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PACTIV ANNOUNCES INVENTORY ACCOUNTING CHANGE FROM LIFO TO FIFO

LAKE FOREST, Ill. – December 21, 2009 – Pactiv Corporation (NYSE: PTV) today announced a change in accounting for inventories from a combination of the use of the last in, first out (LIFO) method and first in, first out (FIFO) method to the FIFO method. The company believes the change is preferable because the FIFO method:

- better reflects the current value of inventories
- provides better matching of sales and expenses, particularly during periods of resin price volatility because the lag between resin price changes and selling price changes will be reduced by approximately two months
- provides uniformity across all operations with respect to the method of inventory accounting
- enhances comparability with peers

In addition, the cash tax deferral benefits of the LIFO accounting method largely have been eliminated by the year-over-year lower resin prices in 2009. This change in accounting method will lower cash tax payments in 2010 by an estimated \$8 million. Furthermore, the convergence of U.S. and international accounting standards will likely eliminate LIFO because international accounting standards do not allow its use.

The change to FIFO is effective with 2009 results. The attached schedule provides the historical impact of the change on earnings per share from 2004 through nine months of 2009. This change is expected to have minimal impact on Pactiv's fourth quarter earnings. Adjusting the full year 2009 earnings per share outlook provided in October to reflect the change to FIFO accounting results in an EPS outlook range of \$2.26 to \$2.30. Prior to its 2009 full year earnings release, the Company expects to issue 2008 full year and quarterly income statements and 2009 quarterly income statements through nine months reflecting the impact of this accounting change.

Due to the unpredictability of resin prices, there is no way to forecast the potential impact this accounting change will have on 2010 earnings. In a relatively stable resin price environment, this change is anticipated to have little or no impact on earnings. The only 2010 cash flow effect of this change is the aforementioned reduction in cash tax payments.

(more)

This press release includes certain “forward-looking statements” such as “...change in accounting method will lower cash tax payments in 2010 by an estimated \$8 million,” “...international accounting will likely eliminate LIFO...,” “this change is expected to have minimal impact on Pactiv’s fourth quarter earnings,” and “prior to its 2009 full year earnings release, the Company expects to issue 2008 full year and quarterly income statements and 2009 quarterly income statements through nine months...” These statements are based on management’s current reasonable and good faith expectations. A variety of factors may cause actual results to differ materially from these expectations. More detailed information about these and other factors is contained in the Company’s Annual Report on Form 10-K at page 22 filed with the Securities and Exchange Commission as revised and updated by Forms 10-Q and 8-K as filed with the Commission.

Company Information

Pactiv Corporation (NYSE: PTV) is a leader in the consumer and foodservice/food packaging markets it serves. With 2008 sales of \$3.6 billion, Pactiv derives more than 80 percent of its sales from market sectors in which it holds the No. 1 or No. 2 market-share position. Pactiv’s Hefty[®] brand products include waste bags, slider storage bags, disposable tableware, and disposable cookware. Pactiv’s foodservice/food packaging offering is one of the broadest in the industry, including both custom and stock products in a variety of materials. For more information, visit www.pactiv.com.

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Pactiv Corporation
EPS Adjusted for FIFO Accounting Change
Unaudited

<u>Period</u>	<u>EPS GAAP Basis</u>	<u>Restructuring and Other Charges/(Credits)</u>	<u>EPS Excluding Charges*</u>	<u>FIFO Impact</u>	<u>EPS Excl. Charges on FIFO Basis*</u>
1Q 2004	0.00	0.26	0.26	0.01	0.27
2Q 2004	0.30	0.05	0.35	(0.02)	0.33
3Q 2004	0.32	(0.01)	0.31	0.10	0.41
4Q 2004	0.28	0.02	0.30	0.07	0.37
FY 2004	0.90	0.32	1.22	0.16	1.38
1Q 2005	0.14	0.02	0.16	0.02	0.18
2Q 2005	0.24	0.00	0.24	(0.03)	0.21
3Q 2005	0.28	0.00	0.28	(0.01)	0.27
4Q 2005	0.30	0.00	0.30	0.02	0.32
FY 2005	0.96	0.03	0.99	0.00	0.99
1Q 2006	0.35	0.00	0.35	(0.04)	0.31
2Q 2006	0.49	0.00	0.49	0.03	0.52
3Q 2006	0.75	(0.35)	0.40	0.03	0.43
4Q 2006	0.39	0.00	0.39	(0.01)	0.38
FY 2006	1.98	(0.35)	1.63	0.01	1.64
1Q 2007	0.43	0.00	0.43	(0.05)	0.38
2Q 2007	0.52	0.00	0.52	0.02	0.54
3Q 2007	0.45	0.00	0.45	0.02	0.47
4Q 2007	0.45	0.00	0.45	0.00	0.45
FY 2007	1.84	0.00	1.84	(0.01)	1.83
1Q 2008	0.26	0.07	0.33	0.06	0.39
2Q 2008	0.49	0.01	0.50	(0.01)	0.49
3Q 2008	0.40	(0.01)	0.39	0.05	0.44
4Q 2008	0.52	0.01	0.53	(0.12)	0.41
FY 2008	1.67	0.08	1.75	(0.02)	1.73
1Q 2009	0.69	0.00	0.69	(0.11)	0.58
2Q 2009	0.73	0.00	0.73	(0.12)	0.61
3Q 2009	0.54	0.00	0.54	0.05	0.59
YTD 2009	1.96	0.00	1.96	(0.18)	1.78
4Q 2009 Guidance					0.48 - 0.52
FY 2009 Guidance					2.26 - 2.30

*continuing operations before Restructuring and other charges/credits