



**Tekni-Plex, Inc.**

**Current Report**

**October 27, 2011**

*Date of Report (Date of earliest event reported)*

1150 First Avenue  
Suite 500  
King of Prussia, PA 19406  
(484) 690-1520

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***Item 2.02. Results of Operations and Financial Condition.***

**Reconciliation of Net Income (Loss) from Operations to EBITDA**

This Current Report provides certain information which is being provided to lenders of the First-Lien Term Loan Credit Agreement (the "Term Loan") on October 27, 2011. The information includes a reconciliation of Net Income (Loss) from Operations to Consolidated EBITDA, as that term is defined in the Term Loan and First-Lien Loan and Security Agreement (which is included as an exhibit to the Annual Report posted on October 27, 2011), and provides certain other related information.

The Consolidated EBITDA calculation for the four quarters ended July 1, 2011 as detailed in Exhibit 99.1 is \$84.2 million. This calculation has not been adjusted to remove the impact of \$1.2 million of one-time items including fire-related expenses and an egg recall. Consolidated EBITDA as detailed in Exhibit 99.1, without giving effect to such items, would be \$85.4 million.

EBITDA is not a recognized term under generally accepted accounting principles (GAAP). EBITDA does not represent net loss, as that term is defined under GAAP, and should not be considered as an alternative to net loss as an indicator of our operating performance. Additionally, EBITDA is not intended to be a measure of free cash flow available for management or discretionary use as such measures do not consider certain cash requirements, including but not limited to items such as capital expenditures, tax payments and debt service requirements. Tekni-Plex considers EBITDA to be a key indicator of our ability to monitor our compliance with debt covenants.

***Item 9.01. Financial Statements and Exhibits.***

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Consolidated EBITDA Calculation July 1, 2011, and related information.

**SIGNATURES**

The Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**TEKNI-PLEX, INC.**

By: \_\_\_\_\_/s/\_\_\_\_\_  
Name: Paul J. Young  
Title: Chief Executive Officer

Date: October 27, 2011

**A. Capital Expenditures**  
**(Section 9.07)**

Permitted annual amount of Capital Expenditures  
for the relevant period pursuant to Section 9.07(a) \$30,000,000

Aggregate amount of Capital Expenditures actually  
made for the relevant period \$12,431,000

**B. Interest Expense Coverage**  
**Interest Expense Ratio**  
**(Section 9.08)**

(a) Consolidated EBITDA for the  
Test Period ended on the  
Computation Date \$84,152,000

(b) Consolidated Interest Expense for the Test Period  
ended on the Computation Date \$49,338,913

Ratio of (a) to (b) 1.71:1.00

Minimum level permitted for such  
Test Period pursuant to Section  
9.08 1.60:1.00

**C. Total Leverage Ratio**  
**(Section 9.09)**

(a) Consolidated Indebtedness<sup>11</sup> as  
at the Computation Date \$538,617,000

(b) Consolidated EBITDA for the  
Test Period ended on the  
Computation Date \$84,152,000

Ratio of (a) to (b) 6.40:1.00

Maximum level permitted for such  
Test Period pursuant to Section  
9.09 6.75:1.00

**Consolidated EBITDA calculation July 1, 2011**

(000's)

	Quarter Ended				4 Quarter Total
	October 1, 2010	December 31, 2010	April 1, 2011	July 1, 2011	
<b>Net (Loss)</b>	\$ (16,054)	\$ (23,466)	\$ (9,558)	\$ (6,390)	\$ (55,468)
<b>Adjustments:</b>					
Interest Expense	15,354	16,608	15,006	15,403	62,371
Income Taxes	4,514	(1,293)	1,261	(1,038)	3,444
Depreciation and Amortization	13,342	14,286	14,169	14,387	56,184
Debt refinancing transaction fees	-	10,365	-	-	10,365
Non-cash charges	64	953	221	917	2,155
Other	15	277	-	-	292
Restructuring and non-recurring business optimization costs and expenses limited to \$5 million	1,724	963	1,826	296	4,809
<b>Total adjustments</b>	<u>35,013</u>	<u>42,159</u>	<u>32,483</u>	<u>29,965</u>	<u>139,620</u>
<b>EBITDA</b>	<u>\$ 18,959</u>	<u>\$ 18,693</u>	<u>\$ 22,925</u>	<u>\$ 23,575</u>	<u>\$ 84,152</u>