

Pregis Corporation
Third Quarter 2005 Earnings Release / Conference Call of November 21, 2005

Regulation G GAAP Reconciliation
EBITDA and Adjusted EBITDA

<i>(in millions)</i>	Three Months Ended		Nine Months Ended		Twelve Months
	September 30,		September 30,		Ended
	2005	2004	2005	2004	September 30, 2005
Net income (loss)	\$ 9.5	\$ 5.6	\$ (6.5)	\$ 10.4	\$ (25.4)
Depreciation and amortization	7.6	7.0	24.2	23.4	33.0
Interest expense, net	0.7	0.8	2.2	2.3	39.6
Income tax expense (benefit)	4.2	4.9	(0.1)	8.8	(5.6)
Goodwill impairment	-	-	35.7	-	35.7
EBITDA	<u>22.0</u>	<u>18.3</u>	<u>55.5</u>	<u>44.9</u>	<u>77.3</u>
Restructuring costs	-	4.0	(0.3)	11.8	0.6 (c)
EBITDA, excluding restructuring	<u>22.0</u>	<u>22.3</u>	<u>55.2</u>	<u>56.7</u>	<u>77.9</u>
Estimated incremental savings (a)					6.7
Management fee (b)					1.5
Gain on sale of securities (d)					(1.2)
Other expense (income) (e)					0.4
Adjusted EBITDA					<u>\$ 85.3</u>

- (a) Adjustment to reflect the Company's estimated overhead costs on a stand-alone basis. Pactiv charges the Company for legal, finance, human resources and other similar costs incurred directly to support its business operations. The adjustments represent management's best estimate of the savings achievable in providing these support services on a stand-alone basis. There can be no assurance that the Company will be able to achieve these incremental cost savings.
- (b) Reflects the annual management fee that the Company will pay to AEA Investors pursuant to a management agreement.
- (c) Reflects restructuring charges incurred by the Company in 2004 as the result of a program designed to rationalize manufacturing capacity and reduce overhead costs.
- (d) Reflects the gain realized by the Company on the 2005 sale of its shares in Duales Systems Deutschland, a German recycling company.
- (e) Reflects other non-recurring expense (income) items, including estimated net additional profit margin on historical intra-company sales with other Pactiv divisions which will be sold to on an arm's length basis after the sale transaction. There can be no assurance that the Company will be able to achieve these additional profit margins.

Regulation G GAAP Reconciliation
Operating Income

<i>(in millions)</i>	Three Months Ended		Nine Months Ended	
	2005	2004	2005	2004
Operating income - U.S. GAAP basis	\$ 14.4	\$ 11.3	\$ (5.6)	\$ 21.5
Excluding restructuring costs	<u>-</u>	<u>4.0</u>	<u>(0.3)</u>	<u>11.8</u>
Operating income - excluding restructuring costs	<u>\$ 14.4</u>	<u>\$ 15.3</u>	<u>\$ (5.9)</u>	<u>\$ 33.3</u>