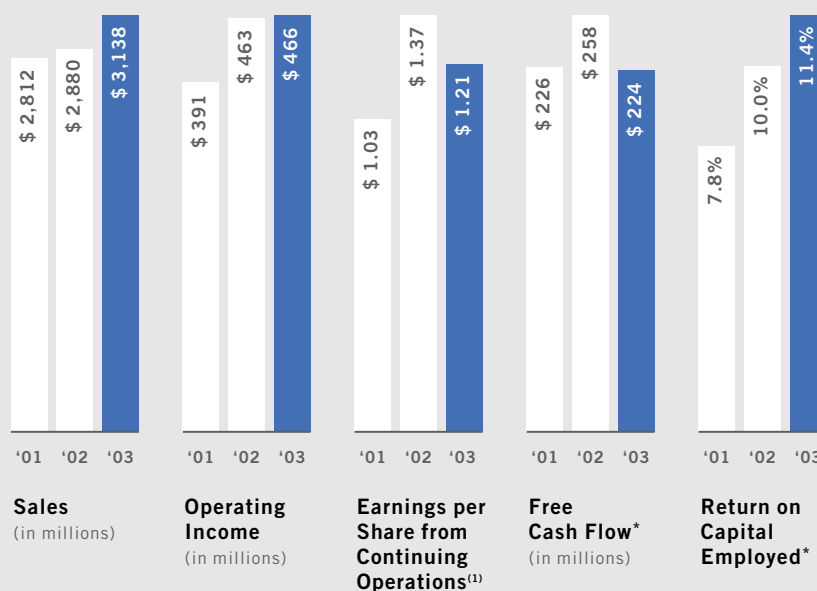


TABLE OF CONTENTS

07	LETTER TO SHAREHOLDERS
11	OPERATIONS REVIEW
22	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
31	REPORT OF MANAGEMENT
31	REPORT OF INDEPENDENT AUDITORS
33	CONSOLIDATED STATEMENT OF INCOME
34	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
35	CONSOLIDATED STATEMENT OF CASH FLOWS
36	CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AND OTHER COMPREHENSIVE INCOME (LOSS)
37	NOTES TO FINANCIAL STATEMENTS
54	SELECTED FINANCIAL DATA
55	REGULATION G GAAP RECONCILIATIONS
56	CORPORATE INFORMATION / SHAREHOLDER INFORMATION



FINANCIAL HIGHLIGHTS

(In millions, except per-share data)

	2003	2002	2001
Sales	\$ 3,138	\$ 2,880	\$ 2,812
Income from continuing operations	195	220	165
Income from discontinued operations	—	—	28
Cumulative effect of changes in accounting principles	(12)	(72)	—
Net income	\$ 183	\$ 148	\$ 193
Diluted earnings per share			
Continuing operations ⁽¹⁾	\$ 1.21	\$ 1.37	\$ 1.03
Discontinued operations	—	—	0.17
Cumulative effect of changes in accounting principles	(0.07)	(0.45)	—
Net ⁽¹⁾	\$ 1.14	\$ 0.92	\$ 1.20

(1) 2003 includes a \$0.22 charge for a Tenneco Packaging litigation settlement.

This annual report includes forward-looking statements. Please refer to the cautionary statement section of the annual report on Form 10-K. That report can be accessed from www.pactiv.com under the Investor Relations section link to SEC Filings.

* In this annual report certain non-GAAP (generally accepted accounting principles) measures, including free cash flow and return on capital employed, are used. Please see page 55 for a reconciliation of these measures to amounts reported under GAAP.

In your home,



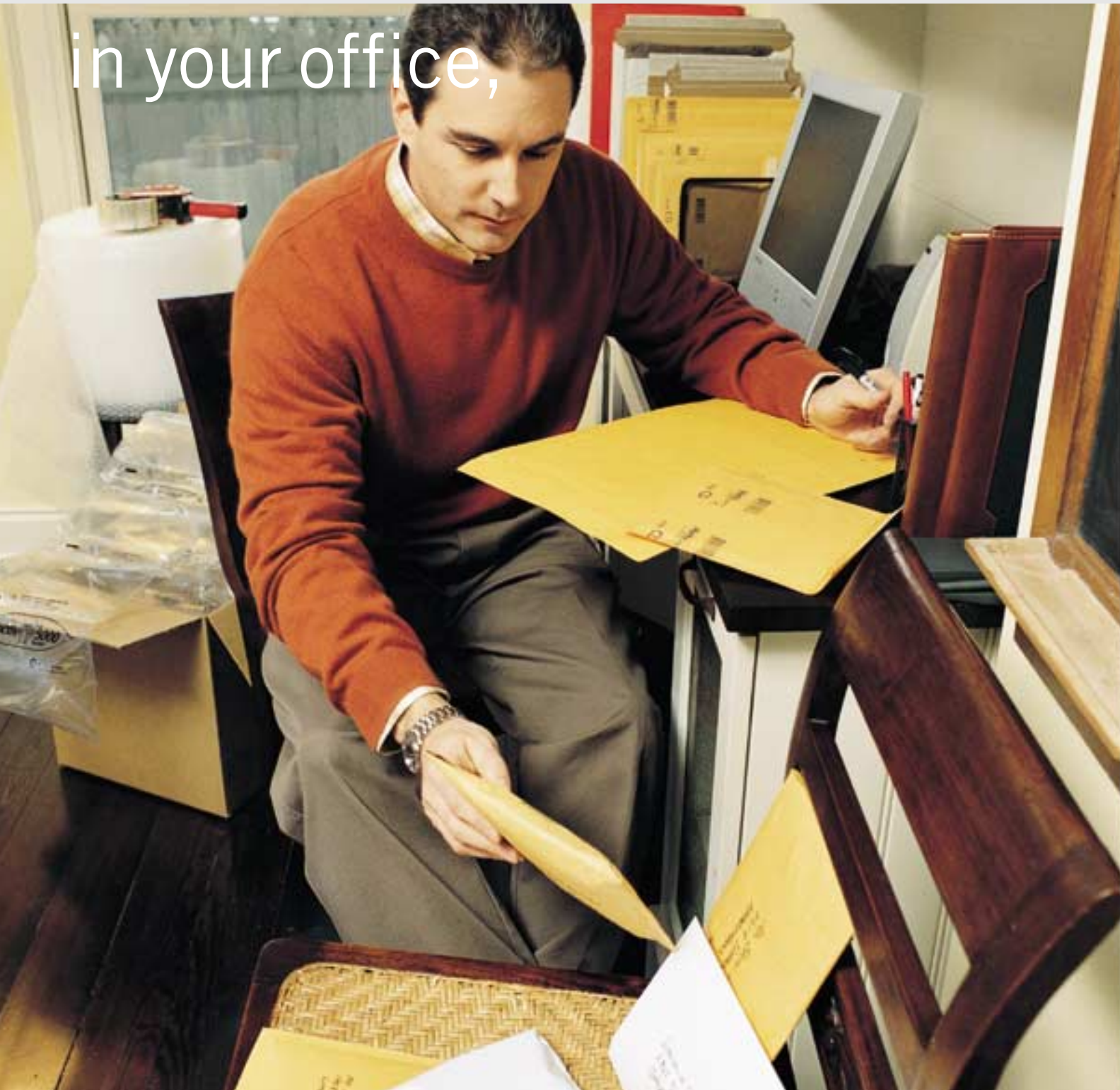
on a birthday,



on the go,



in your office,



at lunch,



at the supermarket...

