(93.6)	
Other liabilities	24.8	22.1	0.2		47.1
Total liabilities	579.0	148.3	55.8	(125.9)	657.2
Stockholder s Equity					
Preferred stock					
Common stock					
Additional paid-in capital	144.6	261.4	19.6	(281.0)	144.6
Retained earnings	57.5	61.6	6.4	(68.0)	57.5
Accumulated other comprehensive loss	(3.8)	(2.4)	0.8	1.6	(3.8)
Total stockholder s equity	198.3	320.6	26.8	(347.4)	198.3
Total liabilities and stockholder s equity	$ 777.3	$ 468.9	$ 82.6	$ (473.3)	$ 855.5

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BWAY Corporation and Subsidiaries

Supplemental Condensed Consolidating Balance Sheet Information

September 28, 2008

($ in millions)	BWAY Corporation	Guarantor Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Assets					
Current Assets					
Cash and cash equivalents	$ 78.3	$ 5.3	$ 8.5	$	$ 92.1
Accounts receivable, net	54.6	48.5	10.2		113.3
Inventories, net	74.0	30.4	7.8		112.2
Other current assets	43.0	(23.3)	1.0		20.7
Total current assets	249.9	60.9	27.5		338.3
Property, plant and equipment, net	79.2	53.8	8.9		141.9
Goodwill	120.3	97.7	33.0		251.0
Other intangible assets, net	39.3	78.2	24.7		142.2
Other assets	7.8	0.3	0.9		9.0
Intercompany					
Investment in subsidiaries	278.9	26.2		(305.1)	
Total assets	$ 775.4	$ 317.1	$ 95.0	$ (305.1)	$ 882.4
Liabilities and Stockholder s Equity					
Current Liabilities					
Accounts payable	$ 70.8	$ 67.3	$ 11.7	$	$ 149.8
Other current liabilities	43.1	7.6	1.7		52.4
Current portion of long-term debt	14.5		4.4		18.9
Total current liabilities	128.4	74.9	17.8		221.1
Long-term debt	353.7		48.7		402.4
Deferred tax liabilities	15.1	39.6	1.1		55.8
Intercompany	80.1	(81.2)	1.1		
Other liabilities	24.4	4.9	0.1		29.4
Total liabilities	601.7	38.2	68.8		708.7
Stockholder s Equity					
Preferred stock					
Common stock					
Additional paid-in capital	140.4	233.7	19.6	(253.3)	140.4
Retained earnings	34.0	45.1	4.8	(49.9)	34.0
Accumulated other comprehensive (loss) income	(0.7)	0.1	1.8	(1.9)	(0.7)
Total stockholder s equity	173.7	278.9	26.2	(305.1)	173.7

Total liabilities and stockholder s equity	$	775.4	$	317.1	$	95.0	$	(305.1)	$	882.4

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BWAY Corporation and Subsidiaries

Supplemental Condensed Consolidating Statement of Operations Information

For the year ended September 27, 2009

($ in millions)	BWAY Corporation	Guarantor Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Net sales	$ 568.9	$ 283.6	$ 51.9	$	$ 904.4
Costs and Expenses					
Cost of products sold (excluding depreciation and amortization)	475.6	237.2	43.1	(0.4)	755.5
Depreciation and amortization	20.6	20.1	4.1		44.8
Selling and administrative	19.6	3.0	0.8		23.4
Restructuring	4.5	0.6	0.5		5.6
Interest, net	33.2		1.9		35.1
Loss on extinguishment of debt	4.8				4.8
Other	0.9	(0.1)	(0.7)	0.4	0.5
Total costs and expenses	559.2	260.8	49.7		869.7
Income before income taxes	9.7	22.8	2.2		34.7
Provision for income taxes	2.7	7.9	0.6		11.2
Equity in income of subsidiaries	16.5	1.6		(18.1)	
Net income	$ 23.5	$ 16.5	$ 1.6	$ (18.1)	$ 23.5

BWAY Corporation and Subsidiaries

Supplemental Condensed Consolidating Statement of Operations Information

For the year ended September 28, 2008

($ in millions)	BWAY Corporation	Guarantor Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Net sales	$ 557.0	$ 383.8	$ 78.2	$	$ 1,019.0
Costs and Expenses					
Cost of products sold (excluding depreciation and amortization)	479.8	342.4	67.4	(0.6)	889.0
Depreciation and amortization	22.7	20.3	3.8		46.8
Selling and administrative	20.7	3.1	1.1		24.9
Restructuring	6.9	1.7	1.0		9.6
Interest, net	31.8		3.5		35.3
Other	0.3	(0.5)	(0.2)	0.6	0.2
Total costs and expenses	562.2	367.0	76.6		1,005.8

Income (loss) before income taxes		(5.2)		16.8		1.6			13.2
Provision for (benefit from) income taxes		(1.6)		2.4		0.5			1.3
Equity in income of subsidiaries		15.5		1.1				(16.6)	
Net income	$	11.9	$	15.5	$	1.1	$	(16.6)	$ 11.9

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BWAY Corporation and Subsidiaries

Supplemental Condensed Consolidating Statement of Operations Information

For the year ended September 30, 2007

($ in millions)	BWAY Corporation	Guarantor Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Net sales	$ 544.1	$ 337.9	$ 77.0	$	$ 959.0
Costs and Expenses					
Cost of products sold (excluding depreciation and amortization)	475.2	291.6	64.0	(0.7)	830.1
Depreciation and amortization	22.0	20.4	3.0		45.4
Selling and administrative	32.2	3.3	1.7		37.2
Public offering	9.6				9.6
Restructuring	(0.1)				(0.1)
Interest, net	34.6		3.4		38.0
Other	0.7	(0.5)	0.1	0.7	1.0
Total costs and expenses	574.2	314.8	72.2		961.2
(Loss) income before income taxes	(30.1)	23.1	4.8		(2.2)
Provision for (benefit from) income taxes	(9.2)	8.5	1.6		0.9
Equity in income of subsidiaries	17.8	3.2		(21.0)	
Net (loss) income	$ (3.1)	$ 17.8	$ 3.2	$ (21.0)	$ (3.1)

BWAY Corporation and Subsidiaries

Supplemental Condensed Consolidating Statement of Cash Flows Information

For the year ended September 27, 2009

($ in millions)	BWAY Corporation	Guarantor Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	$ 40.5	$ 23.2	$ 7.6	$	$ 71.3
Cash flows from investing activities					
Capital expenditures	(8.9)	(8.3)	(1.3)		(18.5)
Acquisitions, net of cash acquired	(27.7)				(27.7)
Change in intercompany		3.1	0.5	(3.6)	
Net cash (used in) provided by investing activities	(36.6)	(5.2)	(0.8)	(3.6)	(46.2)
Cash flows from financing activities					
Repayments of long-term debt, net	(14.4)		(3.7)		(18.1)
Debt issuance costs	(5.5)				(5.5)

Other	(0.7)	(1.6)			(2.3)
Change in intercompany	(3.6)			3.6	
Net cash (used in) provided by financing activities	(24.2)	(1.6)	(3.7)	3.6	(25.9)
Effect of exchange rate changes on cash and cash equivalents			(2.6)		(2.6)
Net decrease in cash and cash equivalents	(20.3)	16.4	0.5		(3.4)
Cash and cash equivalents, beginning of period	78.3	5.3	8.5		92.1
Cash and cash equivalents, end of period	$ 58.0	$ 21.7	$ 9.0	$	$ 88.7

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BWAY Corporation and Subsidiaries

Supplemental Condensed Consolidating Statement of Cash Flows Information

For the year ended September 28, 2008

($ in millions)	BWAY Corporation	Guarantor Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	$ 50.2	$ 18.6	$ 5.0	$	$ 73.8
Cash flows from investing activities					
Capital expenditures	(16.1)	(14.8)	(3.1)		(34.0)
Other	0.4				0.4
Net cash used in investing activities	(15.7)	(14.8)	(3.1)		(33.6)
Cash flows from financing activities					
Repayments of long-term debt	(1.3)		(0.6)		(1.9)
Other	0.8				0.8
Net cash used in financing activities	(0.5)		(0.6)		(1.1)
Effect of exchange rate changes on cash and cash equivalents			(0.4)		(0.4)
Net increase in cash and cash equivalents	34.0	3.8	0.9		38.7
Cash and cash equivalents, beginning of period	44.3	1.5	7.6		53.4
Cash and cash equivalents, end of period	$ 78.3	$ 5.3	$ 8.5	$	$ 92.1

BWAY Corporation and Subsidiaries

Supplemental Condensed Consolidating Statement of Cash Flows Information

For the year ended September 30, 2007

($ in millions)	BWAY Corporation	Guarantor Subsidiaries	Other Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	$ 25.6	$ 11.6	$ 9.7	$	$ 46.9
Cash flows from investing activities					
Capital expenditures	(12.5)	(11.6)	(1.5)		(25.6)
Business acquisitions			(5.9)		(5.9)
Other	0.1				0.1
Net cash used in investing activities	(12.4)	(11.6)	(7.4)		(31.4)
Cash flows from financing activities					
Repayments of long-term debt	(20.0)		(0.6)		(20.6)

Other		7.5								7.5
Net cash used in financing activities		(12.5)				(0.6)				(13.1)
Effect of exchange rate changes on cash and cash equivalents										
Net increase in cash and cash equivalents		0.7				1.7				2.4
Cash and cash equivalents, beginning of period		43.6		1.5		5.9				51.0
Cash and cash equivalents, end of period	$	44.3	$	1.5	$	7.6	$		$	53.4

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20. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

($ in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Fiscal 2009					
Net sales	$ 212.5	$ 206.1	$ 236.4	$ 249.4	$ 904.4
Gross margin (excluding depreciation and amortization)	20.4	39.4	46.6	42.5	148.9
Net loss (income)	(2.7)	8.7	8.5	9.0	23.5
Net (loss) Income Per Share BHC					
Basic	$ (0.13)	$ 0.40	$ 0.39	$ 0.41	$ 1.07
Diluted	(0.13)	0.38	0.39	0.37	1.00
Fiscal 2008					
Net sales	$ 217.4	$ 243.6	$ 274.0	$ 284.0	$ 1,019.0
Gross margin (excluding depreciation and amortization)	20.5	32.2	40.1	37.2	130.0
Net loss (income)	(3.9)	1.1	8.1	6.6	11.9
Net (loss) Income Per Share BHC					
Basic	$ (0.18)	$ 0.05	$ 0.37	$ 0.30	$ 0.55
Diluted	(0.18)	0.05	0.35	0.28	0.51

In the above table, quarterly net (loss) income per share calculations are based on the weighted-average number of shares outstanding during the quarter. As a result, the sum of the quarterly per share amounts may not equal the annual net income per share amount.

The following items included in the unaudited quarterly results of operations may affect comparability of the information:

The provision for income taxes in the fourth quarter of 2008 included a benefit of approximately $1.9 million related to the correction of an error in deferred income taxes. See Note 12, Income Taxes.

The third and fourth quarters of 2009 included restructuring expenses of $1.5 million and $2.7 million, respectively, primarily related to division consolidation. The second, third and fourth quarters of 2008 included restructuring expenses of approximately $4.2 million, $1.4 million and $3.9 million, respectively, primarily related to the closure of two facilities and headcount reductions in Canada. See Note 16, Restructuring.

The third quarter of 2009 included a $4.8 million loss on extinguishment of debt related to the refinancing of the Company s senior subordinated notes. See Note 9, Long-Term Debt.

The first, second, third and fourth quarters of 2009 included stock-based compensation expense (credits) of $0.9 million, $0.3 million, $(0.3) million and $0.1 million, respectively, and the first, second, third and fourth quarters of 2008 included stock-based compensation expense of $1.8 million, $1.8 million, $1.7 million and $1.0 million, respectively, related to the modification of vesting criteria for certain stock options related to the public offering. See Note 11, Share-Based Compensation.

The second quarter of 2008 included a bad debt credit of $1.0 million related to a change in our estimated allowance for doubtful accounts. The fourth quarter of 2008 included a bad debt charge of $0.7 million for a customer that filed for liquidation through bankruptcy.

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Schedule I

Condensed Financial Information of Registrant

BWAY Holding Company

Condensed Balance Sheet Information

September 27, 2009 and September 28, 2008

($ in millions, except par value)

	2009	2008
Assets		
Investment in subsidiary	$ 198.3	$ 173.7
Liabilities and Stockholders Equity		
Stockholders Equity		
Preferred stock, $0.01 par value, 20,000,000 shares authorized	$	$
Common stock, $0.01 par value, 200,000,000 shares authorized; 22,198,718 and 21,860,650 shares issued and outstanding	0.2	0.2
Additional paid-in capital	137.9	133.7
Retained earnings	64.0	40.5
Accumulated other comprehensive loss	(3.8)	(0.7)
Total stockholders equity	198.3	173.7
Total liabilities and stockholders equity	$ 198.3	$ 173.7

BWAY Holding Company

Condensed Statement of Operations Information

Years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Equity in earnings (loss) of subsidiary, net of tax	$ 23.5	$ 11.9	$ (3.1)
Weighted-Average Common Shares Outstanding			
Basic	21,941	21,691	20,851
Diluted	23,419	23,388	20,851
Net Income (Loss) Per Share			
Basic	$ 1.07	$ 0.55	$ (0.15)
Diluted	1.00	0.51	(0.15)

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BWAY Holding Company

Condensed Statement of Cash Flows Information

Years ended September 27, 2009, September 28, 2008 and September 30, 2007

($ in millions)

	2009	2008	2007
Cash Flows from Operating Activities			
Cash provided by operating activities	$	$	$ 10.0
Cash Flows from Investing Activities			
Repurchase and cancellation of common stock			(1.2)
Cash settlement of stock options			(8.8)
Cash used in financing activities			(10.0)
Net change in cash and cash equivalents			
Cash and cash equivalents, beginning of period			
Cash and cash equivalents, end of period	$	$	$

BWAY Holding Company

Notes to Condensed Financial Information

Basis of Presentation

These condensed parent company financial statements have been prepared in accordance with Rule 12-04, Schedule I of Regulation S-X. BWAY Holding Company (BHC) is a holding company, which conducts its operations through its wholly-owned subsidiary, BWAY Corporation and its subsidiaries (BWAY). BHC and BWAY are collectively referred to as we or our.

Initial Public Offering

In June 2007, BHC completed the registration of its common stock with the U.S. Securities and Exchange Commission (the SEC) and BHC common stock began trading on the New York Stock Exchange under the ticker symbol BWY. In this initial public offering of BHC common stock, certain selling stockholders offered shares to the public, which represented a portion of their BHC common stock (the public offering). We did not receive any proceeds from the offering.

BWAY paid and recorded approximately $9.6 million in expenses related to the offering, including a $5.0 million payment to affiliates of Kelso & Company, L.P. (Kelso) to terminate the payment of annual financial advisory fees. BWAY also expensed $10.0 million for a bonus paid to certain members of management and $0.5 million for related payroll taxes and benefits. Kelso is the largest holder of BHC common stock.

Debt

Credit Facility

In July 2006, we entered into a credit agreement with various lenders. The credit agreement governs a credit facility consisting of a $190.0 million term loan (the U.S. Term Loan), a $50.0 million revolving credit facility (the U.S. Revolver), a Cdn$56.4 million (US$50.0 million equivalent at the borrowing date) term loan (the Canadian Term Loan) and a US$5.0 million equivalent revolving credit facility (the Canadian Revolver), (collectively, the Credit Facility). The credit agreement was amended in May 2007 to enable us to complete the public offering and related transactions.

BWAY is the U.S. Term Loan borrower and only BWAY can borrow on the U.S. Revolver. ICL Industrial Containers, ULC (ICL) is the Canadian Term Loan borrower and only ICL can borrow on the Canadian Revolver. ICL is a wholly-owned subsidiary of BWAY.

The term loans mature on July 17, 2013 and the revolving loans mature on July 17, 2012.

Interest accrues on outstanding credit facility borrowings at variable interest rates. At September 27, 2009, the effective interest rate on outstanding U.S. Term Loan borrowings was approximately 2.6% and on outstanding Canadian Term Loan borrowings was approximately 2.7%.

BHC and each of our U.S. subsidiaries have guaranteed the U.S. Term Loan and U.S. Revolver, each of which is secured by substantially all of the U.S. assets of BWAY and the assets of BHC. In addition, we have pledged as collateral all of the issued and outstanding stock of its U.S. subsidiaries, which are wholly-owned, and, subject to certain limitations, the outstanding stock of ICL. ICL has guaranteed the Canadian Term Loan and Canadian Revolver, each of which is secured by all of the assets of ICL.

The credit agreement contains covenants that, among other things, limit our ability (and the ability of some or all of our subsidiaries) to: incur additional debt, pay dividends or distributions on our capital stock or to repurchase our capital stock, make certain investments, loans or advances, create liens on our assets to secure debt, engage in transactions with affiliates, merge or consolidate with another company, transfer and sell assets and make acquisitions. We are limited in the amount of capital expenditures we may expend annually, and we may be required to use Excess Cash Flow (as defined in the credit agreement), if any, to repay debt.

At September 27, 2009, BWAY was scheduled to make a mandatory repayment of $5.0 million and ICL was scheduled to make a mandatory repayment of $1.5 million on their respective term loans in December 2009 due to Excess Cash Flow from 2009.

At September 28, 2008, BWAY was scheduled to make a mandatory repayment of $14.4 million and ICL BWAY was scheduled to make a mandatory repayment of $4.4 million on their respective term loans in December 2008 due to Excess Cash Flow from 2008.

We are required to maintain a minimum Consolidated Interest Coverage Ratio and to not exceed a maximum Consolidated Total Leverage Ratio, each as defined in the credit agreement.

The covenants of the credit agreement are subject to a number of important limitations and exceptions. We were in compliance with all applicable covenants of the credit agreement as of September 27, 2009.

Senior Notes

On April 6, 2009, BWAY completed a private placement offering of approximately $228.5 million aggregate principal amount of 10% Senior Subordinated Notes due April 15, 2014 (2014 Notes) which priced at a discount to par of 87.513%. The 2014 Notes were issued pursuant to an indenture, dated as of April 6, 2009 (the Indenture), among BWAY, the Guarantors (as defined below) and The Bank of New York Mellon Trust Company, N.A., as trustee (the Trustee.)

The 2014 Notes are unsecured and subordinated to all of BWAY s existing and future senior debt, including its existing credit facilities. Each of BWAY s wholly-owned U.S. subsidiaries (the Guarantors) have guaranteed the 2014 Notes with a guarantee that will be unsecured and subordinated to all existing and future senior debt of each such subsidiary. If any subsidiary of BWAY that is not a Guarantor guarantees certain indebtedness of BWAY in the future, such subsidiary will guarantee the 2014 Notes.

BWAY may redeem the 2014 Notes, in whole or in part, at any time on or after April 15, 2011 at the redemption prices set forth in the 2014 Notes. In addition, prior to April 15, 2011, BWAY may redeem up to 35% of the 2014 Notes with the net proceeds of one or more equity offerings at a redemption price equal to 110% of the

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principal amount plus accrued interest. If BWAY undergoes a change of control or sells certain of its assets, it may be required to offer to purchase the 2014 Notes from holders at a purchase price equal to 101% of the principal amount (at September 27, 2009, 101% of the total principal amount outstanding was $230.8 million) plus accrued interest.

The Indenture contains covenants limiting BWAY s and the Guarantors ability to: (i) incur additional debt or issue certain preferred stock; (ii) pay dividends or distributions on capital stock or repurchase capital stock; (iii) make certain investments; (iv) create liens on assets to secure debt; (v) engage in transactions with affiliates; (vi) merge or consolidate with another company; and (vii) transfer and sell assets, in each case subject to a number of limitations and exceptions provided in the Indenture.

Upon the occurrence of customary events of default the Trustee or the holders of 25% of the principal amount of the outstanding 2014 Notes may declare the principal of and accrued and unpaid interest on the 2014 Notes to be due and payable. Upon the occurrence of certain bankruptcy events affecting BWAY or certain of its subsidiaries the principal of and accrued and unpaid interest on the 2014 Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

The 2014 Notes were offered in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the Securities Act), and outside the United States pursuant to Regulation S under the Securities Act.

In connection with the issuance of the 2014 Notes, BWAY and the Guarantors entered into a registration rights agreement, dated as of April 6, 2009, with the initial purchasers of the 2014 Notes (the Registration Rights Agreement), obligating BWAY, to use its commercially reasonable efforts to file with the SEC and cause to become effective a registration statement relating to an offer to exchange the 2014 Notes for new notes evidencing the same continuing indebtedness as the 2014 Notes with terms substantially identical to the 2014 Notes. BWAY will not be required to consummate the exchange offer to the extent that before April 7, 2010 (1) the 2014 Notes are freely tradeable pursuant to Rule 144 under the Securities Act and (2) the restrictive legend has been removed from the 2014 Notes. If applicable interpretations of the staff of the SEC do not permit BWAY to effect the exchange offer, BWAY will be required to use its commercially reasonable efforts to make available an effective shelf registration statement relating to resales of any 2014 Notes. In the event that BWAY defaults on these obligations, it will be required to pay additional interest on the 2014 Notes with respect to which such default exists until the default is cured.

We incurred costs of approximately $5.5 million associated with the issuance of the 2014 Notes. The amount includes an underwriting fee of approximately $4.3 million. The costs have been capitalized and are being amortized to interest expense over the term of the 2014 Notes.

At September 27, 2009, we were in compliance with applicable financial covenants related to the senior notes.

BWAY, on a consolidated basis, had borrowings outstanding under the credit facility of $221.3 million as of September 27, 2009 and $221.3 million as of September 28, 2008. All of the outstanding borrowings under the credit facility at September 27, 2009 and September 28, 2008 were the direct obligations of BWAY or ICL. At September 27, 2009, $228.5 million of principal was outstanding on the 2014 Notes, which were issued at a discount and show in BWAY s consolidated balance sheet net of unamortized debt discount of $26.5 million. At September 28, 2008, $200.0 million of principal was outstanding on the 2010 Notes.

Dividend

BWAY declared a dividend of $10.0 million payable to BHC in 2007. The dividend was used to purchase shares of our common stock and to cash settle the exercise of certain stock options, each beneficially owned by a former executive officer. The settled options were fully vested and BWAY recorded stock-based compensation expense of $8.8 million related to the option exercise.

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Schedule II

Valuation and Qualifying Accounts

BWAY Holding Company and Subsidiaries

BWAY Corporation and Subsidiaries

	Balance, Beginning of Period	Additions Charged (Credited) to Expense	Deductions (1)	Balance, End of Period
		($ in millions)		
Allowance for Doubtful Accounts				
Year ended September 27, 2009	$ 1.2	$ 0.2	$ 0.9	$ 0.5
Year ended September 28, 2008	1.7	(0.3) (2)	0.2	1.2
Year ended September 30, 2007	1.7	0.4	0.4	1.7

(1) Represents the net write-offs of uncollectible items.

(2) In 2008, we changed our estimate of the allowance for doubtful accounts. The change resulted in a $1.0 million decrease in the allowance and a corresponding reduction in selling and administrative expense for the year. The decrease was offset by a $0.7 million increase in the allowance in the fourth quarter due to a bankruptcy filing of one of our customers.

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Item 9

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A

Controls and Procedures

Management s Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) and Rule 15d-15(b) under the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated as of the end of the period covered by this report, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e) and Rule 15d-15(e). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of the end of the period covered by this report, were effective for the purpose of ensuring that information required to be disclosed by us in this report is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Exchange Act and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

We believe, however, that a controls system, no matter how well designed and operated, can only provide reasonable assurance, and not absolute assurance, that the objectives of the controls systems are met, and an evaluation of controls can provide only reasonable assurance, and not absolute assurance, that all control issues and instances of fraud or error, if any, within a company have been detected.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended September 27, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Management s Report on Internal Control Over Financial Reporting

BWAY Holding Company s management is responsible for establishing and maintaining effective internal control over financial reporting (as required by the Sarbanes-Oxley Act of 2002 and as defined in Exchange Act Rule 13a-15(f)). Internal control over financial reporting is designed to provide reasonable assurance to BWAY Holding Company. A control system can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Under management s supervision, an evaluation of the design and effectiveness of BWAY Holding Company s internal control over financial reporting was conducted based on the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The scope of management s assessment of the effectiveness of internal control over financial reporting includes all of our businesses except for Central Can Company, Inc., which was acquired on August 20, 2009 and whose financial statements constitute 14 % and 7% of net and total assets, respectively, 1 % of revenues, and -1% of net income of the consolidated financial statement amounts as of and for the year ended September 27, 2009. Further discussion of this acquisition can be found in Note 1, General Recent Acquisitions Central Can, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data. Based on this evaluation, management concluded that BWAY Holding Company s internal control over financial reporting was effective as of September 27, 2009.

Deloitte & Touche LLP, an independent registered public accounting firm, as auditors of BWAY Holding Company s financial statements, has issued an attestation report on the effectiveness of BWAY Holding Company s internal control over financial reporting as of September 27, 2009. Deloitte & Touche LLP s report on BWAY Holding Company s internal control over financial reporting is included herein.

/s/ Kenneth M. Roessler
Kenneth M. Roessler

President and Chief Executive Officer

/s/ Michael B. Clauer
Michael B. Clauer

Executive Vice President and Chief Financial Officer
Atlanta, Georgia

December 11, 2009

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Management s Report on Internal Control Over Financial Reporting

BWAY Corporation s management is responsible for establishing and maintaining effective internal control over financial reporting (as required by the Sarbanes-Oxley Act of 2002 and as defined in Exchange Act Rule 13a-15(f)). Internal control over financial reporting is designed to provide reasonable assurance to BWAY Corporation. A control system can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Under management s supervision, an evaluation of the design and effectiveness of BWAY Corporation s internal control over financial reporting was conducted based on the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The scope of management s assessment of the effectiveness of internal control over financial reporting includes all of our businesses except for Central Can Company, Inc., which was acquired on August 20, 2009 and whose financial statements constitute 14% and 7% of net and total assets, respectively, 1% of revenues, and -1% of net income of the consolidated financial statement amounts as of and for the year ended September 27, 2009. Further discussion of this acquisition can be found in Note 1, General Recent Acquisitions Central Can, of Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data. Based on this evaluation, management concluded that BWAY Corporation s internal control over financial reporting was effective as of September 27, 2009.

Deloitte & Touche LLP, an independent registered public accounting firm, as auditors of BWAY Corporation s financial statements, has issued an attestation report on the effectiveness of BWAY Corporation s internal control over financial reporting as of September 27, 2009. Deloitte & Touche LLP s report on BWAY Corporation s internal control over financial reporting is included herein.

/s/ Kenneth M. Roessler
Kenneth M. Roessler

President and Chief Executive Officer

/s/ Michael B. Clauer
Michael B. Clauer

Executive Vice President and Chief Financial Officer
Atlanta, Georgia

December 11, 2009

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of BWAY Holding Company:

We have audited the internal control over financial reporting of BWAY Holding Company and subsidiaries (the Company) as of September 27, 2009 based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management s Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Central Can Company, Inc., which was acquired on August 20, 2009 and whose financial statements constitute 14% and 7% of net and total assets, respectively, 1% of revenues, and -1% of net income of the consolidated financial statement amounts as of and for the year ended September 27, 2009. Accordingly, our audit did not include the internal control over financial reporting at Central Can Company, Inc. The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed by, or under the supervision of, the company s principal executive and principal financial officers, or persons performing similar functions, and effected by the company s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 27, 2009, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended September 27, 2009, of the Company and our report dated December 11, 2009 expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

December 11, 2009

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of BWAY Corporation:

We have audited the internal control over financial reporting of BWAY Corporation (a wholly owned subsidiary of BWAY Holding Company) and subsidiaries (the Company) as of September 27, 2009 based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management s Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Central Can Company, Inc., which was acquired on August 20, 2009 and whose financial statements constitute 14% and 7% of net and total assets, respectively, 14% of revenues, and -1% of net income of the consolidated financial statement amounts as of and for the year ended September 27, 2009. Accordingly, our audit did not include the internal control over financial reporting at Central Can Company, Inc. The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed by, or under the supervision of, the company s principal executive and principal financial officers, or persons performing similar functions, and effected by the company s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 27, 2009, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended September 27, 2009, of the Company and our report dated December 11, 2009 expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

December 11, 2009

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Item 9B

Other Information

None.

PART III

Item 10

Directors, Executive Officers and Corporate Governance

Executive Officers

Our executive officers at September 27, 2009 were as follows:

Name	Age	Position
Kenneth M. Roessler	46	President and Chief Executive Officer
Michael B. Clauer	52	Executive Vice President and Chief Financial Officer
Kevin C. Kern	50	Senior Vice President and Chief Administrative Officer
Jeffrey M. O Connell	56	Vice President, Treasurer and Secretary
Dennis A. Bednar	53	Executive Vice President, Operations

Mr. Roessler became the president and chief executive officer of BHC in March 2007 and became the president and chief executive officer of BWAY in January 2007. Mr. Roessler was BWAY s president and chief operating officer from March 2006 to January 2007 and served as president and chief operating officer of our BWAY Packaging Division from July 2004 to January 2007. From July 2004 to March 2006, Mr. Roessler served as senior vice president of BWAY. From January 2003 to July 2004, Mr. Roessler served as BWAY s chief operating officer and from March 2000 until January 2003, he served as BWAY s executive vice president of sales and marketing. From June 1993 to February 2000, Mr. Roessler served in various senior management positions with Southcorp Packaging USA, including vice president of sales and marketing from 1998 to February 2000, vice president and general manager from 1995 to 1998, and vice president and chief financial officer from June 1993 through 1995. Prior to June 1993, Mr. Roessler held senior management positions with Berwind Corporation.

Mr. Clauer has been executive vice present and chief financial officer of BHC and BWAY since January 2009. From 2007 to 2008, Mr. Clauer provided consulting and business advisory services to a number of manufacturing and consumer products companies. From 2000 to 2006, Mr. Clauer served in various senior management positions with Apogee Enterprises, Inc., including as chief financial officer, executive vice president responsible for operations, and president of various business units. Prior to Apogee, Mr. Clauer served as chief financial officer of Open Port Technology, Inc., and Budget Group Inc. (Budget Rent A Car and Ryder Truck Rentals). Mr. Clauer also served in various financial positions with PepsiCo, Inc.

Mr. Kern became senior vice president and chief administrative officer of BHC and BWAY in January 2009. From February 2001 to January 2009, Mr. Kern served as vice president of administration and chief financial officer of BWAY and of BHC since March 2007. From May 1995 until February 2001, Mr. Kern served as vice president and corporate controller of BWAY. From 1991 to May 1995, Mr. Kern was controller of McKechnie Plastics Components, Inc. From 1981 to 1991, Mr. Kern was employed by Ernst & Young, most recently as a senior audit manager from 1988 to 1991.

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Mr. O Connell has been the vice president, treasurer and secretary of BHC since March 7, 2007 and vice president and treasurer of BWAY since May 1997 and secretary of BWAY since May 2001. From June 1996 to May 1997, Mr. O Connell served as BWAY s assistant treasurer. From June 1995 to June 1996, Mr. O Connell served as vice president of finance of Macmillan Bloedel Packaging Inc. From October 1994 to June 1995, Mr. O Connell served as our director of financial planning. Prior thereto, Mr. O Connell served as vice president of administration of Mead Coated Board Division of The Mead Corporation.

Mr. Bednar became executive vice-president of BHC and BWAY in June 2009. From August 2007 to June 2009, Mr. Bednar served as BWAY s chief operating officer general line. Prior to joining the company, Mr. Bednar served as Vice President, Thermal Systems for Robert Bosch Corporation. During his 25 year career with Bosh, Mr. Bednar held various positions ranging from Regional Distribution Manager to Vice President Electrical Systems. Mr. Bednar has extensive experience in the manufacturing environment and has spent 25 years in the automotive sector.

Other information required by Item 10 appearing under the caption Director Nominees and Continuing Directors and Section 16(a) Beneficial Ownership Reporting Compliance, of BHC s proxy statement to be filed pursuant to Regulation 14A within 120 days after September 27, 2009, is incorporated herein by reference.

Item 11

Executive Compensation

The information required by Item 11 appearing under the caption Executive Compensation in BHC s proxy statement, to be filed pursuant to Regulation 14A within 120 days after September 27, 2009, is incorporated by reference.

Item 12

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 appearing under the caption Voting Securities and Principal Shareholders, in BHC s proxy statement to be filed pursuant to Regulation 14A within 120 days after September 27, 2009, is incorporated herein by reference.

Securities Authorized for Issuance Under Equity Compensation Plans Agreement

For information about BWAY Holding common stock that may be issued under our equity compensation plans as of September 27, 2009, see Securities Authorized for Issuance Under Equity Compensation Plans in Item 5.

Item 13

Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 appearing under the caption Certain Committees of the Board, in BHC s proxy statement to be filed pursuant to Regulation 14A within 120 days after September 27, 2009, is incorporated herein by reference.

Item 14

Principal Accountant Fees and Services

The information required by Item 14 appearing under the caption Ratification of the Appointment of Independent Registered Public Accounting Firm, in BHC s proxy statement to be filed pursuant to Regulation 14A within 120 days after September 27, 2009, is incorporated herein by reference.

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PART IV

Item 15

Exhibits, Financial Statement Schedules

(a) The following documents are filed as a part of this report:

(1) The financial statements set forth under Item 8.

(2) Those financial statement schedules set forth under Item 8. Financial statement schedules not required to be filed are excluded from this report.

(3) Those exhibits as listed beginning at page 106 and in paragraph (b) below.

(b) Exhibits required by Item 601 of Regulation S-K either are filed as exhibits to this form or are incorporated by reference. The exhibits are listed beginning at page 106.

(c) No financial statements required by Regulation S-X are excluded from this report.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BWAY HOLDING COMPANY
(Registrant)

Date: December 11, 2009	By: /s/ Kenneth M. Roessler Kenneth M. Roessler President and Chief Executive Officer (Principal Executive Officer)

BWAY CORPORATION
(Registrant)

Date: December 11, 2009	By: /s/ Kenneth M. Roessler Kenneth M. Roessler President and Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated.

Date: December 11, 2009

/s/Kenneth M. Roessler Kenneth M. Roessler President and Chief Executive Officer Director	/s/ Michael B. Clauer Michael B. Clauer Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Jean-Pierre M. Ergas Jean-Pierre M. Ergas Non-Executive Chairman Director	/s/ Warren J. Hayford Warren J. Hayford Non-Executive Vice-Chairman Director
/s/ Earl L. Mason Earl L. Mason Director	/s/ Lawrence A. McVicker Lawrence A. McVicker Director
/s/ David M. Roderick David M. Roderick Director	/s/ Wellford L. Sanders, Jr. Wellford L. Sanders, Jr. Director
/s/ David I. Wahrhaftig David I. Wahrhaftig Director	/s/ Thomas R. Wall, IV Thomas R. Wall, IV Director

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LISTING OF EXHIBITS

2.1 Agreement and Plan of Merger by and among BCO Holding Company, BCO Acquisition, Inc. and BWAY Corporation, dated as of September 30, 2002. (Incorporated by reference to Exhibit 2.1 in BWAY Corporation s Current Report on Form 8-K filed on October 3, 2002 (File No. 1-12415))

2.2 Stock Purchase Agreement by and among BWAY Corporation, North America Packaging Corporation and MVOC LLC dated as of May 28, 2004. (Incorporated by reference to BWAY Corporation s Form 8-K filed as of May 28, 2004 (File No. 1-12415))

2.3 Agreement and Plan of Merger by and between BWAY Corporation and BWAY Manufacturing, Inc., dated as of April 13, 2004. (3)

3.1 Amended and Restated Certificate of Incorporation of BWAY Corporation. (Incorporated by reference to BWAY Holding Company s Form 10-Q for the quarterly period ended July 1, 2007 (File No. 1-33527))

3.2 Amended and Restated Bylaws of BWAY Corporation. (2)

3.3 Certificate of Amendment of the Amended and Restated Certificate of Incorporation of BWAY Holding Company. (Incorporated by reference to BWAY Holding Company s Form 8-K dated as of June 30, 2009 File No. 1-33527).

3.4 Amended and Restated Bylaws of BWAY Holding Company. (Incorporated by reference to BWAY Holding Company s Form 8-K dated as of June 30, 2009 File No. 1-33527).

4.1 Indenture, dated as of April 6, 2009, among BWAY Corporation, the Guarantors named therein and The Bank of New York, Mellon Trust Company, N.A., as trustee. (Incorporated by reference to BWAY Holding Company s Form 8-K dated as of April 7, 2009 (File No. 1-33527).

4.2 First Supplemental Indenture, dated as of August 20, 2009, among Central Can Company, Inc., each Guarantor under the Indenture, and BWAY Corporation, as issuer under the Indenture, and The Bank of New York Mellon Trust, N.A., as trustee.

4.3 Joinder Agreement in U.S. Subsidiaries Guaranty, U.S. Security Agreement and Pledge Agreement as of August 20, 2009 by Central Can Company, Inc.

4.4 Form of 10% Senior Subordinated Note due April 15, 2014. (Incorporated by reference to BWAY Holding Company s Form 8-K dated as of April 7, 2009 (File No. 1-33527).

4.5 Registration Rights Agreement, dated as of February 7, 2003, among BCO Holding Company, Kelso Investment Associates VI, L.P., KEP VI, LLC, Magnetite Asset Investors III L.L.C. and the individuals named therein and in Joinder Agreements thereto. (Incorporated by reference to BWAY Holding Company s Form 8-K dated as of April 7, 2009 (File No. 1-33527).

4.6 Form of Joinder Agreement to the Registration Rights Agreement. (Incorporated by reference to BWAY Holding Company s Form 10-Q for the quarterly period ended June 28, 2009 File No. 1-33527)

4.7 Registration Rights Agreement, dated as of April 6, 2009, among BWAY Corporation, the Guarantors named therein, and Deutsche Bank Securities Inc. and Goldman, Sachs & Co., as initial purchasers. (Incorporated by reference to BWAY Holding Company s Form 8-K dated as of April 7, 2009 File No. 1-33527)

4.8 Credit Agreement, dated as of July 17, 2006, among BCO Holding Company, BWAY Corporation, ICL Industrial Containers ULC, various lenders and Deutsche Bank Trust Company Americas, as administrative agent, LaSalle Bank, N.A., as documentation agent, Deutsche Bank Securities Inc. and J.P. Morgan Securities, Inc., as joint lead arrangers. (Incorporated by reference to BWAY Corporation s Form 8-K filed as of July 17, 2006 (File No. 1-12415))

4.9 Subsidiaries Guaranty made by each of Armstrong Containers, Inc., SC Plastics LLC, North America Packaging Corporation and North America Packaging of Puerto Rico, Inc., dated as of July 17, 2006. (4)

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4.10	U.S. Security Agreement among BCO Holding Company, BWAY Corporation, Armstrong Containers, Inc., SC Plastics, LLC, North America Packaging Corporation and North America Packaging of Puerto Rico, Inc., and Deutsche Bank Trust Company Americas as Collateral Agent, dated as of July 17, 2006. (4)
4.11	Security Agreement dated as of July 17, 2006 made by ICL Industrial Containers ULC, to and in favor of Deutsche Bank Trust Company Americas as Collateral Agent. (4)
4.12	Pledge Agreement among BCO Holding Company, BWAY Corporation, Armstrong Containers, Inc., SC Plastics, LLC, North America Packaging Corporation and North America Packaging of Puerto Rico, Inc., and Deutsche Bank Trust Company Americas as Collateral Agent and Pledgee, dated as of July 17, 2006. (4)
4.13	Form of BWAY Holding Company Stock Certificate. (5)
4.14	First Amendment to Credit Agreement, dated as of May 10, 2007, among BWAY Holding Company, BWAY Corporation, ICL Industrial Containers ULC, various lenders and Deutsche Bank Trust Company Americas as Administrative Agent. (5)

Pursuant to Item 601(b)(4)(iii) of Regulation S-K under the Securities Act of 1933, the Registrant has not filed as exhibits to the Form 10-K certain instruments with respect to long-term debt under which the amount of securities authorized does not exceed 10% of the total assets of the Registrant, on a consolidated basis. The Registrant hereby agrees to furnish copies of all such instruments to the Commission upon request.

10.1	Employment Agreement between BWAY Corporation and Warren J. Hayford, dated as of June 1, 1995.# (Incorporated by reference to BWAY Corporation s Registration Statement on Form S-1 filed on April 12, 1995 (File No. 33-91114))
10.2	Lease dated February 24, 1995 between Tab Warehouse Fontana II and Brockway Standard, Inc., as amended. (6)
10.3	Garland, Texas Industrial Net Lease dated January 14, 1985 between MRM Associates and Armstrong Containers, Inc, as amended January 14, 1995 and October 1, 1998. (6)
10.4	Lease dated February 11, 1991 between Curto Reynolds Oelerich Inc. and Armstrong Containers, Inc., as amended April 3, 1995. (6)
10.5	Lease Agreement dated December 1, 2006 between A.L. Dougherty Tennessee II, LLC and BWAY Corporation. (6)
10.6	Lease dated December 19, 1988 between Julius Realty Corporation and Leary/Carroll, Inc., as amended May 1998 and as assigned to Trenton Metal Decorating, Inc. November 8, 1998. (6)
10.7	Brockway Standard (Ohio), Inc. Bargaining Unit Savings Plan.# (Incorporated by reference to BWAY Corporation s Registration Statement on Form S-8 filed on October 31, 1997 (File No. 333-39225))
10.8	Employment Agreement and Options Agreement between BWAY Corporation and Warren J. Hayford Omnibus Amendment.# (Incorporated by reference to BWAY Corporation s Form 10-K for the fiscal year ended October 3, 1999 (File No. 1-12415))
10.9	Lease Agreement dated August 20, 1999 between CRICBW Anderson Trust and Milton Can Company. (Incorporated by reference to BWAY Corporation s Form 10-K for the fiscal year ended October 3, 1999 (File No. 1-12415))
10.10	BWAY Corporation Fourth Amended and Restated 1995 Long-Term Incentive Plan.# (Incorporated by reference to BWAY Corporation s Form 10-Q for the period ended April 2, 2000 (File No. 1-12415))
10.11	Lease Amendment dated June 20, 2002 by and between Centerpoint Properties Trust (successor to Curto Reynolds Oelerich Inc) and BWAY Corporation (as successor to Armstrong Containers, Inc.). (Incorporated by reference to BWAY Corporation s Form 10-Q for the period ended June 30, 2002 (File No. 1-12415))

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10.12	Amended and Restated Employment Agreement between BWAY Corporation and Jean-Pierre M. Ergas, dated February 7, 2003. #(2)
10.13	Sublease dated December 5, 2003 between Buske Lines, Inc. and BWAY Manufacturing, Inc. (as sublessee). (Incorporated by reference to BWAY Corporation s Form 10-Q for the period ended January 4, 2004 (File No. 1-12415))
10.14	Amended and Restated BCO Holding Company Stock Incentive Plan. #(3)
10.15	Lease between Southcorp Packaging USA, Inc. and North America Packaging Corporation dated as of June 28, 2001 for the property located in Cleveland, Ohio. (3)
10.16	Lease between Firleigh Estates, Inc. and North America Packaging Corporation dated as of August 10, 2002 for the property located in Lithonia, Georgia. (3)
10.17	Lease between Duke Realty Limited Partnership and Southcorp Packaging USA Inc. d/b/a North America Packaging Corporation, as amended, dated November 30, 1998 for the property located in Indianapolis, Indiana. (3)
10.18	Lease between Carlyle/FR Investors L.L.C. and Southcorp Packaging dated November 1, 1999 for the property located in Indianapolis, Indiana. (3)
10.19	Lease between Southcorp Packaging USA, Inc. and North America Packaging Corporation dated as of June 28, 2001 for the property located in Valparaiso, Indiana. (3)
10.20	Lease between Southcorp Packaging North America and North America Packaging Corporation dated as of June 28, 2001 for the property located in Toccoa, Georgia. (3)
10.21	Lease between Southcorp Packaging USA, Inc. and North America Packaging Corporation dated as of June 28, 2001 for the property located in South Brunswick, New Jersey. (3)
10.22	Lease between Southcorp Puerto Rico, Inc. and North America Packaging Corporation dated as of June 28, 2001 for the property located in Cidra, Puerto Rico. (3)
10.23	Lease between Southcorp Packaging USA, Inc. and North America Packaging Corporation dated as of June 28, 2001 for the property located in Bryan, Texas. (3)
10.24	Letter agreement between BWAY Corporation and Thomas K. Linton dated May 28, 2004. #(3)
10.25	Asset Purchase Agreement, dated as of June 16, 2006, by and among 3146598 Nova Scotia Company, BWAY Corporation, 6045995 Canada, Inc., 4095138 Canada, Inc., Industrial Containers Ltd. and Arshinoff & Co. Ltd. (Incorporated by reference to BWAY Corporation s Form 8-K filed as of July 17, 2006 (File No. 1-12415))
10.26	Lease between 80241 Canada Ltd. and ICL Industrial Containers ULC dated as of July 17, 2006 for the property located on North Queen Street in Toronto, Ontario. (5)
10.27	Lease between 80241 Canada Ltd. and ICL Industrial Containers ULC dated as of July 17, 2006 for the property located on Hansen Road South in Brampton, Ontario. (4)
10.28	Lease between 80241 Canada Ltd. and ICL Industrial Containers ULC dated as of July 17, 2006 for the property located on Walker Drive in Brampton, Ontario. (4)
10.29	Lease between 80241 Canada Ltd. and ICL Industrial Containers ULC dated as of July 17, 2006 for the property located on Calder Place in St. Albert, Alberta. (4)
10.30	Consulting and Advisory Services Agreement, dated February 7, 2003, between BWAY Corporation and Kelso & Company, L.P. (5)
10.31	Form of change of control agreement (entered into by each of Kenneth M. Roessler, Kevin C. Kern and Jeffrey M. O Connell). #(5)
10.32	BWAY Holding Company 2007 Omnibus Incentive Plan. #(5)
10.33	BWAY Holding Company Annual Incentive Plan. #(5)

10.34	Form of Nominating Agreement by and among BWAY Holding Company, Kelso Investment Associates VI, L.P. and KEP VI. (5)
10.35	Form of Letter Agreement between BWAY Corporation and Kelso & Company, L.P. (5)
10.36	Form of Director Indemnification Agreement. (5)
10.37	Employment Agreement between BWAY Corporation and Kenneth M. Roessler made as of February 24, 2009. #(Incorporated by reference to BWAY Holding Company s Form 10-Q for the quarterly period ended March 29, 2009 File No. 1-33527).
10.38	Separation and Release Agreement dated June 26, 2009 by and between BWAY Corporation and Thomas K. Linton. #(Incorporated by reference to BWAY Holding Company s Form 8-K/A dated as of May 21, 2009 File No. 1-33527)
10.39	Form of Stock Option Agreement under the BWAY Holding 2007 Omnibus Incentive Plan. #(Incorporated by reference to BWAY Holding Company s Form 10-Q for the quarterly period ended June 28, 2009 File No. 1-33527)
21	List of subsidiaries.
23	Consent of Deloitte & Touche LLP.
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) (17 C.F.R. 240.13a-14(a)).
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a) (17 C.F.R. 240.13a-14(a)).
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\# Indicates a management contract or compensatory plan or arrangement.

(1) Incorporated by reference to BWAY Corporation s Form 10-K for the fiscal year ended October 1, 1995 (File No. 0-26178).

(2) Incorporated by reference to BWAY Corporation s Registration Statement filed on October 31, 2003 on Form S-4 (File No. 333-104388).

(3) Incorporated by reference to BWAY Corporation s Form 10-K for the fiscal year ended October 3, 2004 (File No. 1-12415).

(4) Incorporated by reference to BWAY Corporation s Form 10-K for the fiscal year ended October 1, 2006 (File No. 1-12415).

(5) Incorporated by reference to BWAY Holding Company s Registration Statement on Form S-1 filed June 12, 2007 (File No. 333-141174).

(6) Incorporated by reference to BWAY Corporation s Form 10-Q for the quarterly period ended April 1, 2007 (File No. 1-12415).