



Press Release

For Immediate Release

PREGIS ANNOUNCES 2005 FOURTH QUARTER & FULL YEAR RESULTS

Lake Forest, IL, June 1, 2006 – Pregis Corporation, a leading international manufacturer, marketer, and supplier of protective packaging products and specialty packaging solutions, today announced that it completed the audit of its 2005 financial statements. Such financial results are posted on the Company's web site, www.pregis.com.

A comparative summary of the results for the fourth quarter and full year of 2005 and 2004 are as follows:

	2005		2004	
	4th Quarter	Full Year	4th Quarter	Full Year
Net sales	\$ 225,319	\$ 892,341	\$ 220,614	\$ 838,370
Operating income (loss)	\$ 508	\$ (5,247)	\$ 10,471	\$ 31,942
Net income (loss)	\$ (5,177)	\$ (11,718)	\$ 4,952	\$ 15,389

The 2005 results shown above include both the Predecessor and Successor periods presented in the Company's 2005 financial statements.

Profitability in the fourth quarter of 2005 suffered due to unfavorable market conditions, experienced primarily in North America, based on significantly higher resin, energy and freight costs following the market supply disruptions related to the hurricanes. However, Pregis took significant action, including price increases and cost reductions, to offset the impact of these cost increases. We believe these actions, together with more favorable market conditions, have enabled us to achieve increased profitability in the first quarter of 2006 ahead of management's expectations.

Cash and cash equivalents at December 31, 2005 totaled \$54.1 million and the company presently has approximately \$45 million of available borrowing under its revolving credit facility. As of December 31, 2005, the company had short-term debt of \$1.8 million and long-term debt of \$432.4 million.

A summary and related description of a significant measure related to the Company's credit agreement are presented at the end of this release.

The Company plans to announce a date for a conference call with investors to discuss 2005 financial results.

About Pregis:

Pregis Corporation is a leading global provider of innovative protective, flexible, and foodservice packaging and hospital supply products. The specialty-packaging leader currently operates 42 facilities in 16 countries around the world. For more information about Pregis, visit the Company's web site at www.pregis.com.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. You can generally identify forward-looking statements by our use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," "should," or "will," or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. For a discussion of key risk factors, please see the risk factors disclosed in our registration statement on Form S-4, which is available on our website, www.pregis.com. These risks may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Given these risk and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this press release are made only as of the date hereof. The Company undertakes no duty to update its forward-looking statements.

Pregis Corporation
Adjusted EBITDA Used in Calculation of Credit Agreement Covenants
Year Ended December 31, 2005

<u>Predecessor and Successor Periods are combined for 2005</u>	<i>(000's)</i> <i>(Unaudited)</i> 2005
Net Income (Loss)	(\$11,718)
Depreciation and Amortization	36,142
Interest Expense	12,719
Income Taxes	70
Goodwill Impairment	35,654
EBITDA	\$72,867
<i>Credit agreement EBITDA definition add backs:</i>	
Non-cash impact of purchase accounting	4,045
Non-cash unrealized FX loss, net	714
Gain on sale of securities and other	(777)
Transaction costs and expenses	243
Realized FX gain due to forward contract for transaction	(5,441)
Fees payable to sponsor under management agreement	328
Unusual and non-recurring charges (5% cap of total year EBITDA)	1,690
Restructuring charge (income)	(354)
Agreed Adjustments:	
Transaction/Separation adjustments	5,091
Pension contribution adjustments	1,870
Adjusted EBITDA	\$80,276
<u>2005 Quarterly Summary - Adjusted EBITDA</u>	
Q1 2005	\$17,366
Q2 2005	20,022
Q3 2005	23,591
Q4 2005	19,297
Adjusted EBITDA	\$80,276

Notes to the above:

EBITDA is defined as net income before interest expense, income tax expense, depreciation and amortization, and goodwill impairment. Adjusted EBITDA is defined as EBITDA adjusted to exclude the items described above. We have presented Adjusted EBITDA because it is a material element of the leverage ratio and the interest coverage ratio included in our senior credit facilities.

Also, the Company believes that EBITDA and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in its industry. The Company also believes that issuers of high yield securities also present these figures because investors, analysts and rating agencies consider them useful in measuring the ability of issuers to meet debt service obligations. However, EBITDA and Adjusted EBITDA do not represent net income or net cash provided by operating activities as defined by GAAP or similar measures in the Company's bank and high yield covenants.

EBITDA and Adjusted EBITDA should not be construed as alternatives to net income, net cash provided by operating activities or other measures as determined in accordance with GAAP as an indication of the Company's operating performance or as a measure of the Company's liquidity. Moreover, EBITDA and Adjusted EBITDA do not necessarily indicate whether cash flows will be sufficient to fund cash needs, including debt service. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements. The Company's presentation of EBITDA and Adjusted EBITDA may not be in accordance with the rules adopted by the SEC that apply to registration statements under the Securities Act and periodic reports under the Exchange Act. In addition, other companies in its industry may calculate EBITDA and Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

Neither EBITDA nor Adjusted EBITDA should be considered as a measure of discretionary cash available to the Company to invest in the growth of its business. The Company compensates for these limitations by relying primarily on its GAAP results and using EBITDA and Adjusted EBITDA only as a supplement to the Company's financial statements.