

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>09/01/1984</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>09/01/1984</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>09/01/1984</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>APPLETON PAPERS INC.</u> <u>PO BOX 359</u> <u>APPLETON, WI 54912-0359</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>36-2556469</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>920-734-9841</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>322100</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>36-2556469</u>	2c Sponsor's telephone number <u>920-734-9841</u>	2d Business code (see instructions) <u>322100</u>	
2b Employer Identification Number (EIN) <u>36-2556469</u>					
2c Sponsor's telephone number <u>920-734-9841</u>					
2d Business code (see instructions) <u>322100</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	THOMAS FERREE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	JEFFREY FLETCHER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") APPLETON PAPERS INC. PO BOX 359 APPLETON, WI 54912-0359	3b Administrator's EIN 36-2556469 3c Administrator's telephone number 920-734-9841
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	2799
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1940
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	933
d Subtotal. Add lines 6a , 6b , and 6c	6d	2874
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	30
f Total. Add lines 6d and 6e	6f	2904
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	2563
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	10

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2H 2J 2K 2O 2Q 2S 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 APPLETON PAPERS INC.	D Employer Identification Number (EIN) 36-2556469

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

STATE STREET GLOBAL ADVISORS

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	228539	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	8026	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2011 <hr/> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>APPLETON PAPERS INC.</u>	D Employer Identification Number (EIN) <u>36-2556469</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO STABLE VALUE C FD

b Name of sponsor of entity listed in (a): WELLS FARGO BANK

c EIN-PN <u>52-2250965-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>26825513</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 APPLETON PAPERS INC.	D Employer Identification Number (EIN) 36-2556469	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1681306	1531231
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	110200	96310
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1636673	1492280
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1619962	1593203
(9) Value of interest in common/collective trusts.....	1c(9)	25122321	26825513
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	86279485	82373947
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	125644210	140503114
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	242094157	254415598

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	4354748	5323874
k Total liabilities (add all amounts in lines 1g through 1j)	1k	4354748	5323874

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	237739409	249091724
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	5429205	
(B) Participants	2a(1)(B)	8998722	
(C) Others (including rollovers)	2a(1)(C)	246454	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		14674381
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	-657	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	75707	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		75050
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1576696	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1576696
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	13395217	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	12922105	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		473112

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	20116817	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		20116817
(6) Net investment gain (loss) from common/collective trusts	2b(6)		1221927
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-2325470
c Other income.....	2c		-74
d Total income. Add all income amounts in column (b) and enter total.....	2d		35812439

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	24448448	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	3650	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		24452098
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	8026	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		8026
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		24460124

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		11352315
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BAKER TILLY VIRCHOW KRAUSE, LLP**

(2) EIN: **39-0859910**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	0
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	0
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	0
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>APPLETON PAPERS INC.</u>	D Employer Identification Number (EIN) <u>36-2556469</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-0127290</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**APPLETON PAPERS INC. RETIREMENT
SAVINGS AND EMPLOYEE STOCK
OWNERSHIP PLAN**

Appleton, Wisconsin

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULE

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2011 and 2010

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

To the Trustees

Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan
Appleton, Wisconsin

We were engaged to audit the accompanying statements of net assets available for benefits of Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan (the "Plan") as of December 31, 2011 and 2010, and the statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Principal Trust Company and State Street Corporation, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the trustees as of December 31, 2011 and 2010, and for the years then ended, that the information provided to the plan administrator by the trustees is complete and accurate.

Because of the significance of the information in the Plan's financial statements and supplemental schedule that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Baker Tilly Virchow Krause, LLP

Appleton, Wisconsin
October 2, 2012

**APPLETON PAPERS INC. RETIREMENT SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of December 31, 2011 and 2010

ASSETS		
	<u>2011</u>	<u>2010</u>
Investments - at fair value	\$ 251,194,854	\$ 239,235,758
Receivables:		
Company contributions	1,531,231	1,681,306
Notes receivable from participants	1,593,203	1,619,962
Other receivables	96,310	110,200
Total Receivables	<u>3,220,744</u>	<u>3,411,468</u>
TOTAL ASSETS	254,415,598	242,647,226
LIABILITIES		
Accounts payable - Company	<u>5,323,874</u>	<u>4,354,748</u>
NET ASSETS AVAILABLE FOR BENEFITS - AT FAIR VALUE	249,091,724	238,292,478
Adjustment from fair value to contract value for interest in common collective trust fund relating to fully benefit- responsive investment contracts	<u>(680,265)</u>	<u>(553,069)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 248,411,459</u>	<u>\$ 237,739,409</u>

See accompanying notes to financial statements.

**APPLETON PAPERS INC. RETIREMENT SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ADDITIONS		
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 18,881,098	\$ 6,284,611
Interest and dividends	<u>1,500,989</u>	<u>1,340,271</u>
Total Investment Income	<u>20,382,087</u>	<u>7,624,882</u>
Interest on notes receivable from participants	<u>75,707</u>	<u>84,484</u>
Contributions:		
Participants'	8,998,723	9,859,319
Company	5,429,205	4,844,952
Rollovers	<u>246,454</u>	<u>367,680</u>
	<u>14,674,382</u>	<u>15,071,951</u>
Total Additions	<u>35,132,176</u>	<u>22,781,317</u>
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefits paid to participants	24,452,100	26,411,271
Administrative expenses	<u>8,026</u>	<u>8,080</u>
Total Deductions	<u>24,460,126</u>	<u>26,419,351</u>
Net Increase (Decrease)	10,672,050	(3,638,034)
NET ASSETS AVAILABLE FOR BENEFITS -		
Beginning of Year	237,739,409	241,464,681
Transfer to other plans - net	<u>-</u>	<u>(87,238)</u>
NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR	<u>\$ 248,411,459</u>	<u>\$ 237,739,409</u>

See accompanying notes to financial statements.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 1 - Description of the Plan

The following description of the Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established by Appleton Papers Inc. (the "Company") and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Eligibility of full-time salaried and nonsalaried employees and part-time employees to participate in the Plan is defined in the Plan document. Upon enrollment in the Plan, a participant may direct employer and employee contributions to any combination of various available investment options.

Contributions

Each year, participants may contribute up to 50% of pretax annual compensation (salary reduction contributions), as defined in the Plan and subject to Internal Revenue Code limitations. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). The Company matches participant contributions to the Plan in varying amounts as defined in the Plan document. Additional Company contributions may be contributed at the discretion of the Company's Board of Directors. The Company's matching contributions to the Employee Stock Ownership Plan ("ESOP") account or 401(k) account related to employee deferrals were made in shares of Paperweight Development Corp. ("PDC") common stock until October 27, 2006, when the Plan was amended. The Plan was amended to provide matching contributions in cash, to the participants 401(k) account. Starting March 1, 2011, all salaried employees are automatically enrolled in the Appleton Papers Retirement Savings and Employee Stock Ownership Plan. See Note 6 for more details. Contributions are subject to certain federal limitations.

All United States employees of the Company and its subsidiaries may defer a portion of their salary into the ESOP portion of the Plan. These deferrals will accumulate in a short-term interest fund until the next stock valuation date. At that time, the funds will be used to purchase shares based upon the price of PDC common stock at the valuation date preceding or following the date on which the deferrals were made, whichever is lower. The shares of PDC common stock purchased with a participant's deferrals and any Company matching contribution allocated to a participant's ESOP account will remain invested in PDC common stock until (1) legal diversification, see below (2) additional diversification, see below or (3) a participant is eligible for a distribution.

Diversification

Legal diversification is available to participants who have reached age 55 with 10 years of participation in the Plan. During the first five years after meeting that criteria, the participant may annually elect to diversify up to 25% of the total number of shares of PDC common stock allocated to their ESOP accounts (including shares that the participant previously elected to diversify), and in the sixth and final year may diversify up to 50% (including shares that the participant previously elected to diversify).

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 1 - Description of the Plan (cont.)

Diversification (cont.)

Additional diversification is available to all participants on an annual basis to elect to diversify up to 10% of the total number of shares of PDC common stock allocated to their ESOP accounts. The approval of additional diversification elections are subject to non-discriminatory rules established by the ESOP Committee and are available only to the extent permitted under the Company's loan agreements.

Put Option

The Company shall issue a put option to each participant who receives a distribution of PDC common stock if, at the time of such distribution, PDC common stock is not then readily tradable on an established market. The put option shall permit the participant to sell such stock at its then fair market value, as determined by an independent appraiser, to the Company after the date the PDC common stock is distributed to the participant.

Voting Rights

The voting of PDC common stock shall be subject to the provisions of ERISA. Any corporate matter that involves the voting of PDC common stock with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all of the assets of a trade or business, or such other transactions that may be regulation, each participant may be entitled to direct the trustee as to the exercise of any shareholder voting rights attributable to shares of PDC common stock then allocated to their ESOP account.

Participant Accounts

Each participant's account is credited with the participant's salary reduction contributions, rollover contributions and an allocation of the Company's contributions and investment earnings thereon (net of administrative expenses). Allocations are based on the participant's eligible compensation or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their salary reduction and rollover contributions plus earnings thereon. Participants who leave the Plan because of death, early or normal retirement, or disability retirement, as defined in the Plan, are considered 100% vested. Company contributions and earnings thereon vest in accordance with provisions of the Plan as follows:

<u>Vesting Years of Service</u>	<u>Percentage Vested</u>
1	20%
2	40%
3	60%
4	80%
5 or more	100%

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 1 - Description of the Plan (cont.)

Forfeited Accounts

As of December 31, 2011 and 2010, forfeited nonvested accounts totaled \$18,587 and \$95,420, respectively. These accounts will be used to reduce future Company contributions. Also, in 2011 and 2010, Company contributions were reduced by \$169,381 and \$316,325, respectively, from forfeited nonvested accounts.

Payment of Benefits

Benefits may be paid to the participant or beneficiary upon death, disability, retirement or termination of employment, as defined in the Plan agreement. The Plan provides for normal retirement at age 65 and early retirement on or after attaining age 55. The total vested portion of a participant's account balance is distributed in the form of a lump-sum payment, installments, or an annuity. Participants experiencing financial hardship may withdraw a portion of this account balance as defined in the Plan. The hardship withdrawal must be withdrawn from the non-ESOP component of the Plan first. Hardship withdrawals are made from participant's elective accounts only to the extent available.

Requests for distributions from the PDC common stock will be granted in accordance with the Plan's current distribution policy. Under such policy, accounts of less than \$5,000 at termination, annual installment distributions to participants who have terminated employment due to retirement, death and/or disability, and who have requested distributions for periods ranging between 5 to 10 years, and minimum distributions required to be made following the later of the calendar year in which the participant attains age 70½, or the calendar year in which the participant's employment has terminated are made without regard to lender covenants. In addition, participants who have requested lump sum or annual installment distributions over periods of less than five years will receive such distributions in five annual installments over a period of not more than six years without regard to any limitations on amounts permitted to be distributed under lender covenants, provided the ESOP committee has the right to accelerate such installment payments in its sole discretion in a non-discriminatory manner. Distribution installments of contributions after November 9, 2001, may be delayed up to six years.

Termination of Plan

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$25,000 or 50% of their vested account balance. These notes are collateralized by the balance in the participant's account. The notes bear interest at rates ranging from 4.25% to 10.5% as of December 31, 2011 and 2010. The interest rates are fixed at the date of origination as determined by the plan administrator. Notes with maturities of 1 to 5 years may be taken (up to 15 years for primary residence loans). Participants may not have more than one note outstanding from each component of the Plan at any time. Principal and interest is paid ratably through payroll deductions with no early payment penalty.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 1 - Description of the Plan (cont.)

Administrative Expenses

Certain administrative costs are paid by the Company.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. The Plan's investment in the Wells Fargo Stable Value Fund C (the "Stable Value Fund"), a common collective trust fund, consists of benefit-responsive investment contracts. Benefit-responsive investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made under the contract, plus earnings (accrued interest), less participant withdrawals and administrative expenses. The statements of net assets available for benefits present the fair value of the investment in the Stable Value Fund as well as the adjustment from fair value to contract value relating to the investment contracts. The statements of changes in net assets available for benefits is presented on a contract value basis.

Accounting Standards Codification ("ASC") Topic 820 provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - > Quoted prices for similar assets or liabilities in active markets;
 - > Quoted prices for identical or similar assets or liabilities in inactive markets;
 - > Inputs other than quoted prices that are observable for the asset or liability;
 - > Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Investment Valuation and Income Recognition (cont.)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The ESOP investments are held in trust by State Street Global Advisors and consist primarily of common shares of PDC common stock. PDC holds 100% of the outstanding common stock of the Company. The shares of PDC were valued at estimated fair value on December 31, 2011 and 2010. Fair value is determined semi-annually (June 30 and December 31) by an independent appraiser. The initial 10.7 million shares of PDC common stock were acquired by the Plan in early November 2001 at a price of \$10.00 per share. At December 31, 2011 and 2010, the fair value of the PDC common stock, as determined by an independent appraiser, was \$15.01 and \$12.84 per share, respectively.

Net appreciation or depreciation in the fair value investments included in the accompanying statements of changes in net assets available for benefits includes realized gains or losses from the sale of investments and unrealized appreciation or depreciation in fair value of investments. Net unrealized appreciation or depreciation in the fair value of investments represents the net change in the fair value of the investments held during the period. The net realized gains or losses on the sale of investments represents the difference between the sale proceeds and the fair value of the investment as of the beginning of the period or the cost of the investment if purchased during the year.

Purchases and sales of investments are recorded on a trade-date basis for non-ESOP components. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Purchases and sales of PDC common stock are conducted on a semi-annual basis and are based on the fair value determined by an independent appraiser as defined by the Plan.

Wells Fargo Stable Value Fund

The Stable Value Fund invests in a variety of investment contracts such as guaranteed investment contracts ("GICs") issued by insurance companies and other financial institutions and other investment products (synthetic GICs and collective investment trusts) with similar characteristics. The Stable Value Fund holds investments in fully benefit-responsive investment contracts that provide that the Plan may make withdrawals at contract value for benefit-responsive requirements.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Wells Fargo Stable Value Fund (cont.)

The interest crediting rate is the periodic interest rate accrued to participants and is either set at the beginning of the contract and held constant, or reset periodically to reflect the performance of the underlying securities. Traditional GICs do not reset their crediting rates as they provide a fixed rate of interest over the term of the maturity of the contract. Synthetic GICs are designed to reset their respective crediting rates typically on a quarterly basis and cannot credit interest at a rate less than zero percent. Synthetic GICs will track current market yields on a trailing basis. The rate reset allows the contract value of the portfolio to converge to the market value over time. Variables impacting future crediting rates on synthetic GICs include current yield of assets back the wrap contracts, duration of the assets back the wrap contracts, and existing differences between the market values of assets backing wrap contracts and the contract values of the wrap contracts. The crediting interest rate of the Stable Value Fund was 2.33% and 2.90% at December 31, 2011 and 2010, respectively. The crediting interest rates on the underlying investments are reviewed periodically for resetting. The average yield of the Stable Value Fund was 1.56% and 2.38% at December 31, 2011 and 2010, respectively. GICs generally do not permit issuers to terminate the agreement prior to the scheduled maturity date.

Participants may ordinarily direct the withdrawal of all or a portion of their investment in the Stable Value Fund at contract value. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other plan sponsor events (e.g., divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable.

Risks and Uncertainties

The Plan provides for various investment options in any combination of cash and cash equivalents, a common collective trust fund, mutual funds and PDC common stock. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the financial statements.

Notes Receivable from Participants

Notes receivable from participants are valued at their unpaid principal balance plus any accrued interest. Delinquent notes are reported as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid. Distributions from the PDC common stock fund that have not been paid as of December 31, 2011 and 2010 were \$24,578,310 and \$22,077,325, respectively.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Accounts Payable - Company

Accounts payable represents benefits paid by the Company for the period from July 1st through December 31st each year that need to be removed from trust assets in order to reimburse the Company.

Recent Accounting Pronouncement

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2011-04, Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS ("ASU 2011-04"). ASU 2011-04 amended ASC 820, Fair Value Measurement, to converge the fair value measurement guidance in US GAAP and International Financial Reporting Standards ("IFRS"). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plans' financial statements.

Reclassifications

Certain amounts previously reported have been reclassified to conform with the current presentation.

Subsequent Events

Management has evaluated the impact of all subsequent events through October 2, 2012, the date the Plan's financial statements were available to be issued, and determined that all subsequent events have been appropriately recognized and disclosed in the accompanying financial statements.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 3 - Information Prepared and Certified by Trustees - Unaudited

The following information (unaudited) included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Principal Trust Company and State Street Corporation, the trustees of the Plan.

	<u>2011</u>		<u>2010</u>
Investments - at fair value:			
Cash and Cash Equivalents	\$ 1,492,280		\$ 1,636,673
Common collective trust fund:			
Wells Fargo Stable Value Fund C	<u>26,825,513</u>	*	<u>25,675,390</u> *
Mutual funds:			
Vanguard Institutional Index Fund	17,000,389	*	18,376,370 *
Other	<u>65,373,558</u>		<u>67,903,115</u>
Total Mutual Funds	<u>82,373,947</u>		<u>86,279,485</u>
Common stock:			
Paperweight Development Corp.	<u>140,503,114</u>	*	<u>125,644,210</u> *
Total Investments - at Fair Value	<u>\$ 251,194,854</u>		<u>\$ 239,235,758</u>

Investments that represent 5% or more of the Plan's net assets are separately identified with an "***".

	<u>2011</u>	<u>2010</u>
Units of Common Collective Trust Fund		
Wells Fargo Stable Value Fund C - at fair value	\$ 26,825,513	\$ 25,675,390
Adjustment to contract value	<u>(680,265)</u>	<u>(553,059)</u>
Wells Fargo Stable Value Fund C - at contract value	<u>\$ 26,145,248</u>	<u>\$ 25,122,331</u>
Notes receivable from participants	<u>\$ 1,593,203</u>	<u>\$ 1,619,962</u>
Investment income:		
Net appreciation in fair value of investments	\$ 18,881,098	\$ 6,284,611
Interest and dividends	<u>1,576,696</u>	<u>1,424,755</u>
Total Investment Income	<u>\$ 20,457,794</u>	<u>\$ 7,709,366</u>

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 3 - Information Prepared and Certified by Trustees - Unaudited (cont.)

During the years ended December 31, 2011 and 2010, the Plan's investments (including gains and losses on investments bought, sold, and held during the year) appreciated (depreciated) in value as follows:

	<u>2011</u>	<u>2010</u>
Common Collective Trust Fund	\$ 541,662	\$ 1,362,077
Mutual Funds	(2,600,626)	8,515,927
PDC Common Stock	<u>20,940,062</u>	<u>(3,593,393)</u>
Net appreciation in fair value of instruments	<u>\$ 18,881,098</u>	<u>\$ 6,284,611</u>

The following is a description of the valuation methodologies used for the Plan's investments measured at fair value. There has been no changes in the methodologies used during the years ended December 31, 2011 and 2010.

Cash and cash equivalents: Valued at the net asset value (NAV) of cash held by the Plan at year end.

Common collective trust fund: Valued at fair value, based on information provided by a trustee of the Plan and the fund manager of the common collective trust fund, by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer of the specific instruments held by the fund at year end. The fair value of the fund is based upon the net asset value of the fund reflecting all investments at fair value, including any interests in fully benefit-responsive contracts. The investment objective of the fund is to provide for preservation of capital, stability and predictability of returns.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plan at year end.

PDC common stock: The trustee of the PDC common stock account, State Street Corporation, is responsible for determining the value of PDC common stock. State Street relies upon Stout Risius Ross, a independent third party, to conduct an appraisal of Appleton Papers and PDC and to assist in determining the fair value of PDC common stock at year end. Investment returns will fluctuate with changes in the PDC's financial results and other factors so that the value of the stock, when purchased by the Company at the time of distribution, may be worth more or less than your original purchase price. Current performance may be lower or higher than the historical values. Past values of the common stock are not necessarily indicative of future values. Investing only in the PDC's common stock is not intended to serve as a complete investment program by itself.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The plan sponsor is responsible for the determination of fair value. Accordingly, they perform periodic analysis on the prices received from the pricing services used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, the plan sponsor has not historically adjusted the prices obtained from the pricing services. Furthermore, although the Plan's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in different fair value measurements as of the reporting dates.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 3 - Information Prepared and Certified by Trustees - Unaudited (cont.)

The tables below present the investments measured at fair value on a recurring basis by level within the hierarchy:

	December 31, 2011			
	Total	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 1,492,280	\$ 1,492,280	\$ -	\$ -
Common Collective Trust Fund	26,825,513	-	26,825,513	-
Mutual Funds:				
Large Cap Equity Funds	35,469,869	35,469,869	-	-
Mid-Cap Equity Funds	8,073,879	8,073,879	-	-
Small Cap Equity Fund	1,796,337	1,796,337	-	-
International Equity Funds	6,458,483	6,458,483	-	-
Balanced Funds	18,468,101	18,468,101	-	-
Fixed Income Funds	12,107,278	12,107,278	-	-
PDC Common Stock	140,503,114	-	-	140,503,114
Total Investments	<u>\$ 251,194,854</u>	<u>\$ 83,866,227</u>	<u>\$ 26,825,513</u>	<u>\$ 140,503,114</u>

	December 31, 2010			
	Total	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 1,636,673	\$ 1,636,673	\$ -	\$ -
Common Collective Trust Fund	25,675,390	-	25,675,390	-
Mutual Funds:				
Large Cap Equity Funds	37,905,438	37,905,438	-	-
Mid-Cap Equity Funds	8,668,950	8,668,950	-	-
Small Cap Equity Fund	1,983,554	1,983,554	-	-
International Equity Funds	8,191,284	8,191,284	-	-
Balanced Funds	18,900,401	18,900,401	-	-
Fixed Income Funds	10,629,858	10,629,858	-	-
PDC Common Stock	125,644,210	-	-	125,644,210
Total Investments	<u>\$ 239,235,758</u>	<u>\$ 87,916,158</u>	<u>\$ 25,675,390</u>	<u>\$ 125,644,210</u>

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2011 and 2010

NOTE 3 - Information Prepared and Certified by Trustees - Unaudited (cont.)

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized as follows:

	PDC Common Stock
Balances, January 1, 2010	\$ 135,854,254
Realized (losses) gains	(5,148,404)
Unrealized gains	1,555,011
Interest	31,362
Purchases	6,596,355
Sales	<u>(13,244,368)</u>
Balances, December 31, 2010	125,644,210
Realized gains	18,615,948
Unrealized gains	1,438,685
Interest	30,299
Purchases	5,622,595
Sales	<u>(10,848,623)</u>
Balances, December 31, 2011	<u>\$ 140,503,114</u>

NOTE 4 - Parties In Interest Transactions

Participants can elect to invest the assets of the non-ESOP component of the Plan in certain funds managed and/or sold by Principal Financial Group, an affiliate of Principal Trust Company. The Plan conducted the following transactions with the trustee:

	2011	2010
Total purchases	\$ 19,152,663	\$ 12,944,992
Total sales	18,627,424	41,547,771

Participants can elect to invest the assets of the ESOP component of the Plan in PDC common stock which is held by State Street Corporation. The Plan conducted the following transactions with the trustee:

	2011	2010
Total purchases	\$ 5,622,595	\$ 6,596,355
Total sales	10,848,623	13,244,368

Administrative expenses were paid by the Company for services provided by the trustees for the years ended December 31, 2011 and 2010.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2011 and 2010

NOTE 5 - Tax Status

The Plan obtained its latest determination letter on June 27, 2002, in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. The plan administrator believes that the Plan, as amended, is designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the plan administrator believes that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require the Plan's management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, there were no uncertain tax positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

NOTE 6 - Modification to an Affiliated Plan

As a result of an amendment dated December 8, 2010, the Appleton Papers Inc. Retirement Plan, a pension plan sponsored by the Company, was frozen for non-bargaining unit (salaried) employees effective March 1, 2011. A prior amendment, dated December 5, 2007, froze the pension plan effective January 1, 2015. Any affected employees who were employed by the Company as of December 31, 2007 continued to accrue benefits under the Appleton Papers Inc. Retirement Plan until the revised freeze date of March 1, 2011, when employee benefits under the Appleton Papers Inc. Retirement Plan were replaced with employer contributions to the Appleton Papers Retirement Savings and Employee Stock Ownership Plan based on employee age and years of service. Any salaried employees hired on or after January 1, 2008 automatically receive employer contributions to the Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan and do not have the option to participate in the Appleton Papers Inc. Retirement Plan. Individuals employed by the Company as of December 31, 2007 had until April 1, 2008 to elect whether to begin receiving employer contributions under the Appleton Papers Inc. Retirement Savings and Employee Stock Ownership Plan or remain in the Appleton Papers Inc. Retirement Plan until the date it becomes frozen.

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2011 and 2010

NOTE 7 - Reconciliation of Financial Statements to Form 5500, Schedule H

The following is a reconciliation of the net assets available for benefits as reported in the financial statements to the net assets as reported on line 1(l) of the 2011 Form 5500, Schedule H, Part I:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits as reported in the financial statements	\$ 248,411,459	\$ 237,739,409
Adjustment to fair value from contract value for investment relating to fully benefit-responsive investment contracts	<u>680,265</u>	<u>-</u>
Net Assets as Reported on Form 5500	<u>\$ 249,091,724</u>	<u>\$ 237,739,409</u>

The following is a reconciliation of the net increase in net assets available for benefits as reported in the financial statements to the net income reported on line 2(k) of the 2011 Form 5500, Schedule H, Part II:

	<u>2011</u>
Net increase in net assets available for benefits as reported in the financial statements	\$ 10,672,050
Adjustment to fair value from contract value for investment relating to fully benefit-responsive investment contracts	<u>680,265</u>
Net Income as Reported on Form 5500	<u>\$ 11,352,315</u>

NOTE 8 - Subsequent Event

In March 2012, the Company entered into an agreement to purchase the majority of their uncoated base paper from an outside provider instead of producing it. The Company believes that this agreement will provide the Company with access to competitively-priced base paper. The Company's West Carrollton, Ohio location ceased making this paper in April 2012 which resulted in the layoff of approximately 300 employees.

SUPPLEMENTAL SCHEDULE

APPLETON PAPERS INC. RETIREMENT SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

FORM 5500, SCHEDULE H, LINE 4(l) - SCHEDULE OF ASSETS (HELD AT YEAR END)

Plan 001

EIN 36-2556469

As of December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Cash and Cash Equivalents			
*	Paperweight Development Corp.	Cash and Cash Equivalents	**	\$ 1,492,280
	Common Collective Trust Fund			
	Wells Fargo Bank, N.A.	Wells Fargo Stable Value Fund C	**	26,825,513
	Mutual Funds			
*	Principal Financial Services	Principal LifeTime Strategic Income Institutional Fund	**	577,120
*	Principal Financial Services	Principal LifeTime 2010 Institutional Fund	**	2,601,621
*	Principal Financial Services	Principal LifeTime 2020 Institutional Fund	**	7,085,525
*	Principal Financial Services	Principal LifeTime 2030 Institutional Fund	**	5,590,847
*	Principal Financial Services	Principal LifeTime 2040 Institutional Fund	**	2,081,511
*	Principal Financial Services	Principal LifeTime 2050 Institutional Fund	**	531,477
*	Principal Financial Services	Principal MidCap S&P 400 Index Institutional Fund	**	3,645,781
*	Principal Financial Services	Principal SmallCap S&P 600 Index Institutional Fund	**	1,796,337
	Frontegra	Frontegra IronBridge SMID I Fund	**	4,428,098
	American Funds	American Funds EuroPacific Growth Fund	**	6,458,483
	PIMCO	PIMCO Total Return Institutional Fund	**	12,107,278
	Dodge & Cox	Dodge & Cox Stock Fund	**	8,872,989
	American Century	American Century LargeCap Growth II Fund	**	9,596,491
	Vanguard	Vanguard Inst'l Index Fund	**	17,000,389
	Total Mutual Funds			82,373,947
	PDC Common Stock			
*	Paperweight Development Corp.	9,360,634 Shares Common Stock	**	140,503,114
*	Notes Receivable from Participants - ESOP	Various participants, interest rates ranging from 4.25% to 10.50%, due in varying amounts through 2026	\$-0-	598,133
*	Notes Receivable from Participants - Non-ESOP	Various participants, interest rates ranging from 4.25% to 10.50%, due in varying amounts through 2026	\$-0-	995,070
	Total Assets (Held at End of Year)			\$ 252,788,057
*	Represents a party in interest			
**	Cost omitted for participant directed investments			

This schedule has been prepared based on information certified as complete and accurate by Principal Trust Company and State Street Corporation, Trustees.

SCHEDULE H,Line 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

APPLETON PAPERS RETIREMENT SAVINGS AND
 EMPLOYEE STOCK OWNERSHIP PLNA
 EIN 36 2556469
 PLAN NUMBER 001
 PLAN YEAR 01/01/2011 TO 12/31/2011

SCHEDULE H,Line 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

DESCRIPTION OF ASSET	(A) Total Number of Purchases	(B) Total Number of Sales	(C) Total Value of Purchases	(D) Total Value of Sales	(E) Net Gain/(Loss)
Wells Fargo Stable Val C Fd	202		\$9,463,611.16		\$0.00
Wells Fargo Stable Val C Fd		408		\$8,982,345.81	\$90,513.51
Largecap Growth II Inst	88		\$12,260,416.02		\$0.00
Largecap Growth II Inst		172		\$1,372,872.47	(\$43,051.52)
PDC Stock Fund	35		\$6,816,026.29		\$0.00
PDC Stock Fund		68		\$13,395,216.85	(\$6,753,583.00)
	0		\$0.00		\$0.00
		0		\$0.00	\$0.00
	0		\$0.00		\$0.00
		0		\$0.00	\$0.00
	0		\$0.00		\$0.00
		0		\$0.00	\$0.00

* Schedule is prepared using the alternative way of reporting (iii) series transactions under DOL Regulation 2520.103-6(d)(2).

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOY

EIN 36 2556469
 PLAN NUMBER 001
 PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	The American Funds	Registered Investment Company AM FDS EUROPACIFIC GRTH R6 FD	\$ 0.00	\$ 6,458,482.76
	State Street Bank and Trust Company	Interest Bearing Cash Company Stock Cash Account	\$ 0.00	\$ 1,492,280.39
	Dodge and Cox Funds	Registered Investment Company Dodge & Cox Stock Fund	\$ 0.00	\$ 8,872,988.85
	Frontegra	Registered Investment Company IronBridge Frontegra SMID I Fd	\$ 0.00	\$ 4,428,098.47
*	Principal Funds Inc	Registered Investment Company Prin LifeTime Str Inc Inst Fd	\$ 0.00	\$ 577,120.68
*	Principal Funds Inc	Registered Investment Company Prin LifeTime 2010 Inst Fund	\$ 0.00	\$ 2,601,620.68
*	Principal Funds Inc	Registered Investment Company Prin LifeTime 2020 Inst Fund	\$ 0.00	\$ 7,085,525.24
*	Principal Funds Inc	Registered Investment Company Prin LifeTime 2030 Inst Fund	\$ 0.00	\$ 5,590,846.58
*	Principal Funds Inc	Registered Investment Company Prin LifeTime 2040 Inst Fund	\$ 0.00	\$ 2,081,510.51
*	Principal Funds Inc	Registered Investment Company Prin LifeTime 2050 Inst Fund	\$ 0.00	\$ 531,477.07
*	Principal Funds Inc	Registered Investment Company Prin MidCap S&P 400 Idx Inst Fd	\$ 0.00	\$ 3,645,780.69
*	Principal Funds Inc	Registered Investment Company Prin SmCap S&P 600 Idx Inst Fd	\$ 0.00	\$ 1,796,336.97
*	PDC	Employer Security PDC Stock Fund	\$ 0.00	\$140,503,113.72
	PIMCO Funds	Registered Investment Company PIMCO Total Return Instl Fund	\$ 0.00	\$ 12,107,277.96
*	Principal Funds Inc	Registered Investment Company PRIN LGCAP GROWTH II INST FUND	\$ 0.00	\$ 9,596,491.16

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

APPLETON PAPERS RETIREMENT SAVINGS AND EMPLOY

EIN 36 2556469
PLAN NUMBER 001
PLAN YEAR 01/01/2011 TO 12/31/2011

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