



# We are **focused** . . . and it **shows**

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# PCA's Commitment...

## to Customers —

Provide the best value and be easy to do business with

## to Shareholders —

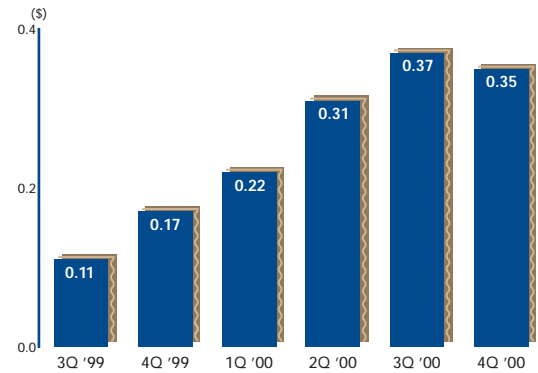
Operate to ensure that everything we do revolves around the concept of creating shareholder value

## to Employees —

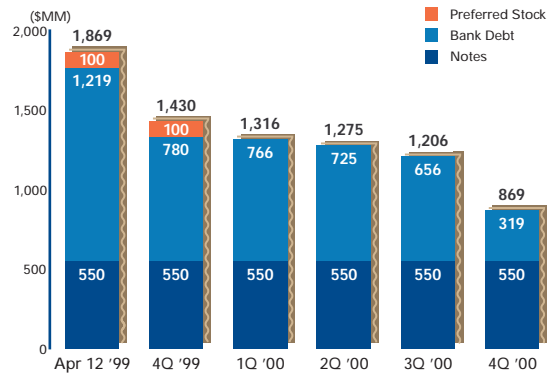
Provide a safe and challenging work environment where people can make the competitive difference

# Superior Operating Results.

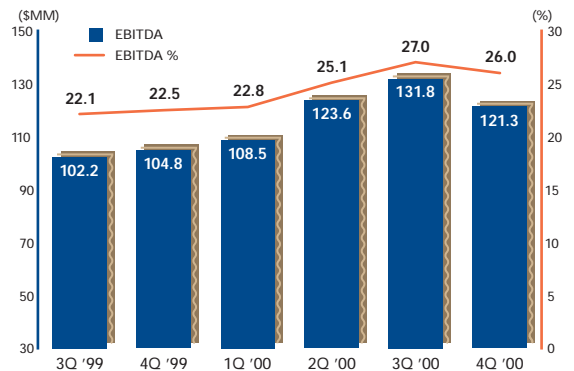
Earnings per Share



Total Long-Term Debt



EBITDA and EBITDA as a % of Net Sales



**Paul T. Stecko**  
*Chairman and  
Chief Executive Officer*



**T**he year 2000 was PCA's first full year as a stand-alone company. It was a very busy and successful year for us, and we are very proud of our accomplishments. We reported strong operating results for the year and achieved a number of our key strategic objectives, which have enabled us to achieve the financial and strategic flexibility to continue to create shareholder value.

## To Our Shareholders

In January, nine months after becoming a stand-alone private company through a leveraged buyout, PCA became a public company with the initial public offering of its stock. This offering was the largest ever in the paper and packaging sector, with total proceeds of \$555 million and 46 million shares sold. PCA's stock closed the year 34% above its IPO price in a market where the S&P 500 was down 9.3%. And, of the 42 U.S. manufacturing company IPOs in 2000 with offering proceeds greater than \$100 million, PCA ranked 12th in terms of stock performance.

In June, despite rising interest rates, we were able to refinance our \$735 million senior secured term debt and our \$150 million revolving credit facility, and achieved about a 100 basis point reduction in the average interest rate. This reduction was a direct result of the \$450 million in debt paydown made in our first year of operation and our redemption of \$100 million of 12% preferred stock, which was our highest cost financing.

In November, we completed our second major timberlands sale within 12 months. We received \$248 million in net proceeds, which we used to pay down debt, and acquired a one-third equity ownership interest in Southern Timber Ventures, the LLC that purchased the timberlands. As part of the sale, we also secured a long-term fiber supply agreement for our Counce, Tennessee linerboard mill.

In December, just 20 months after becoming a stand-alone company, we reduced our total debt by \$1 billion, representing 83% of our goal of reducing debt by \$1.2 billion by the end of 2001. At year end, our debt stood at \$869 million.

Twice during the year both Standard & Poor's and Moody's upgraded our credit rating, reflecting our large debt paydown and the improvement in our debt to total capital ratio, which we reduced from 84% to 56%.

During the year, we also completed our work in establishing a low-cost, stand-alone corporate operating infrastructure. We took responsibility for services previously provided by Pactiv Corporation and initiated new corporate functions such as tax and treasury. We also completed an important milestone in establishing e-commerce capabilities that will allow us to interface and collaborate with our customers over the Internet in the interactive design of corrugated containers. We plan to roll out these capabilities to customers during 2001.

Safety and environmental performance remained a key priority for us throughout the year. Our employees continued to operate in a very safe and environmentally conscious manner and our performance in safety and environmental compliance continues to improve. PCA remained committed to responsible stewardship of all the forest lands we manage. As part of the industry-wide Sustainable Forestry Initiative<sup>SM</sup> (SFI), we adhere to a comprehensive system of principles, objectives and measures that help ensure the long-term health of our forests. Finally, in 2000, we completed all of the capital projects at our containerboard mills necessary to meet the 2001 Clean Air Act requirements.

While all of these activities were happening, we remained focused on both our customers and operations and continued to generate improved and superior operating results. Net income from continuing operations and before extraordinary charges increased eightfold to \$134 million or \$1.25 per share in 2000, compared with \$17 million or \$.17 per share in 1999. Operating income increased 67% to \$344 million in 2000 from \$206 million in 1999, and EBITDA improved 36% to \$485 million in 2000 from \$356 million in 1999.

Our improved earnings were driven primarily by higher prices for both containerboard and corrugated products, the elimination of preferred stock dividends as a result of the redemption of our 12% preferred stock, and lower interest expense resulting from our debt reduction. As a result of our \$1 billion in debt reduction, annual interest and dividend expense has been reduced from \$170 million, when we began operations as a stand-alone company in April 1999, to \$80 million going into 2001. Finally, on the manufacturing cost side, we were not affected as much as many other industrial companies by the significant increase in natural gas prices. Counce and Tomahawk, our two largest mills, both burn lower cost coal. The Filer City mill, which produces 13% of our containerboard, consumes over 45% of the natural gas used in our mill system. Filer City, however, has a low-cost natural gas contract through August 2001, at which time it will convert to even lower cost coal.

**A**t PCA our vision and our operating philosophy will continue to revolve around three basic principles:

#### **“Being Big and Small at the Same Time”**

As a company we want to be very entrepreneurial in our approach to business while at the same time leveraging our considerable scale and synergy. And by entrepreneurial, I mean something that goes far beyond what exists at most large companies today. We want behavior that reflects what is normal and expected in a very small company: things get done quickly, efficiently and without a lot of bureaucracy, politics or overhead. This is one reason why we run our 65 corrugated products plants as decentralized, stand-alone profit centers.

But besides acting small we also want to take advantage of our size wherever it makes sense. For example, with 65 corrugated products plants we can share and leverage best practices, technology and product successes

throughout our entire system. Size also affords us economy of scale in purchasing as well as the ability to optimize capital spending efficiency over a large manufacturing system. When you can be big and small at the same time, you can provide your customers the best value while at the same time be easy to do business with.

#### **“Focusing on the Hard-to-Do”**

Doing things that are hard to do is often avoided, not embraced, by many companies. At PCA, we recognize that our job is to develop capabilities that allow us to do difficult things efficiently. This allows us to provide our customers the best products, values and services available. Innovation is essential if you're going to do the hard things well and, more important, profitably. Often the only profitable way to do the hard things is by developing entirely new ways of doing business. Here, one size doesn't fit all, and having 65 corrugated products plants with a wide variety of innovative approaches is a big plus.

#### **“People Make the Difference”**

Being big and small and embracing the hard-to-do may sound simple but can be very difficult. It requires hard work and a very high level of teamwork. That's why at PCA, our motto is “people make the difference.” Our greatest strength lies in our 7,900 employees across the United States who are committed to meeting the needs of our 8,400 valued customers.

**A**s we enter 2001, I am very optimistic about PCA's long-term prospects. We have strengthened our balance sheet significantly and have both a low-cost mill system as well as outstanding operations and a strong customer base in corrugated products. Industry consolidation and historically low levels of projected new capacity are also positives. Weakening corrugated demand in 2000 and the slowing economy are clearly short-term concerns. As widely reported, the industry has demonstrated the ability to better manage supply during this period of weak demand. Obviously, this will remain a key to success until demand picks up. Hopefully, falling interest rates and tax-cut initiatives will help rejuvenate economic growth. Lower interest rates should also help reduce the strength of the dollar and improve the country's large balance of trade deficit. This would be a major impetus for increased corrugated demand.

In closing we hope this, PCA's first annual report, gives you a better understanding of our performance, operations and vision as we move into 2001 and beyond. We remain focused and committed to our primary objective, the continued creation of shareholder value.



*Chairman and  
Chief Executive Officer*

# a Leader in containerboard & corrugated packaging

- April 1999 — PCA became a private stand-alone operating company when Pactiv Corporation (formerly known as Tenneco Packaging Inc., a wholly owned subsidiary of Tenneco Inc.) sold its containerboard and corrugated products business to PCA, an entity formed by Madison Dearborn Partners, LLC, a private equity investment firm.

- January 2000 — PCA completed an initial public offering of its stock and became a publicly traded company on the NYSE under the symbol PKG.

- December 2000 — Achieved \$1 billion in total debt reduction.

## Key Corporate Developments

**NYSE**

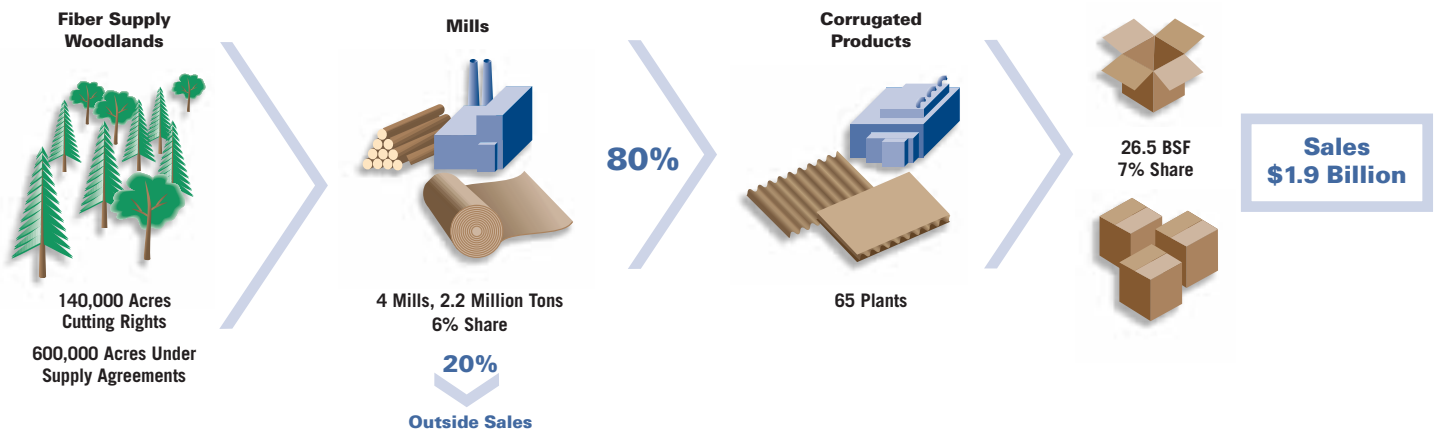
# Corporate Overview

Unlike most other major companies in the Paper and Forest Products Industry, PCA is focused on a single line of business, containerboard and corrugated packaging products. This single business focus not only differentiates us from our major competitors, it has helped us develop a level of operational excellence and profitability that is well-recognized.

PCA is one of the largest manufacturers of containerboard and corrugated packaging products in the United States, based on production capacity as reported in *Pulp and Paper's 2000 North American Fact Book*. In 2000, PCA produced about 2.2 million tons of containerboard and shipped about 26.5 billion square feet (BSF) of corrugated products, which produced net sales of \$1.9 billion.

We manufacture a broad range of linerboard and corrugating medium at our four containerboard mills. We also produce a wide variety of corrugated packaging products at our 65 corrugated products plants, including:

- Conventional shipping containers used to protect and transport manufactured goods
- Multi-color boxes and displays with strong visual appeal used to merchandise the product in retail locations
- Special design/application meat and produce boxes used in the food and agriculture industry



Highly integrated, PCA converts approximately 80% of the containerboard it produces into finished corrugated containers for sale to a broad base of both local and national customers.

PCA corporate headquarters are located in Lake Forest, Illinois, a suburb approximately 30 miles north of downtown Chicago. PCA's common stock is listed on the New York Stock Exchange under the ticker symbol "PKG."

# "PKG"

**Mark W. Kowlzan**  
Vice President,  
Containerboard



“ Maintaining our low-cost mill status through ongoing process optimization and cost reduction will continue to be the focus of our containerboard manufacturing operations. ”

## Containerboard Manufacturing

### At a Glance

- 6th largest producer
- Four mills produced 2,165,000 tons in 2000
- 80% of production consumed by PCA box plants
- Outside sales:
  - 14% domestic
  - 6% export
- Two thirds of production capacity in lowest cost quartile
- Low-cost position driven by:
  - Low wood fiber costs
  - Recycled fiber consumption flexibility
  - Low-cost purchased fuel mix
  - Highly efficient operations
- 2001 Clean Air Act requirements completed

**PCA** produced 2,165,000 tons of containerboard in 2000 at our four mills, which represents a combined 6% U.S. market share. We have a low-cost manufacturing system, with approximately two thirds of production capacity ranked in the lowest production cost quartile within the North American forest products industry. Each mill is strategically located near high-quality wood and secondary fiber sources, including softwood, hardwood and recycled fiber, resulting in lower manufacturing costs. Approximately 80% of PCA's containerboard production is consumed by our own corrugated products plants.

PCA's two kraft linerboard mills can manufacture a broad range of linerboard grades ranging from 26 lb. to 96 lb. Our two semi-chemical corrugating medium mills can manufacture grades ranging in weight from 21 lb. to 47 lb. All four of PCA's mills have completed an extensive independent review process to become ISO 9002 certified. ISO 9002 is an international quality certification which verifies that a facility maintains and follows stringent procedures for manufacturing, sales and customer service.

Our mills have an excellent reputation for high-quality products. We have invested to ensure the continued modernization and maintenance of our mill system. Capital expenditures at the mills totaled approximately \$500 million for the six-year period ended December 31, 2000. These expenditures included strategic investments of \$100 million at the Counce and Valdosta facilities to upgrade existing machines to make lightweight, high-performance linerboard grades, and \$28 million for new recycled fiber processing capabilities at the Counce and Filer City mills.





### Counce

The Counce, Tennessee mill is one of the largest linerboard mills in the United States. Its production capacity is approximately 1,003,000 tons per year. In 2000, the mill produced 930,000 tons of kraft linerboard on two paper machines. The mill produces a broad range of basis weights from 31 lb. to 96 lb., and a variety of performance and specialty grades of linerboard, including high-ring crush and wet strength.

Over the past five years, we have upgraded our pulping process and installed additional recycled fiber processing capacity to create

*Counce No.2 paper machine was rebuilt in 1997 to produce lightweight containerboard and special performance grades.*

a high level of fiber flexibility. The mill is now able to use low-cost hardwood for up to 25% of its fiber content and recycled fiber for up to 30% of its fiber content. As a result of these developments, Counce enjoys a high degree of fiber flexibility, enhancing its ability to manufacture a high-quality, low-cost product.

*State-of-the-art process control automation allows mill personnel to readily optimize operations.*





## Operating efficiency

### Valdosta

The Valdosta, Georgia mill is a kraft linerboard mill and has a production capacity of 457,000 tons per year. In 2000, PCA's single paper machine at Valdosta produced approximately 414,800 tons of linerboard. The mill primarily produces light- to middleweight linerboard ranging from 35 lb. to 56 lb., and heavyweight/super heavyweight linerboard ranging from 61 lb. to 96 lb.

Valdosta has been recognized for producing a premium 35 lb. printing and coating base stock linerboard. It has been independently judged to be the best printing quality 35 lb. high-performance linerboard in the industry. This level of printability is increasingly demanded by box producers as they strive to produce value-added containers. In addition, Valdosta is considered a strong export mill due to its proximity to nearby ports and its high virgin pine grade fiber content.

*Tomahawk's No. 4 paper machine is one of the largest corrugated medium machines in the world.*

### Tomahawk

The Tomahawk, Wisconsin mill is the second-largest corrugating medium mill in the United States. Its production capacity is 548,000 tons per year. In 2000, the mill produced 535,100 tons of semi-chemical corrugating medium on three paper machines, one of which is among the largest corrugating medium machines in the world. These machines produce a broad range of basis weights from 23 lb. to 47 lb., and also produce a variety of performance and specialty grades of corrugating medium, including high-ring crush, wet strength, tare weight and super heavyweight.

Since initiating a disciplined cost reduction program in 1994, Tomahawk has increased productivity and held cash costs relatively constant over the period. Recycled fiber accounts for about 30% of the mill's total

## economies of Scale

fiber consumption. Tomahawk has the ability to increase its recycled content up to 35%. One notable improvement is a semi-chemical carbonate hardwood pulping technology implemented in early 1998 that produces high pulp yields with short process times.

### Filer City

The Filer City, Michigan mill is a semi-chemical corrugating medium mill, and the fourth-largest corrugating medium mill in the United States based on production capacity. Mill production capacity is 367,000 tons a year with all three paper machines running. In July 1998, we shut down one machine at Filer City. In 2000, the mill produced 285,100 tons of corrugating medium on two paper machines. The mill produces a range of corrugating medium grades in basis weights from 21 lb. to 40 lb. Recycled fiber accounts for about 35% of the mill's total fiber consumption. Filer City installed the semi-chemical carbonate hardwood pulping technology in late 1998, following its successful implementation at Tomahawk.

### "Drive to World-Class Levels" Program

Through the mills' "Drive to World-Class Levels" program, aggressive operations efficiency, economies of scale, and cost reduction programs have been implemented. Management estimates that a total of about \$105 million in cost savings were achieved from 1996 through 2000. Cost savings have come from a variety of initiatives, primarily operations efficiency enhancements, materials and energy cost reductions, and reduced headcount.

#### Mill cost reductions and productivity improvements by mill from 1996 through 2000

	Annual Savings ( <i>\$ Millions</i> )
Counce	\$ 56
Valdosta	23
Tomahawk	14
Filer City	12
<b>Total</b>	<b>\$105</b>

### Mill Fiber Supply

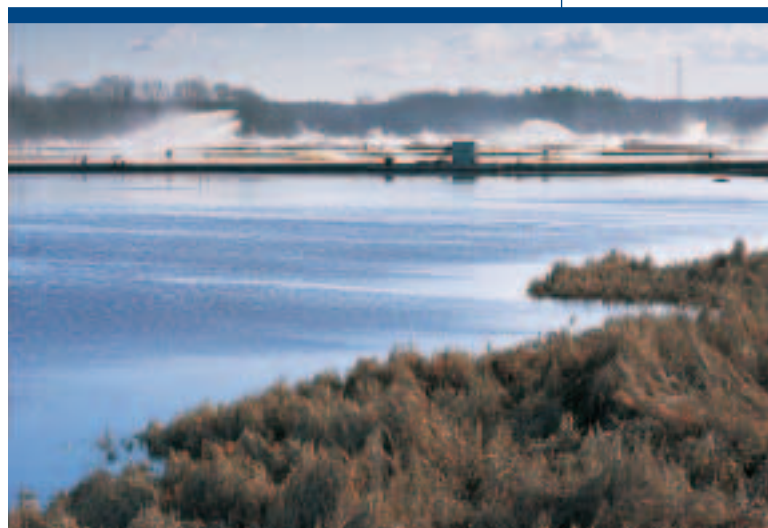
PCA currently leases cutting rights to approximately 140,000 acres of timberland located near the Counce and Valdosta Mills. Virtually all of these leases have terms with over 20 years remaining.

During 1999 and 2000, PCA sold about 800,000 acres of timberland. As part of the timberland sale agreements, we entered into fiber supply arrangements on about 75% of the acres sold, and retained a 33% ownership interest in 385,000 acres sold to Southern Timber Ventures, LLC in November 2000.

In addition to managing our own timberland, we initiated a Forest Management Assistance program. Through this program PCA provides professional forestry assistance to private timberland owners to improve harvest yields and optimize their harvest schedule. PCA has managed the regeneration of about 100,000 acres by supplying pine seedlings. In exchange for our expertise, PCA is given the right of first refusal over timber sales from these lands. These private lands include over 200,000 acres of timberland. PCA expects to harvest over 150,000 cords of wood from these forests annually.



PCA also participates in the Sustainable Forestry Initiative<sup>SM</sup>, which is organized by the American Forest and Paper Association. This initiative is aimed at ensuring the long-term health and conservation of America's forestry resources. Activities include limiting tree harvest sizes, replanting harvested acreage, participating in flora and fauna research and protecting water streams.





*Valdosta Turbine Room*

*Self-generation of electricity and consumption of lower cost fuels, such as coal, contributes significantly to PCA's low-cost mill status.*

*Counce's Multi-Fuel Boiler*



### **Mill Energy Supply**

PCA mills consume energy from both internal and external sources. A significant portion of our mills' energy requirements is generated from internal sources such as black liquor from the wood pulping process and bark from processed wood. In addition, each of our mills has boilers, which produce steam to generate electricity. Purchased fuel sources include coal, natural gas, fuel oil, bark and tire-derived fuel. Our two kraft linerboard mills at Counce and Valdosta use internal fuel sources such as bark and black liquor for approximately 70% and 65%, respectively, of their fuel requirements. Each of our mills also uses turbine generators to produce electricity. Electricity produced internally amounted to about 50% of our total electricity consumption in 2000.

Having the ability to burn lower priced coal and other fuels has lowered PCA's reliance on natural gas as a primary fuel source. With the rising natural gas prices in the latter half of 2000, PCA lowered its mill natural gas consumption by about 20% by switching to lower priced fuels. Currently PCA's Filer City mill consumes over 45% of our total mill natural gas requirements. PCA has a long-term contract through August 2001 to purchase 80% of Filer City's natural gas needs at a very attractive fixed price. We also have a project underway to re-commission coal burning systems on our existing two boilers at Filer City. This \$5 million project is expected to be completed in the fall of 2001.

The Valdosta mill has lowered its purchased electricity cost by entering into a demand-based real time pricing contract with its utility provider. Based upon daily electrical prices, operations personnel adjust major equipment operating schedules to minimize outside purchased electricity costs.

### **Solid Wood and Recycling Facilities**

PCA owns three sawmills located in Ackerman and Fulton, Mississippi, and Selmer, Tennessee. In 2000, these three sawmills sold approximately 150 million board feet of lumber used to make furniture and building products. PCA also has an air-dry yard operation in Burnsville, Mississippi that holds newly cut lumber while it dries. Finally, PCA has a 50% interest in a wood chipping joint venture in Fulton, Mississippi.

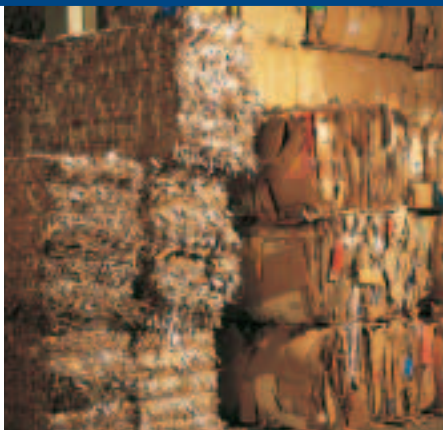
PCA also operates three paper recycling centers; one in Jackson, Tennessee and two in Nashville, Tennessee. These recycling centers collect old corrugated containers, newspapers and other types of recycled fiber that provide a source of fiber to our nearby Counce mill.



*Chip storage*



*Pulpwood handling and storage*

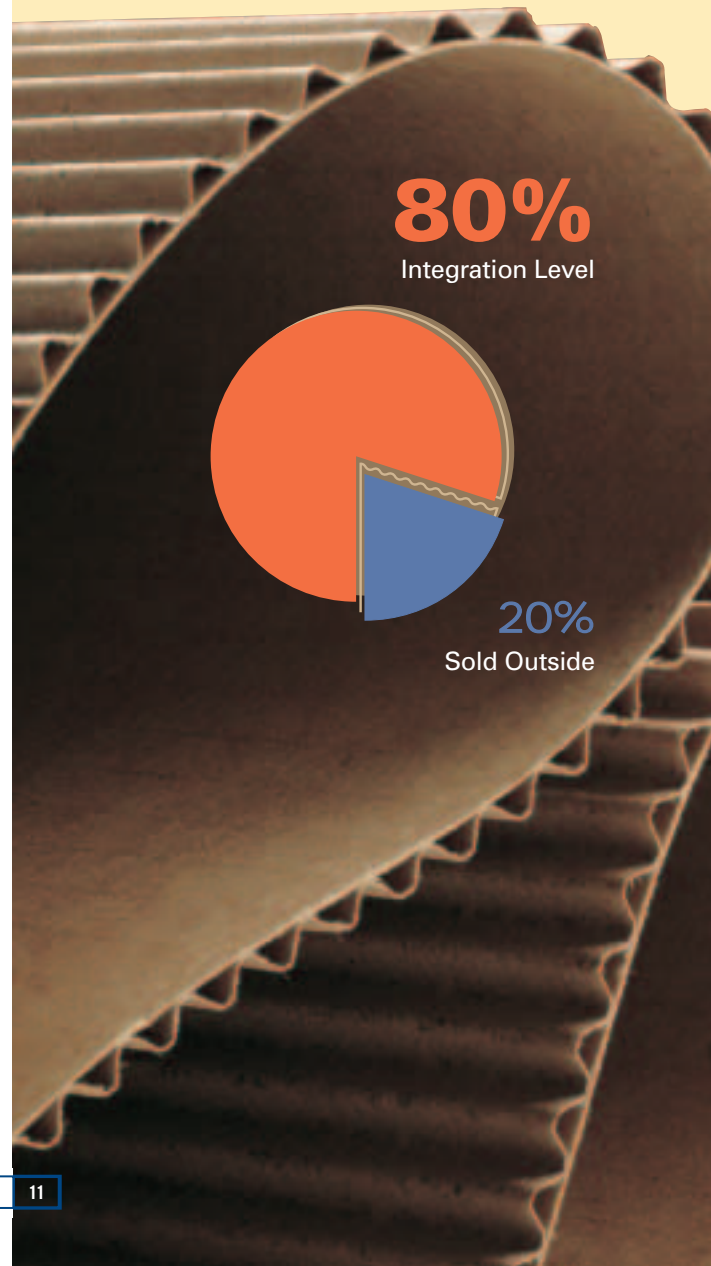


*Recycled fiber storage*

*In 2000, PCA consumed about 550,000 tons of recycled fiber at our containerboard mills.*

# From containerboard to corrugated

During 2000, 80% of the containerboard produced at PCA's four mills was consumed by its own 65 corrugated products plants. This level of integration is among the highest in the industry. The remaining 20% is sold to domestic customers (approximately 14%) and export customers (about 6%).



**William J. Sweeney**  
Executive Vice President,  
Corrugated Products



“ We have a quality, value-added product...and I’m not only referring to the ‘product’ you might think...corrugated packaging...it’s PCA the company, the people and the relationships we share with our customers. ”

## Corrugated Products

### At a Glance

PCA has a network of 65 corrugated products plants and five Graphic Design Centers, strategically located throughout the United States.

PCA employs 7,900 people who are focused on adding value and service to the relationships we share with our customers.

Company-wide sharing of “best practices.”

Industry-recognized graphic design capabilities.

Technical and Development Center provides new package and product development and a wide range of technical assistance.

PCA’s Value Improvement Process program (VIP) uses customer audits to bring long-term, permanent savings to our customers.

**PCA** has a long history of building strong relationships and providing outstanding service and value to its customers. Our focus on building a strong and growing customer base will continue. The advantage we have is that our people have always understood that meeting the needs of our customers, and our customers’ customers, is the heart of our business. If we consistently do that, our customers succeed and so do we.



### Meeting Customer Needs

We have five primary product categories: shipping containers, point-of-sale packaging, displays, specialty packaging and bulk containers, but our number one product is ideas. Ideas that add value beyond the box. We provide ideas and solutions to our customers that help them sell more effectively, while reducing their costs whenever possible.



*This specialty folder/gluer at our Burlington, Wisconsin facility is used to glue various styles of corrugated containers and display components.*



- Mills
- Corrugated Plants
- ▲ Headquarters

### Adding Value

PCA offers its customers many packaging options that add value to what they do. In our dynamic marketplace, protective coatings, unique opening and closure systems, and Rotopremiere™ and Lithopremiere™ printing are just some of the ways we are helping our customers meet their marketing objectives.

Our 65 corrugated products plants are strategically located throughout the United States to better serve both national and local accounts. We have found that running each of our locations as an independent profit center makes a great deal of sense. There is a pride of ownership at each plant that has resulted in greater accountability and increased revenues. Additionally, our customers enjoy the one-on-one personalized service of a local plant.

PCA encourages an entrepreneurial approach to its operations. Our facilities utilize a “best practices” program that they have found to be effective in improving operations. These practices are shared across the plants in order to create the highest efficiencies for PCA as a whole. Each plant is accountable for its results and recognized for its successes.

While each of our locations is in many ways its own small business, PCA also provides its customers with the advantages of a large integrated manufacturer. Our customers benefit from the economies of scale of PCA’s network of operations in such areas as shipping, reliable supply of containerboard, energy and a company-wide sharing of “best practices.”

# Creative ideas



*PCA's Graphic Design Centers generate ideas and prototypes for our customers.*

## Graphic Design Centers

PCA's five Graphic Design Centers are regionally located to provide a complete line of product development and design services. These centers are staffed by highly creative and technically skilled designers who utilize CAD systems to produce packaging prototypes...within 24 hours if needed. The design centers are fully supported by structural design teams at each of our plants. Our investment in high-end graphic capabilities has significantly increased our point-of-purchase (POP) and point-of-sale customer base, as well as put us in a very good position for the growing trend of "display ready" shipping containers.

## Technical and Development Center

PCA's Technical and Development Center (TDC) located in Mundelein, Illinois, provides the means for our Technical and Developmental Services Group to better serve PCA's wide-ranging customer base, as well as the group's internal customers, including sales, design, manufacturing and management. Key services provided from the TDC include:

- New package and product development
- Package and unit load testing and optimization
- Materials testing and quality tracking
- Technical consulting
- Automated packaging systems assistance
- Design resources coordination

## Supply Services

The Supply Service Centers are a business segment of PCA that provide packaging supplies to a variety of customers and industries.

# Technical skills

*The Technical and Development Center's materials testing lab utilizes the most current technology and is staffed by highly skilled technicians.*





## Focused on Our Customers

In order to retain our leadership position, and continue the positive growth we've experienced this past year, we continually monitor our customers' needs and their level of satisfaction with our performance. We call this Customer Focused Management (CFM). It is through this ongoing process that we are able to manage our business with the focus on the customer. When you listen to your customers and know what's important to them, it makes it a lot easier to do your business well. And, that's our goal.

Additionally, PCA provides marketing services to align and capture customers' strategic opportunities. The essential idea is to capture the customer's brand image in its packaging. The result is realized in increased revenues and margins for our customers.

## Adding Value with Value Analysis

One of the strongest statements PCA has made as a company about our commitment to bring value to our customers is the development of our Value Improvement Process program (VIP).

As part of the VIP, we provide an audit of a customer's facility and manufacturing processes to identify areas for cost reduction and permanent savings.

Here's what PCA's customers are saying about our VIP program:

■  
“ Value analysis of our account has helped make PCA one of our preferred suppliers and has made this a relationship versus a transaction. ”

■  
“ PCA provides a cross-functional look at the entire supply chain from incoming materials through operations and distribution. The Value Analysis recommendations presented as a result focus on total cost, and cover both specification and process improvement ideas. ”

■  
“ PCA's Value Analysis audits have been a positive experience, and I'm confident that there will be additional cost savings found at our other facilities. PCA's people are very knowledgeable and helpful. ”

■



## Quality Packaging from PCA

Our quality strategy is expressed best through our seven Quality Management Principles:

- Focus on our customers
- Lead with integrity
- Involve all of our people
- Achieve consistency through process/system management
- Improve continuously
- Make decisions with facts
- Develop positive supplier relationships

PCA is committed to our quality systems and we are taking the necessary steps to put the latest ISO 9000 family of standards into place as the structure to execute our quality principles.

But we go one step beyond what is required of us. PCA has developed a set of standards specific to our business, which we refer to as “Manufacturing Excellence” standards. This is a set of “best practices” for converting operations, with the objective to better serve our customers and to improve costs. Plants are certified, and recognition is given for improved performance and results. Information is then shared between our facilities to help keep the improvement process continuous.



*PCA's new 50" flexo folder/gluer at our Milwaukee, Wisconsin facility has increased production flow.*

### **Investing in Ourselves**

We have invested over \$850 million during the past six years in our containerboard mills and corrugated products plants. We will continue to invest to keep our processes and equipment at state-of-the-art levels and grow our position in the marketplace. During 2001, we will spend over \$25 million to install three new leading edge corrugators at existing plants.

### **PCA People...Investing in Our Future**

As part of our belief that "people make the difference," PCA offers a wide variety of training programs to its employees. The skills and positive reinforcement these classes provide make it possible for PCA to further build on our greatest strength... the people who work here.

- Management Development Training (MDT)
- Sales Training
- Technical Skills Training

### **Safety and Environmental**

PCA is committed to responsible environmental protection and safety practices. We employ a formal program of Environmental, Health and Safety assessments of our operations and maintain a database to track audit recommendations company-wide.

*Brian Johnson discusses flexographic printing with Production Supervisor Richard Welk of the Milwaukee plant.*



**“PCA's MDT program has shown me far more than I could ever have imagined. In MDT a variety of seeds are planted, and if the individual harvests his or her talents to the fullest, solid leadership emerges.”**

**Brian Johnson**

*Production Manager, PCA Los Angeles*

**Richard B. West**  
*Chief Financial Officer,  
 Vice President and  
 Corporate Secretary*



“ In 2000, we strengthened our balance sheet considerably and received credit rating upgrades from two major ratings agencies. We also put into place an effective, low-cost corporate operating infrastructure required to support a stand-alone company. ”

## Corporate Administration

### At a Glance

- Stronger Balance Sheet
- Improved Risk Profile
- Transition of Corporate Functions Completed
- Common Upgraded Business and Financial Systems Across PCA
- Electronic Commerce Capabilities Developed
- Credit Ratings at December 31, 2000:

	Moody's	S&P
Corporate Rating	Ba2	BB+
Senior Secured Term Loans	Ba1	BBB-
Subordinated Bonds	B1	BB-

**PCA** strengthened its balance sheet and overall risk profile considerably in 2000. After reducing debt by \$440 million during 1999, an additional \$560 million in debt reduction was achieved in 2000. The total debt reduction of \$1 billion came from our two timberland sales, \$510 million; free cash flow from operations, \$390 million; and proceeds from our initial public offering which was used to redeem our \$100 million of 12% preferred stock. Total long-term debt has been reduced from \$1,869 million, when we began operations 20 months ago, to \$869 million, or over 50%.

As a result of our accelerated debt reduction efforts, both Moody's and Standard and Poor's raised our credit ratings twice. PCA's senior secured debt rating is now investment grade by one agency and one level below by the other ratings agency.

In addition to our senior secured term debt refinancing in June, we completed a three-year revolving asset securitization credit facility for \$140 million in November, which further lowered our average interest rates. Through debt reduction and refinancing, our annual interest and dividend expense has been reduced by over 50% to \$80 million annually based on December 31, 2000 ending debt levels and interest rates.

Our capital structure has improved from 84% debt to 56% debt. Also, credit coverage ratios have significantly improved: total debt to EBITDA from 5.4 times to 1.8 times, and EBITDA to interest coverage from 2.1 times to 6.1 times.

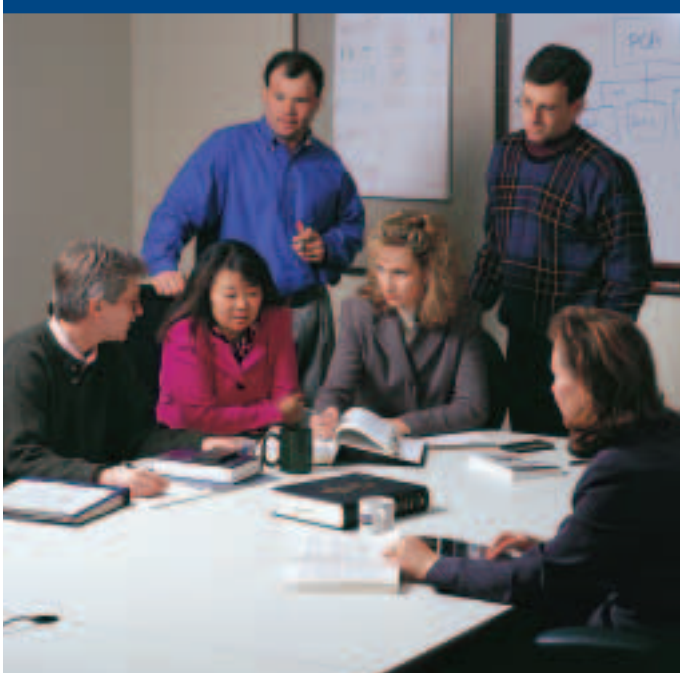
As a new stand-alone company, PCA had both challenges and opportunities to build its own corporate administrative functions. The plan was simple: hire the best people,

maintain efficient, effective and non-bureaucratic corporate policies and procedures, and add overhead only when absolutely needed. We completed the establishment of all corporate administrative functions during 2000. These services were previously performed by Pactiv Corporation under transition service agreements. The work completed included transitioning payroll processing, benefits administration, information systems computer operations and network support services, and consolidations accounting.

*Working together, the transition of finance, treasury and tax functions to PCA was completed in 2000.*



*Human Resources completed the transition of all benefit programs and employee services.*



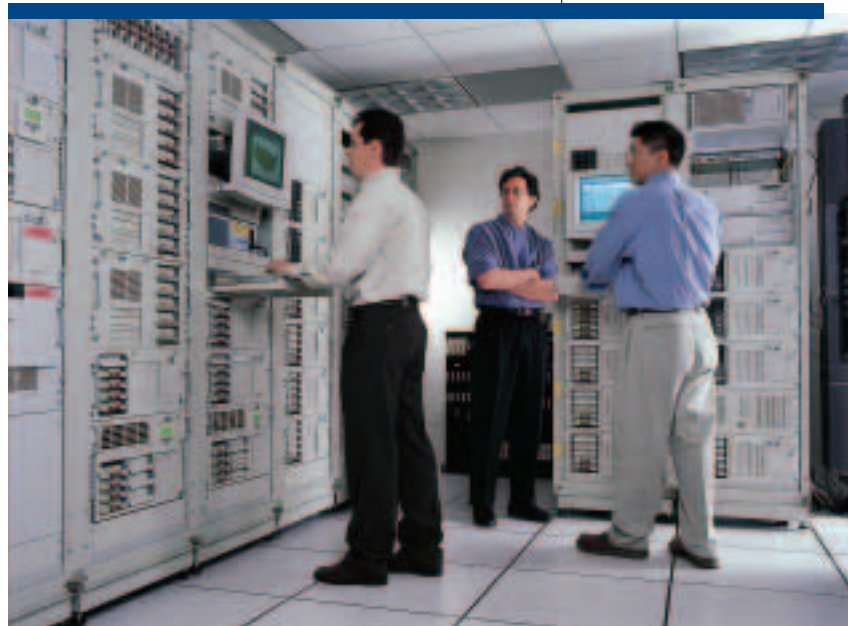
develop and design new products, change existing products and complete all order fulfillment functions on-line over the Internet with PCA design, sales, marketing and customer services personnel. This capability will be provided to our customers beginning spring 2001.

As a result of the work completed in 2000, we now have an effective, low-cost corporate operating infrastructure. During 2001, we will be focused on further strengthening our risk profile, full utilization of our e-commerce capabilities and continued support of our business group.

The area with the most change was information systems. We established a computer operations center, network support group, and centralized help desk support for PCA business applications. Major software applications were also upgraded, including general ledger, accounts payable, fixed assets, accounts receivable and financial consolidations computer systems.

Through both new and upgraded software applications installed throughout PCA over the last three years, we now have common business and financial systems across our four mills and 65 corrugated products plants. These new applications also link to a corporate-wide data warehouse that stores critical business, financial and operating data.

We also developed a new Internet-based e-commerce business solution. This new capability will allow our customers to



*PCA now operates our own computer and network operations and support center, servicing all operations.*

# operations & locations

## Containerboard Mills

### Linerboard

Counce, TN  
Valdosta, GA

### Medium

Filer City, MI  
Tomahawk, WI

## Recycling Centers

Jackson, TN  
Nashville, TN

## Wood Products

Ackerman, MS  
Fulton, MS  
Selmer, TN

## Supply Service Centers

Manheim, PA  
Orlando, FL  
Staunton, VA  
Thomasville, GA  
Vineland, NJ  
West Springfield, MA  
Winchester, VA

## Packaging Systems and Supplies

High Point, NC

## Corrugated Machine Rebuild Center

Honea Path, SC

## Corrugated Products Facilities

Akron, OH  
Allentown, PA  
Arlington, TX  
Ashland, OH  
Atlanta, GA  
Baltimore, MD  
Bolivar, TN  
Buffalo, NY  
Burlington, WI  
Chelmsford, MA  
Colby, WI  
Conrad, IA  
Denver, CO  
Edmore, MI  
El Paso, TX  
Fridley, MN  
Garland, TX  
Gas City, IN  
Golden Valley, MN  
Goldsboro, NC  
Grafton, WV  
Grandville, MI  
Hanover, PA  
Harrisonburg, VA  
High Point, NC  
Honea Path, SC  
Jackson, TN  
Jacksonville, FL  
Knoxville, TN  
Lakeland, FL  
Lancaster, PA  
Los Angeles, CA

Marshalltown, IA  
Middletown, OH  
Milwaukee, WI  
Minneapolis, MN  
Morganton, NC  
Muskogee, OK  
Newark, OH  
Newberry, SC  
Northampton, MA  
Northglenn, CO  
Omaha, NE (2)  
Opelika, AL  
Oxnard, CA  
Phoenix, AZ  
Pittsburgh, PA  
Plano, TX  
Plymouth, MI  
Richmond, VA  
Roanoke, VA  
Rochester, NY  
Rutherfordton, NC  
Salisbury, NC  
Salt Lake City, UT (2)  
Southgate, CA  
Syracuse, NY  
Traverse City, MI  
Trexlerstown, PA  
Vincennes, IN  
Waco, TX (2)  
Watertown, NY  
Windsor, CO  
Winter Haven, FL

## Graphic Design Centers

Cincinnati, OH  
Dallas, TX  
North Brunswick, NJ  
Southgate, CA  
Westmont, IL

## Technical and Development Center

Mundelein, IL

## Corporate Headquarters

Lake Forest, IL

# **financial** Information

## Management's Discussion of Financial Responsibility

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Management is responsible for the preparation, integrity and objectivity of the financial statements and other financial data in this report. The financial statements have been prepared in conformity with generally accepted accounting principles using the best available information and applying judgments.

Management believes that the Company's system of internal controls is adequate to provide reasonable assurance as to the integrity and reliability of the financial statements and to safeguard Company assets. The internal control system is supported by written policies and procedures, provides for appropriate division of responsibilities, includes careful selection and training of professional financial managers to oversee its functioning, and is monitored through a comprehensive, risk-based internal audit program. Packaging Corporation of America is dedicated to maintaining high standards of ethics, integrity and social responsibility in the conduct of its business, and uses ongoing education, communications and review programs to support this dedication.

The Company's financial statements have been audited by Ernst & Young LLP, independent public accountants who were selected by the audit committee of the Board of Directors. Management has made available to Ernst & Young LLP all of the Company's financial and other records and data, allowing them to provide an objective, independent assessment as to the fairness of reporting of operating results and financial condition. Their report follows.

The Board of Directors, through its audit committee consisting solely of independent directors, meets with Ernst & Young LLP, representatives of management and the Company's internal auditors to evaluate, on behalf of shareholders, the responsibilities and activities of each group, and to discuss accounting, auditing, financial and other matters. Both the internal and independent auditors have unrestricted access to the audit committee to discuss their audits and the quality of the Company's financial reporting and internal control system.



**Paul T. Stecko**  
*Chairman and Chief Executive Officer*



**Richard B. West**  
*Chief Financial Officer, Vice President and Corporate Secretary*

## Report of Independent Public Accountants

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The Board of Directors and Shareholders  
Packaging Corporation of America

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheets of Packaging Corporation of America as of December 31, 2000 and 1999 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year ended December 31, 2000 and the period from January 25, 1999 (date of incorporation) to December 31, 1999. These financial statements appear in the 2000 Annual Report on Form 10-K of Packaging Corporation of America and are not presented herein. In our report dated January 19, 2001, which also appears in the 2000 Annual Report on Form 10-K, we expressed an unqualified opinion on the aforementioned consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheets and the related condensed consolidated income statement for the year ended December 31, 2000 and the condensed consolidated statements of cash flows appearing on pages 23 to 25 are fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived. We have not audited the pro forma condensed consolidated statement of income for the year ended December 31, 1999 and we do not express an opinion on this statement.

*Ernst & Young LLP*

Chicago, Illinois  
January 19, 2001



# Condensed Consolidated Statements of Income

<i>Year Ended December 31</i>	<b>2000</b>	<b>Pro Forma 1999 Unaudited</b>
<i>(In thousands, except per share amounts)</i>		
Net sales	\$1,921,868	\$1,770,548
Cost of sales	(1,422,390)	(1,411,132)
<b>Gross profit</b>	<b>499,478</b>	<b>359,416</b>
Selling and administrative expenses	(114,448)	(109,802)
Other income, net	59,996	11,182
Corporate overhead	(40,192)	(42,646)
<b>Income before interest, taxes and extraordinary item</b>	<b>404,834</b>	<b>218,150</b>
Interest expense, net	(117,683)	(151,711)
<b>Income before taxes and extraordinary item</b>	<b>287,151</b>	<b>66,439</b>
Provision for taxes	(114,190)	(30,200)
<b>Income before extraordinary item</b>	<b>172,961</b>	<b>36,239</b>
Extraordinary item, net of tax	(11,060)	(6,897)
<b>Net income</b>	<b>161,901</b>	<b>29,342</b>
Preferred dividends and accretion of preferred stock issuance costs	(18,637)	(12,853)
<b>Net income available to common shareholders</b>	<b>\$ 143,264</b>	<b>\$ 16,489</b>
Weighted average common shares outstanding:		
Basic	104,890	92,797
Diluted	107,518	96,010
Earnings per common share:		
Basic	\$ 1.37	\$ 0.18
Diluted	1.33	0.17
Income before interest, taxes and extraordinary item excluding non-recurring timberland gains	\$ 344,420	\$ 205,993
Net income available to common shareholders excluding non-recurring items related to the redemption of preferred stock, timberland gains and early extinguishment of debt	\$ 134,215	\$ 16,733
Diluted earnings per common share excluding non-recurring items related to the redemption of preferred stock, timberland gains and early extinguishment of debt	\$ 1.25	\$ 0.17

See notes to condensed consolidated financial statements.

## Condensed Consolidated Balance Sheets

Year Ended December 31	2000	1999
<i>(In thousands)</i>		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,892	\$ 10,300
Accounts and notes receivable, net	215,994	209,054
Inventories	159,712	164,919
Prepaid expenses and other current assets	5,755	8,802
Deferred income taxes	14,356	8,411
<b>Total current assets</b>	<b>403,709</b>	<b>401,486</b>
Timber and timberland, at cost, less depletion	3,339	187,896
Property, plant and equipment, net	1,452,651	1,460,024
Other long-term assets	82,413	103,802
<b>Total assets</b>	<b>\$ 1,942,112</b>	<b>\$ 2,153,208</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 239	\$ 829
Accounts payable	113,701	127,365
Accrued liabilities	104,608	99,276
<b>Total current liabilities</b>	<b>218,548</b>	<b>227,470</b>
Long-term liabilities:		
Long-term debt	869,175	1,329,202
Deferred income taxes	151,728	69,804
Other liabilities	15,237	7,511
<b>Total long-term liabilities</b>	<b>1,036,140</b>	<b>1,406,517</b>
Mandatorily redeemable preferred stock	—	102,522
Shareholders' equity:		
Junior preferred stock	—	—
Common stock	1,062	946
Additional paid in capital	512,208	384,549
Retained earnings	174,468	31,204
Common stock held in treasury, at cost	(314)	—
<b>Total shareholders' equity</b>	<b>687,424</b>	<b>416,699</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,942,112</b>	<b>\$ 2,153,208</b>

See notes to condensed consolidated financial statements.

# Condensed Consolidated Statements of Cash Flows

<i>For the Period</i>	Jan. 1 – Dec. 31 2000	Jan. 25 – Dec. 31 1999
<i>(In thousands)</i>		
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 161,901	\$ 40,500
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	140,841	105,935
Amortization of financing costs	7,375	6,299
Extraordinary loss — early debt extinguishment	11,060	6,897
Increase in deferred income taxes	83,276	33,228
Gain on sales of timberland	(60,414)	(12,157)
Other, net	472	970
(Increase) decrease in working capital	(5,463)	72,776
<b>Net cash provided by operating activities</b>	<b>339,048</b>	<b>254,448</b>
<b>Cash Flows from Investing Activities</b>		
Additions to property, plant and equipment and other long-term assets	(133,739)	(94,240)
Proceeds from timberland sales	247,936	263,255
Payment to Pactiv Corporation for contribution of assets to PCA	—	(246,500)
Investment in joint venture	(500)	—
Other, net	5,204	1,117
<b>Net cash provided by (used for) investing activities</b>	<b>118,901</b>	<b>(76,368)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from preferred stock	—	96,500
Redemption of preferred stock	(124,432)	—
Proceeds from long-term debt issued	142,605	9,619
Payments on long-term debt	(602,826)	(440,075)
Proceeds from initial public offering	126,364	—
Financing costs	(3,565)	(90,324)
Proceeds from post-closing adjustment	—	20,000
Proceeds from issuance of common stock to PCA Holdings	—	236,500
Other, net	1,497	—
<b>Net cash used for financing activities</b>	<b>(460,357)</b>	<b>(167,780)</b>
<b>Net increase (decrease) in cash</b>	<b>(2,408)</b>	<b>10,300</b>
Cash and cash equivalents, beginning of period	10,300	—
<b>Cash and cash equivalents, end of period</b>	<b>\$ 7,892</b>	<b>\$ 10,300</b>

See notes to condensed consolidated financial statements.

# Notes to Condensed Consolidated Financial Statements

**1. Basis of Presentation** Packaging Corporation of America (“PCA” or the “Company”) was incorporated on January 25, 1999. PCA was formed to acquire the containerboard and corrugated packaging products business (the “Group”) from Pactiv Corporation, formerly known as Tenneco Packaging Inc., a wholly owned subsidiary of Tenneco Inc. PCA had no operations from the date of incorporation on January 25, 1999 to April 11, 1999.

On April 12, 1999, Pactiv Corporation sold the Group to PCA for \$2.2 billion, which consisted of \$246.5 million in cash, the assumption of \$1.8 billion of debt incurred by Pactiv Corporation immediately prior to closing, and the issuance of a 45% common equity interest in PCA. PCA Holdings, LLC, an entity organized and controlled by Madison Dearborn Partners, LLC, acquired the remaining 55% common equity interest in PCA for \$236.5 million in cash.

PCA’s acquisition of the Group was accounted for using historical values for the contributed assets. Purchase accounting was not applied because, under the applicable accounting guidance, a change of control was deemed not to have occurred as a result of the participating veto rights held by Pactiv Corporation after the closing under the terms of a shareholders’ agreement.

These condensed financial statements include balance sheets as of December 31, 2000 and 1999 for PCA; an income statement for the year 2000 for PCA; and a combined pro forma income statement for the year 1999 for PCA and the Group. In order to reflect the actual cash flows for PCA since commencement of operations on April 12, 1999, the statements of cash flows represent the actual cash flows of PCA for the year ended 2000, and effectively for the period April 12, 1999 through December 31, 1999. These financial statements should be read in conjunction with the financial statements and related notes, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and other financial information included in PCA’s 2000 Form 10-K filing with the Securities and Exchange Commission.

**2. Pro Forma 1999 Income Statement** The unaudited pro forma financial information has been derived by the application of pro forma adjustments, which give effect to the April 12, 1999 transaction, to the historical combined financial statements of the Group, which was acquired by PCA, and to the historical consolidated financial statements of PCA for 1999. The unaudited pro forma statement of income for the year ended December 31, 1999 gives effect to the April 12, 1999 transactions as if the transactions had been consummated on January 1, 1999. The unaudited pro forma financial information is for comparative purposes only and does not purport to represent what PCA’s results of operations would actually have been had the transactions in fact occurred on the assumed dates, or to project PCA’s results of operations for any future period.

**3. Initial Public Offering** On January 28, 2000, PCA became a public company with an initial public offering of its common stock in which Pactiv Corporation sold 35,000,000 of its 41,160,240 shares of common stock in PCA and PCA issued an additional 11,250,000 shares. The net proceeds to PCA were approximately \$126.4 million after deducting underwriting discounts and offering expenses, at an initial public offering price of \$12 per share.

## Notes to Condensed Consolidated Financial Statements

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On March 3, 2000, PCA used substantially all of the net proceeds to redeem all outstanding shares of its 12% senior exchangeable preferred stock due 2010. The total paid to redeem the senior exchangeable preferred stock was \$124.4 million, which included \$5.5 million of accrued and unpaid dividends.

**4. Sales of Timberland** In October and November 1999, PCA completed the sales of approximately 405,000 acres of timberland. Total proceeds received from the sales were \$263.3 million, resulting in a pre-tax gain of \$12.2 million.

On November 16, 2000, PCA completed the sale of approximately 385,000 acres of timberland to Southern Timber Ventures, LLC. The Company received \$247.9 million in cash and a 33% equity ownership interest in Southern Timber Ventures, LLC. PCA recorded a pre-tax gain of \$60.4 million, and a portion of the gain was not recognized as a result of PCA's continuing ownership interest.

**5. Long-Term Debt** As of April 12, 1999, the Company had \$1,219 million of senior secured debt, \$550 million of 9% senior subordinated debt and \$100 million of 12% senior exchangeable preferred stock. During the period from April 12, 1999 through December 31, 2000, the Company reduced its senior secured debt by \$900 million using proceeds received from the sales of timberlands of \$511 million and excess cash generated from operations of \$389 million. The Company also used proceeds received from the initial public offering to redeem its 12% senior exchangeable preferred stock. As a result of this debt reduction, the Company recorded an after-tax charge of \$11.1 million and \$6.9 million as early extinguishments of debt in December 2000 and 1999, respectively.

continued...

## Notes to Condensed Consolidated Financial Statements

## 6. Quarterly Financial Data (Unaudited)

(In thousands, except per share amounts)	Fiscal Quarter				Total
	First	Second	Third	Fourth	
	<b>Pro Forma 1999</b>				
Net sales	\$ 409,092	\$ 433,391	\$ 462,910	\$ 465,155	<b>\$1,770,548</b>
Income before interest, taxes and extraordinary item	22,832	48,478	63,824	83,016	<b>218,150</b>
Net income	(10,167)	5,775	14,167	19,567	<b>29,342</b>
Net income available to common shareholders	(13,341)	2,714	11,036	16,080	<b>16,489</b>
Basic earnings per share	(0.14)	0.03	0.12	0.18	<b>0.18</b>
Diluted earnings per share	(0.14)	0.03	0.11	0.17	<b>0.17</b>
EBITDA <sup>(1)</sup>	62,998	86,119	102,179	116,945	<b>368,241</b>
<b>Financial data excluding non-recurring items<sup>(2)</sup></b>					
Income before interest, taxes and extraordinary item	22,832	48,478	63,824	70,859	<b>205,993</b>
Net income available to common shareholders	(13,341)	2,713	11,036	16,325	<b>16,733</b>
Diluted earnings per common share	(0.14)	0.03	0.11	0.17	<b>0.17</b>
EBITDA <sup>(1)</sup>	62,998	86,119	102,179	104,788	<b>356,084</b>
	<b>2000</b>				
Net sales	\$ 475,890	\$ 492,372	\$ 487,676	\$ 465,930	<b>\$1,921,868</b>
Income before interest, taxes and extraordinary item	72,741	88,537	96,568	146,988	<b>404,834</b>
Net income	25,246	33,278	40,009	63,368	<b>161,901</b>
Net income available to common shareholders	6,609	33,278	40,009	63,368	<b>143,264</b>
Basic earnings per share	0.07	0.31	0.38	0.60	<b>1.37</b>
Diluted earnings per share	0.06	0.31	0.37	0.58	<b>1.33</b>
EBITDA <sup>(1)</sup>	108,548	123,615	131,769	181,743	<b>545,675</b>
<b>Financial data excluding non-recurring items<sup>(2)</sup></b>					
Income before interest, taxes and extraordinary item	72,741	88,537	96,568	86,574	<b>344,420</b>
Net income available to common shareholders	22,899	33,278	40,009	38,029	<b>134,215</b>
Diluted earnings per common share	0.22	0.31	0.37	0.35	<b>1.25</b>
EBITDA <sup>(1)</sup>	108,548	123,615	131,769	121,329	<b>485,261</b>

Note: The sum of the quarters may not equal the total of the respective year's earnings per share on either a basic or diluted basis due to changes in the weighted average shares outstanding throughout the year.

(1) EBITDA is defined as income before interest, taxes and extraordinary items, excluding depreciation, depletion and amortization.

(2) Non-recurring items include items related to the redemption of preferred stock, timberland gains, and early extinguishment of debt.

## Board of Directors and Officers

### Directors

**Henry F. Frigon**

Private Investor and Business Consultant. Retired President and Chief Executive Officer, BATUS, Inc.

**Louis A. Holland**

Founder, Managing Partner and Chief Investment Officer, Holland Capital Management

**Justin S. Huscher**

Managing Director, Madison Dearborn Partners, Inc.

**Samuel M. Mencoff**

Managing Director, Madison Dearborn Partners, Inc.

**Thomas S. Souleles**

Managing Director, Madison Dearborn Partners, Inc.

**Paul T. Stecko**

Chairman and Chief Executive Officer, Packaging Corporation of America

**Rayford K. Williamson**

Retired President, BE&K Engineering Company

### Executive Officers

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Chairman and Chief Executive Officer

**William J. Sweeney**

Executive Vice President, Corrugated Products

**Mark W. Kowlzan**

Vice President, Containerboard

**Richard B. West**

Chief Financial Officer, Vice President and Corporate Secretary

**Andrea L. Davey**

Vice President, Human Resources

### Officers

**Charles G. Colby**

Vice President, Graphic Packaging & Display

**Dwight G. Ebeling**

Vice President, Area General Manager

**Gerald D. Greeter**

Vice President, Containerboard Sales

**F. Wayne Gregg**

Vice President, Area General Manager

**Dwight L. Haley**

Vice President, Area General Manager

**Thomas A. Hassfurther**

Vice President, Sales & Marketing

**John R. Martin**

Vice President, Manufacturing Services

**James A. McKee**

Vice President, Area General Manager

**Robert A. Schneider**

Vice President, Chief Information Officer

**Anil Sethy**

Vice President, Engineering

**Bryan L. Sorensen**

Vice President, Operation Services

**V. Rollie Sumwalt**

Vice President, Area General Manager

**Thomas W.H. Walton**

Vice President, Area General Manager

## Shareholder Information

### Shareholder Services

To transfer securities, change address or replace lost certificates, write to: Packaging Corporation of America Shareholder Services, c/o EquiServe Trust Company, P.O. Box 2500, Jersey City, NJ 07303

### Stock Exchange Information

Packaging Corporation of America's common stock is listed on the New York Stock Exchange under the symbol PKG. PCA became a public company on January 28, 2000.

### Form 10-K and Other Reports

Shareholders may obtain, without charge, a copy of the Form 10-K report, without exhibits, filed with the Securities and Exchange Commission upon written request to PCA, Investor Relations, 1900 West Field Court, Lake Forest, Illinois 60045.



1900 West Field Court, Lake Forest, IL 60045  
Toll Free: (800) 456-4725  
For Investor Relations: (877) 454-2509  
[www.packagingcorp.com](http://www.packagingcorp.com)

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