

1 simple package

**changing
lifestyles**

**13,000
employees**

17 countries

**1,900,000,000
pounds of
raw materials**

17,000
customers

44,000
customer
locations

innovation in packaging

convenience

for every life

Our Business is Complex

- > Pactiv has 13,000 employees and over 275 specialty packaging product lines which are produced in 79 plants in 17 countries worldwide.
- > We use more than 1.9 billion pounds of raw materials per year, from plastics to paper to aluminum.
- > Our products are distributed to more than 44,000 locations operated by more than 17,000 institutional and retail customers.
- > And, in the process, we generate more than \$3 billion in annual sales.

Our Mission is Simple

- > Our role in the specialty packaging industry is straightforward.
- > We manage complexity across the specialty packaging supply chain.
- > We meet the market's demand for a broad product line, with a unique ability to deliver multiple products on a single truck.
- > And we deliver extraordinary value in *one simple package* to end users, our customers, and our investors.

To end users,
one simple
package means
valued solutions
to important
packaging needs.

When it comes to innovative packaging that meets customer needs, Pactiv leads the way.

One Example:

Our Hefty® OneZip® bags keep food fresh and, more importantly, provide a foolproof closure system that works for everyone, every time.

New Demands, New Solutions

Major lifestyle changes are sweeping through the economy, driving important new packaging needs. At Pactiv, we're not just responding to those changes. We're anticipating them, and developing and delivering the innovative specialty packaging solutions that our marketplace requires. Here are a few examples.

MARKET DEMAND – Today, more than half of all meals consumed in the United States are prepared outside the home – in restaurants, supermarkets, and specialty stores.

PACTIV SOLUTION – In 2000, we introduced more than 25 new prepared-meal packaging products, including our Chicken Barn® with Handles. This breakthrough in microwaveable packaging gives food retailers a new and effective way to merchandise their products in the *convenience economy*, and gives consumers an attractive, easy-to-handle, hygienic way to transport and reheat a major menu item prepared outside the home.

MARKET DEMAND – Consumers are buying more products through the mail and over the Internet.

PACTIV SOLUTION – Our Pactiv Air 3000™ product provides a simple, effective, and environmentally friendly void-fill and cushioning system, which ensures that parcel contents arrive safely in the condition in which they were shipped.

MARKET DEMAND – With supermarket consolidation and labor shortages, food processors need to distribute prepackaged products directly from processing facilities to supermarket shelves.

PACTIV SOLUTION – Our patented ActiveTech® packaging systems significantly extend the distribution shelf life of red meat products.

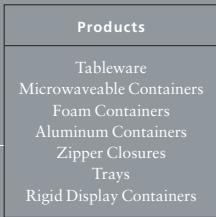
Our product lines are broad and they deliver the answer that end users need ... in *one simple package*.

**HEFTY® CONSUMER,
FOODSERVICE / FOOD PACKAGING**

\$2.3B SALES

Integrated Operations

Plants, R&D, Engineering
Regional Mixing Centers/Logistics
Customer Linked Manufacturing



HEFTY® CONSUMER

FOODSERVICE / FOOD PACKAGING



To our distributors
and customers,
one simple package
means targeted
solutions for
each market.

At Pactiv, our business is more than just packaging. We understand the strategic business challenges and opportunities our distributors and customers face. This understanding – combined with our size, scale, product range, and channel access – allows us to deliver the best solution to each market.

Creating Value Across the Supply Chain

At Pactiv, we're in the business of providing comprehensive specialty packaging solutions, not simply selling products. And we have aligned our entire company to deliver on that promise.

First, we focus on products that can be sold through multiple channels. Institutional channels include distributors, fast food restaurants, supermarkets, specialty-food chains, food packers and processors, schools, and the military. And retail channels include mass merchandisers, warehouse clubs, drug stores, and supermarkets.

Second, we leverage our size and scale to provide the total supply chain support our distributors and customers need.

Our “One Face to the Customer” approach is the key. Our approach allows institutional customers to work with one sales person, place one order for multiple products, accept a consolidated shipment on a single truck, and receive one invoice.

And third, we support our distributors and customers with strong channel and category management capabilities.

Together, these core competencies give our distributors and customers what they are ultimately seeking: higher sales, lower costs, improved efficiency and greater profits ... all in *one simple package*.

GROWTH IN SPECIALTY PACKAGING



To our investors,
one simple
package means
consistent,
profitable growth.

In our business, as in any other, leadership drives performance, profitability, and growth. At Pactiv we focus on leading where it counts – in size, scale, product range, brand recognition, market position, new product development and channel access. As a result, we're well positioned for consistent, reliable growth in sales, cash flow, earnings, and capital returns.

Delivering Dependable Performance

At Pactiv, our management philosophy rests on a simple recognition: everything we do ultimately is for the benefit of our shareholders. They have entrusted us with their capital. Our job is to deliver strong investment returns.

Our commitment to profitable and consistent growth is reflected in our business operations. While we have grown through acquisition, we operate as an integrated, coordinated company. We're focused on the right markets, those with the highest growth rates and return potential. We're delivering the right products, consistently developing and introducing specialty packaging solutions with inherent value to consumers, our distributors, and our business customers. And we're concentrating on ensuring we have the right costs, emphasizing efficiency, productivity, and cost-reduction across our operations.

And this commitment is reflected in our internal alignment with shareholder interests. Our management team and board of directors receive between 30 percent and 60 percent of their compensation in stock or stock options. In addition, all senior executives are shareholders, each required to purchase and hold 3 to 5 times their salaries in stock.

This is a measure not only of our commitment to performance, but also of our confidence in the future of Pactiv and the value we deliver in *one simple package*.



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