



FOR IMMEDIATE RELEASE

FOR: Packaging Dynamics Corporation
3900 West 43rd Street
Chicago, IL 60632

CONTACT: Richard Cote
Vice President, Finance
(773) 843-8009

Packaging Dynamics Announces Pricing of Senior Secured Notes

CHICAGO, Ill. (January 25, 2011) – Packaging Dynamics Corporation (the “Company”) today announced that it increased the size of its previously announced offering of senior secured notes upon pricing. The Company priced \$425.0 million aggregate principal amount of 8.750% Senior Secured Notes due 2016 (the “Notes”). The Notes will mature on February 1, 2016

The Notes will be sold to qualified institutional buyers pursuant to Rule 144A and to certain persons outside the United States pursuant to Regulation S, each under the Securities Act of 1933, as amended (the “Securities Act”), with closing expected to occur on February 1, 2011, subject to the Company entering into a new senior secured credit facility and other customary closing conditions.

As previously announced, the Company and its direct and indirect parent companies intend to use the net proceeds from the offering to redeem all of the Company’s outstanding senior subordinated notes due 2016 through the exercise of the Company’s optional redemption right, to repay in full the Company’s senior secured credit facility, to pay a cash dividend to the stockholders of the Company’s ultimate parent company and pay all related fees and expenses.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the Notes. The Notes have not been, and will not be, registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

Certain statements in this press release are forward-looking statements. These statements involve a number of risks, uncertainties, and other factors including the failure to consummate the offering and potential changes in market conditions that could cause actual results to differ materially.

About the Company

The Company is a leading flexible packaging and specialty papers company providing innovative solutions to customers in each of its three business units – BagcraftPapercon, International Converter, and Thilmany Papers. BagcraftPapercon is a converter of specialty value-added food packaging products. International Converter produces adhesive and extrusion laminated structures for use in a wide range of consumer and industrial applications. Thilmany Papers manufactures specialty bleached and unbleached lightweight papers. The Company is a portfolio company of private investment firm Kohlberg & Company. For more information, visit our website at www.pkdy.com.