

Continuing Operations
Pactiv Corporation
Consolidated Statement of Income
Unaudited

(In millions, except per-share data)

	Three months ended March 31,				Three months ended June 30,				Three months ended September 30,				Three months ended December 31,				Twelve months ended December 31,			
	2005	2004	2003	2002	2005	2004	2003	2002	2005	2004	2003	2002	2005	2004	2003	2002	2005	2004	2003	2002
Sales	\$ 613	\$ 575	\$ 529	\$ 480	\$ 707	\$ 654	\$ 622	\$ 551	\$ 695	\$ 652	\$ 603	\$ 544	\$ 741	\$ 663	\$ 625	\$ 595	\$ 2,756	\$ 2,544	\$ 2,379	\$ 2,170
Costs and expenses																				
Cost of sales (excluding depreciation and amortization)	463	395	363	314	525	453	423	359	507	464	402	359	540	483	427	398	2,035	1,795	1,615	1,430
Depreciation and amortization	35	37	33	32	36	32	35	34	37	36	33	31	38	34	34	36	146	139	135	133
Selling, general, and administrative	57	56	49	51	66	62	55	49	63	55	56	46	73	56	44	52	259	229	204	198
Other (income) expense	-	2	1	1	3	2	(1)	2	3	-	1	-	4	1	4	3	10	5	5	6
Operating income before restructuring and other	58	85	83	82	77	105	110	107	85	97	111	108	86	89	116	106	306	376	420	403
Restructuring and other	6	64	-	-	-	11	-	(3)	-	(2)	-	-	-	6	(1)	-	6	79	(1)	(3)
Operating income	52	21	83	82	77	94	110	110	85	99	111	108	86	83	117	106	300	297	421	406
Tenneco Packaging litigation settlement and other	-	-	-	-	-	-	-	-	-	-	56	-	-	-	-	-	-	-	-	56
Interest income	-	-	(1)	(1)	(1)	(1)	-	-	-	-	(1)	(1)	(3)	(1)	-	-	(4)	(2)	(2)	(2)
Interest expense, net	20	21	21	21	20	21	20	20	20	22	21	21	22	21	21	23	82	85	83	85
Income tax expense	12	-	23	25	21	28	33	36	24	28	12	35	24	22	40	34	81	78	108	130
Share of income of joint venture	(1)	-	-	-	-	(1)	(1)	-	(1)	-	(1)	(1)	-	(1)	-	-	(2)	(2)	(1)	(1)
Minority interest	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-
Income from continuing operations	21	-	40	37	37	47	57	54	42	49	23	54	43	42	56	49	143	138	176	194
Income (loss) from discontinued operations, net of income taxes	1	-	4	5	(79)	5	2	6	(3)	7	3	5	(8)	5	10	10	(89)	17	19	26
Cumulative effect of change in accounting principle, net of income taxes	-	-	-	(72)	-	-	-	-	-	-	-	-	-	-	(12)	-	-	-	(12)	(72)
Net income (loss)	\$ 22	\$ -	\$ 44	\$ (30)	\$ (42)	\$ 52	\$ 59	\$ 60	\$ 39	\$ 56	\$ 26	\$ 59	\$ 35	\$ 47	\$ 54	\$ 59	\$ 54	\$ 155	\$ 183	\$ 148
Average common shares outstanding (diluted)	151.1	157.3	161.3	161.0	151.2	154.4	160.6	160.5	149.0	151.7	159.2	160.1	144.2	150.9	159.5	160.5	148.8	153.8	160.1	160.6
Earnings per share																				
Income from continuing operations before restructuring and other	\$ 0.16	\$ 0.26	\$ 0.25	\$ 0.23	\$ 0.24	\$ 0.35	\$ 0.36	\$ 0.33	\$ 0.28	\$ 0.31	\$ 0.36	\$ 0.34	\$ 0.30	\$ 0.30	\$ 0.35	\$ 0.31	\$ 0.99	\$ 1.22	\$ 1.32	\$ 1.20
Tenneco Packaging litigation settlement and other	-	-	-	-	-	-	-	-	-	-	(0.22)	-	-	-	-	-	-	-	(0.22)	-
Restructuring and other	(0.02)	(0.26)	-	-	-	(0.05)	-	0.01	-	0.01	-	-	-	(0.02)	-	-	(0.03)	(0.32)	-	0.01
Income from continuing operations	0.14	-	0.25	0.23	0.24	0.30	0.36	0.34	0.28	0.32	0.14	0.34	0.30	0.28	0.35	0.31	0.96	0.90	1.10	1.21
Income (loss) from discontinued operations	0.01	-	0.02	0.03	(0.52)	0.03	0.01	0.04	(0.02)	0.05	0.02	0.03	(0.05)	0.03	0.06	0.06	(0.60)	0.11	0.11	0.16
Cumulative effect of change in accounting principle	-	-	-	(0.45)	-	-	-	-	-	-	-	-	-	-	(0.07)	-	-	-	(0.07)	(0.45)
Net	\$ 0.15	\$ -	\$ 0.27	\$ (0.19)	\$ (0.28)	\$ 0.33	\$ 0.37	\$ 0.38	\$ 0.26	\$ 0.37	\$ 0.16	\$ 0.37	\$ 0.25	\$ 0.31	\$ 0.34	\$ 0.37	\$ 0.36	\$ 1.01	\$ 1.14	\$ 0.92
Gross margin (before deprec. & amort.)	24.5%	31.3%	31.4%	34.6%	25.7%	30.7%	32.0%	34.8%	27.1%	28.8%	33.3%	34.0%	27.1%	27.1%	31.7%	33.1%	26.2%	29.4%	32.1%	34.1%
Operating margin																				
Excluding restructuring and other	9.5%	14.8%	15.7%	17.1%	10.9%	16.1%	17.7%	19.4%	12.2%	14.9%	18.4%	19.9%	11.6%	13.4%	18.5%	17.8%	11.1%	14.8%	17.7%	18.6%
Restructuring & other	-1.0%	-11.1%	-	-	0.0%	-1.7%	0.0%	0.6%	0.0%	0.3%	0.0%	0.0%	0.0%	-0.9%	0.2%	0.0%	-0.2%	-3.1%	-	0.1%
Including restructuring and other	8.5%	3.7%	15.7%	17.1%	10.9%	14.4%	17.7%	20.0%	12.2%	15.2%	18.4%	19.9%	11.6%	12.5%	18.7%	17.8%	10.9%	11.7%	17.7%	18.7%

Results reflect the continuing operations of Pactiv after the sale of most of its Protective and Flexible businesses

Pactiv Corporation
Summary of Operating Results
Unaudited

(In millions)		Consumer Products				Foodservice / Food Packaging				Other				Continuing operations			
		2005	2004	2003	2002	2005	2004	2003	2002	2005	2004	2003	2002	2005	2004	2003	2002
First quarter	Sales	\$ 214	\$ 200	\$ 189	\$ 183	\$ 399	\$ 375	\$ 340	\$ 297	\$ -	\$ -	\$ -	\$ -	\$ 613	\$ 575	\$ 529	\$ 480
	Operating income before restructuring & other charges	21	41	41	41	33	38	35	30	4	6	7	11	58	85	83	82
	Restructuring & other charges	1	4	-	-	5	60	-	-	-	-	-	-	6	64	-	-
	Operating income	\$ 20	\$ 37	\$ 41	\$ 41	\$ 28	\$ (22)	\$ 35	\$ 30	\$ 4	\$ 6	\$ 7	\$ 11	\$ 52	\$ 21	\$ 83	\$ 82
Second quarter	Sales	\$ 251	\$ 237	\$ 232	\$ 218	\$ 456	\$ 417	\$ 390	\$ 333	\$ -	\$ -	\$ -	\$ -	\$ 707	\$ 654	\$ 622	\$ 551
	Operating income before restructuring & other charges	30	48	49	50	45	55	53	44	2	2	8	13	77	105	110	107
	Restructuring & other charges	-	-	-	-	-	10	-	(3)	-	1	-	-	-	11	-	(3)
	Operating income	\$ 30	\$ 48	\$ 49	\$ 50	\$ 45	\$ 45	\$ 53	\$ 47	\$ 2	\$ 1	\$ 8	\$ 13	\$ 77	\$ 94	\$ 110	\$ 110
June YTD	Sales	\$ 465	\$ 437	\$ 421	\$ 401	\$ 855	\$ 792	\$ 730	\$ 630	\$ -	\$ -	\$ -	\$ -	\$ 1,320	\$ 1,229	\$ 1,151	\$ 1,031
	Operating income before restructuring & other charges	51	89	90	91	78	93	88	74	6	8	15	24	135	190	193	189
	Restructuring & other charges	1	4	-	-	5	70	-	(3)	-	1	-	-	6	75	-	(3)
	Operating income	\$ 50	\$ 85	\$ 90	\$ 91	\$ 73	\$ 23	\$ 88	\$ 77	\$ 6	\$ 7	\$ 15	\$ 24	\$ 129	\$ 115	\$ 193	\$ 192
Third quarter	Sales	\$ 247	\$ 238	\$ 224	\$ 211	\$ 448	\$ 414	\$ 379	\$ 333	\$ -	\$ -	\$ -	\$ -	\$ 695	\$ 652	\$ 603	\$ 544
	Operating income before restructuring & other charges	25	44	48	49	61	51	57	45	(1)	2	6	14	85	97	111	108
	Restructuring & other charges	-	-	-	-	-	(3)	-	-	-	1	-	-	-	(2)	-	-
	Operating income	\$ 25	\$ 44	\$ 48	\$ 49	\$ 61	\$ 54	\$ 57	\$ 45	\$ (1)	\$ 1	\$ 6	\$ 14	\$ 85	\$ 99	\$ 111	\$ 108
September YTD	Sales	\$ 712	\$ 675	\$ 645	\$ 612	\$ 1,303	\$ 1,206	\$ 1,109	\$ 963	\$ -	\$ -	\$ -	\$ -	\$ 2,015	\$ 1,881	\$ 1,754	\$ 1,575
	Operating income before restructuring & other charges	76	133	138	140	139	144	145	119	5	10	21	38	220	287	304	297
	Restructuring & other charges	1	4	-	-	5	67	-	(3)	-	2	-	-	6	73	-	(3)
	Operating income	\$ 75	\$ 129	\$ 138	\$ 140	\$ 134	\$ 77	\$ 145	\$ 122	\$ 5	\$ 8	\$ 21	\$ 38	\$ 214	\$ 214	\$ 304	\$ 300
Fourth quarter	Sales	\$ 277	\$ 259	\$ 243	\$ 229	\$ 464	\$ 404	\$ 382	\$ 366	\$ -	\$ -	\$ -	\$ -	\$ 741	\$ 663	\$ 625	\$ 595
	Operating income before restructuring & other charges	37	46	57	48	52	40	47	43	(3)	3	12	15	86	89	116	106
	Restructuring & other charges	-	-	-	-	-	5	(1)	-	-	1	-	-	-	6	(1)	-
	Operating income	\$ 37	\$ 46	\$ 57	\$ 48	\$ 52	\$ 35	\$ 48	\$ 44	\$ (3)	\$ 2	\$ 12	\$ 15	\$ 86	\$ 83	\$ 117	\$ 107
Full year	Sales	\$ 989	\$ 934	\$ 888	\$ 841	\$ 1,767	\$ 1,610	\$ 1,491	\$ 1,329	\$ -	\$ -	\$ -	\$ -	\$ 2,756	\$ 2,544	\$ 2,379	\$ 2,170
	Operating income before restructuring & other charges	113	179	195	188	191	184	192	162	2	13	33	53	306	376	420	403
	Restructuring & other charges	1	4	-	-	5	72	(1)	(3)	-	3	-	-	6	79	(1)	(3)
	Operating income	\$ 112	\$ 175	\$ 195	\$ 188	\$ 186	\$ 112	\$ 193	\$ 165	\$ 2	\$ 10	\$ 33	\$ 53	\$ 300	\$ 297	\$ 421	\$ 406

Results reflect the continuing operations of Pactiv after the sale of most of its Protective and Flexible businesses

Pactiv Corporation
Consolidated Statement of Financial Position
Unaudited

(In millions)

	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Assets																
Current assets																
Cash and temporary cash investments	\$ 172	\$ 110	\$ 71	\$ 55	\$ 222	\$ 181	\$ 119	\$ 126	\$ 140	\$ 186	\$ 168	\$ 134	\$ 127	\$ 133	\$ 39	\$ 46
Accounts and notes receivable	319	297	215	197	278	281	279	259	264	244	252	249	251	216	233	199
Inventories	289	331	360	361	311	321	309	337	314	338	331	330	289	300	281	276
Other	40	40	43	44	42	59	61	65	63	49	52	48	49	47	60	62
Assets of discontinued operations held for sale	-	665	657	731	739	709	698	700	707	642	648	636	618	606	606	574
Total current assets	820	1,443	1,346	1,388	1,592	1,551	1,466	1,487	1,488	1,459	1,451	1,397	1,334	1,302	1,219	1,157
Property, plant, and equipment, net	1,141	1,154	1,154	1,157	1,137	1,143	1,162	1,178	1,217	1,105	1,117	1,117	1,122	1,054	1,061	1,050
Other assets																
Goodwill	527	528	524	524	462	458	448	455	455	437	429	439	439	430	430	376
Intangible assets, net	260	265	270	273	270	277	280	287	283	286	281	281	281	285	271	274
Pension assets, net	-	2	2	2	205	200	195	191	187	184	179	175	170	162	1,101	1,073
Other	72	72	73	74	75	73	74	72	72	69	63	62	66	60	61	81
Total other assets	859	867	869	873	1,012	1,008	997	1,001	1,001	973	957	957	956	937	1,863	1,804
Total assets	\$ 2,820	\$ 3,464	\$ 3,369	\$ 3,418	\$ 3,741	\$ 3,702	\$ 3,625	\$ 3,666	\$ 3,706	\$ 3,537	\$ 3,525	\$ 3,471	\$ 3,412	\$ 3,293	\$ 4,143	\$ 4,011
Liabilities and shareholders' equity																
Current liabilities																
Short-term debt, including current maturities of long-term debt	\$ 3	\$ 302	\$ 303	\$ 303	\$ 471	\$ 5	\$ 3	\$ 3	\$ 4	\$ 2	\$ 4	\$ 3	\$ 9	\$ 2	\$ 2	\$ 3
Accounts payable	179	189	175	206	183	182	161	161	147	154	186	179	160	154	147	133
Other	254	279	265	251	237	273	241	276	239	303	222	229	228	272	253	250
Liabilities related to assets of discontinued operations held for sale	20	201	181	149	145	144	138	133	126	125	129	128	125	121	128	117
Total current liabilities	456	971	924	909	1,036	604	543	573	516	584	541	539	522	549	530	503
Long-term debt	869	1,011	880	869	869	1,336	1,336	1,335	1,335	1,166	1,202	1,204	1,222	1,202	1,202	1,209
Pension and postretirement benefits	525	343	356	369	473	519	530	539	548	537	550	560	572	574	57	54
Other liabilities	141	242	237	243	271	268	258	235	238	221	203	186	178	96	621	604
Minority interest	9	9	9	9	9	9	9	8	8	8	21	21	21	8	8	8
Shareholders' equity	820	888	963	1,019	1,083	966	949	976	1,061	1,021	1,008	961	897	864	1,725	1,633
Total liabilities and shareholders' equity	\$ 2,820	\$ 3,464	\$ 3,369	\$ 3,418	\$ 3,741	\$ 3,702	\$ 3,625	\$ 3,666	\$ 3,706	\$ 3,537	\$ 3,525	\$ 3,471	\$ 3,412	\$ 3,293	\$ 4,143	\$ 4,011

Pactiv Corporation
Consolidated Statement of Cash Flows
Unaudited

(In millions)

	Three months ended March 31,				Six months ended June 30,				Nine months ended September 30,				Twelve months ended December 31,			
	2005	2004	2003	2002	2005	2004	2003	2002	2005	2004	2003	2002	2005	2004	2003	2002
Operating activities																
Income from continuing operations	\$ 21	\$ -	\$ 40	\$ 37	\$ 58	\$ 47	\$ 97	\$ 91	\$ 100	\$ 96	\$ 120	\$ 145	\$ 143	\$ 138	\$ 176	\$ 194
Adjustments to reconcile income from continuing operations to cash provided by continuing operations																
Depreciation and amortization	35	37	33	32	71	69	67	63	108	105	101	94	146	139	135	130
Deferred income taxes	3	(3)	11	13	17	20	27	43	26	31	37	68	20	39	46	102
Restructuring and other	2	55	-	-	-	47	-	-	-	35	-	-	(1)	32	(1)	-
Noncash retirement benefits, net	(13)	(14)	(17)	(27)	(27)	(28)	(34)	(56)	(40)	(43)	(50)	(85)	(54)	(56)	(70)	(113)
Working capital	72	(10)	(20)	(7)	23	(16)	(22)	(8)	4	42	28	31	24	37	21	(26)
Other	(3)	3	4	14	(6)	1	7	16	(9)	4	9	17	(8)	4	4	33
Cash provided by operating activities - continuing operations	117	68	51	62	136	140	142	149	189	270	245	270	270	333	311	320
Cash provided by operating activities - discontinued operations	9	15	5	9	28	29	13	26	42	43	30	36	(4)	33	25	64
Cash provided by operating activities	126	83	56	71	164	169	155	175	231	313	275	306	266	366	336	384
Investing activities																
Expenditures for property, plant, and equipment - continuing operations	(31)	(14)	(21)	(22)	(61)	(29)	(40)	(42)	(97)	(55)	(63)	(62)	(121)	(78)	(89)	(91)
Acquisitions of businesses and assets	(98)	-	-	(10)	(98)	-	-	(88)	(98)	-	(22)	(85)	(98)	-	(82)	(119)
Other continuing operations investing activities	(1)	-	-	-	(1)	-	1	4	2	2	-	5	524	2	-	-
Cash used by investing activities - continuing operations	(130)	(14)	(21)	(32)	(160)	(29)	(39)	(126)	(193)	(53)	(85)	(142)	305	(76)	(171)	(210)
Expenditures for property, plant, and equipment - discontinued operations	(7)	(4)	(6)	(5)	(14)	(8)	(11)	(11)	(21)	(13)	(18)	(25)	(22)	(22)	(23)	(36)
Other discontinued operations investing activities	-	-	-	(1)	-	1	-	(2)	-	-	-	(2)	-	7	-	2
Cash used by investing activities	(137)	(18)	(27)	(38)	(174)	(36)	(50)	(139)	(214)	(66)	(103)	(169)	283	(91)	(194)	(244)
Financing activities																
Issuance of common stock	4	6	5	2	11	19	8	6	14	24	12	7	28	33	20	11
Purchase of common stock	-	(83)	-	(27)	-	(171)	(44)	(35)	(122)	(230)	(59)	(40)	(164)	(230)	(87)	(40)
Retirement of long-term debt	(169)	-	(27)	-	(169)	-	(28)	(8)	(169)	-	(67)	(9)	(468)	-	(67)	(22)
Issuance of long-term debt	-	-	-	-	11	-	-	-	142	-	-	-	-	-	-	-
Other	11	(1)	-	-	10	-	(1)	-	10	-	(1)	(3)	9	-	2	(4)
Cash used by financing activities - continuing operations	(154)	(78)	(22)	(25)	(137)	(152)	(65)	(37)	(125)	(206)	(115)	(45)	(595)	(197)	(132)	(55)
Cash used by financing activities - discontinued operations	-	-	-	(3)	-	(1)	-	(3)	-	-	-	(1)	-	-	(2)	(2)
Cash used by financing activities	(154)	(78)	(22)	(28)	(137)	(153)	(65)	(40)	(125)	(206)	(115)	(46)	(595)	(197)	(134)	(57)
Effect of foreign-currency exchange rate changes on cash and temporary cash investments	(2)	(1)	-	-	(4)	(1)	1	2	(4)	-	2	1	(4)	4	5	3
Increase (decrease) in cash and temporary cash investments	(167)	(14)	7	5	(151)	(21)	41	(2)	(112)	41	59	92	(50)	82	13	86
Cash and temporary cash investments, January 1	222	140	127	41	222	140	127	41	222	140	127	41	222	140	127	41
Cash and temporary cash investments, June 30	\$ 55	\$ 126	\$ 134	\$ 46	\$ 71	\$ 119	\$ 168	\$ 39	\$ 110	\$ 181	\$ 186	\$ 133	\$ 172	\$ 222	\$ 140	\$ 127