

Mission Statement

At Caraustar we are committed to excellence and continuous improvement in every facet of our operations. Employee and customer relationships will be built on mutual respect and concern for each other's well-being. We will conduct our business guided by high ethical standards in accordance with all laws and regulations and will constantly strive to be responsible corporate citizens in the communities in which we are located.

Caraustar will produce and sell products and services that will earn a level of profits that enhances shareholder value, fairly rewards our employees for their contributions and provides the capital necessary to maintain a leadership position in the recycled paperboard and packaging industry.

To achieve these results we recognize we must provide quality goods and services that are superior to competition and that consistently meet customer requirements.

Headquartered in Austell, Georgia, Caraustar established its first manufacturing facility in Charlotte, North Carolina in 1938 and was incorporated in October 1992. Its common shares are listed on the NASDAQ Stock Exchange under the ticker symbol CSAR.



Forward-Looking Statements

This Annual Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," may contain various "forward-looking statements," within the meaning of Section 21E of the Securities Exchange Act of 1934, that are based on our beliefs and assumptions, as well as information currently available to us. When used in this document, the words "believe," "anticipate," "estimate," "expect," "intend," "should," "would," "could," or "may" and similar expressions may identify forward-looking statements. These statements involve risks and uncertainties that could cause our actual results to differ materially depending on a variety of important factors, including, but not limited to, fluctuations in raw material prices and energy costs, downturns in industrial production, housing and construction and the consumption of durable and nondurable goods, the degree and nature of competition,

demand for our products, the degree of success achieved by our new product initiatives, changes in government regulations, our ability to complete acquisitions and successfully integrate the operations of acquired businesses and our ability to comply with our debt covenants and service our substantial indebtedness. Additional relevant risk factors that could cause our actual results to differ materially are discussed in our registration statements and reports we file with the Securities and Exchange Commission. These documents are available from us, and also may be examined at public reference facilities maintained by the Securities and Exchange Commission or, to the extent filed via EDGAR, accessed through the Web Site of the Securities and Exchange Commission (<http://www.sec.gov>). We do not undertake any obligation to update any forward-looking statements we make.