



Tekni-Plex, Inc.

Current Report

February 13, 2012

Date of Report (Date of earliest event reported)

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

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 February 13, 2012. 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.

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 as of December 30, 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: Graham Sayers
Title: EVP & Chief Financial Officer

Date: February 13, 2012

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

| | |
|---|------------|
| (a) Consolidated EBITDA for the test period ended on the computation date | 84,189,000 |
| (b) Consolidated interest expense for the test period ended on the computation date ratio of (a) to (b) | 48,532,575 |
| Ratio of (a) to (b) | 1.73 |
| 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 as at the Computation Date | 530,093,000 |
| (b) Consolidated EBITDA for the Test Period ended on the Computation Date | 84,189,000 |
| Ratio of (a) to (b) | 6.30 |
| Maximum level permitted for such Test Period pursuant to Section 9.09 | 6.75:1.00 |

Consolidated EBITDA Calculation
(000's)

| | Quarter Ended | | | | 4 Quarter Total |
|---|---------------|--------------|--------------------|-------------------|--------------------|
| | April 1, 2011 | July 1, 2011 | September 30, 2011 | December 30, 2011 | |
| Net (Loss) | \$ (9,558) | \$ (6,390) | \$ (16,519) | \$ (12,231) | \$ (44,698) |
| Adjustments: | | | | | |
| Interest Expense | 15,006 | 15,403 | 15,173 | 15,320 | 60,902 |
| Income Taxes | 1,261 | (1,038) | 1,779 | 3,019 | 5,021 |
| Depreciation and Amortization | 14,169 | 14,387 | 14,191 | 14,709 | 57,456 |
| Debt refinancing transaction fees | - | - | - | - | - |
| Non-cash charges | 221 | 917 | (385) | 222 | 975 |
| Other | - | - | - | - | - |
| Restructuring and non-recurring business optimization costs and expenses limited to \$5 million | 1,826 | 296 | 1,130 | 1,281 | 4,533 |
| Total adjustments | 32,483 | 29,965 | 31,888 | 34,551 | 128,887 |
| EBITDA | \$ 22,925 | \$ 23,575 | \$ 15,369 | \$ 22,320 | \$ 84,189 |