
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

COMMISSION FILE NUMBER: 001-33988

Graphic Packaging Holding Company

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

26-0405422

(I.R.S. employer
identification no.)

1500 Riveredge Parkway, Suite 100

Atlanta, Georgia

(Address of principal executive offices)

30328

(Zip Code)

(770) 240-7200

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes R No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes R No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer R

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No R

As of April 25, 2016, there were 322,012,775 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

Information Concerning Forward-Looking Statements

Certain statements regarding the expectations of Graphic Packaging Holding Company (“GPHC” and, together with its subsidiaries, the “Company”), including, but not limited to, the availability of net operating losses to offset U. S. federal income taxes, the closing of Colopak Limited acquisition, capital investment, available cash and liquidity, depreciation and amortization, interest expense, pension expense and pension plan contributions, in this report constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company’s historical experience and its present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and product substitution, the Company’s ability to implement its business strategies, including strategic acquisitions, productivity initiatives and cost reduction plans, the Company’s debt level, currency movements and other risks of conducting business internationally, and the impact of regulatory and litigation matters, including those that could impact the Company’s ability to utilize its net operating losses to offset taxable income and those that impact the Company’s ability to protect and use its intellectual property. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and the Company undertakes no obligation to update such statements, except as may be required by law. Additional information regarding these and other risks is contained in Part I, “Item 1A., Risk Factors” of the Company’s 2015 Annual Report on Form 10-K, and in other filings with the Securities and Exchange Commission.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<i>In millions, except per share amounts</i>	Three Months Ended March 31,	
	2016	2015
Net Sales	\$ 1,034.0	\$ 1,008.2
Cost of Sales	826.3	818.6
Selling, General and Administrative	89.1	85.4
Other Expense (Income), Net	0.9	(3.3)
Business Combinations and Other Special Charges	10.5	2.2
Income from Operations	107.2	105.3
Interest Expense, Net	(16.9)	(16.9)
Income before Income Taxes and Equity Income of Unconsolidated Entity	90.3	88.4
Income Tax Expense	(33.2)	(33.6)
Income before Equity Income of Unconsolidated Entity	57.1	54.8
Equity Income of Unconsolidated Entities	0.4	0.3
Net Income	\$ 57.5	\$ 55.1
Net Income Per Share — Basic and Diluted	\$ 0.18	\$ 0.17
Cash Dividends Declared Per Share	\$ 0.05	\$ 0.05

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended	
	March 31,	
<i>In millions</i>	2016	2015
Net Income	\$ 57.5	\$ 55.1
Other Comprehensive (Loss) Income, Net of Tax:		
Derivative Instruments	(2.0)	0.5
Currency Translation Adjustment	6.0	(20.1)
Pension and Postretirement Benefit Plans	2.6	3.2
Total Other Comprehensive Income (Loss), Net of Tax	6.6	(16.4)
Total Comprehensive Income	\$ 64.1	\$ 38.7

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>In millions, except share and per share amounts</i>	March 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 75.6	\$ 54.9
Receivables, Net	474.0	423.9
Inventories, Net	599.4	557.1
Other Current Assets	41.2	30.9
Total Current Assets	1,190.2	1,066.8
Property, Plant and Equipment, Net	1,689.5	1,586.4
Goodwill	1,280.0	1,167.8
Intangible Assets, Net	482.1	386.7
Other Assets	49.2	48.4
Total Assets	\$ 4,691.0	\$ 4,256.1
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	\$ 33.3	\$ 36.6
Accounts Payable	406.5	457.9
Compensation and Employee Benefits	103.0	119.7
Interest Payable	16.6	9.2
Other Accrued Liabilities	111.4	108.8
Total Current Liabilities	670.8	732.2
Long-Term Debt	2,267.7	1,838.9
Deferred Income Tax Liabilities	338.0	266.7
Accrued Pension and Postretirement Benefits	237.3	247.3
Other Noncurrent Liabilities	77.5	69.3
SHAREHOLDERS' EQUITY		
Preferred Stock, par value \$.01 per share; 100,000,000 shares authorized; no shares issued or outstanding	—	—
Common Stock, par value \$.01 per share; 1,000,000,000 shares authorized; 322,669,785 and 324,688,717 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	3.2	3.2
Capital in Excess of Par Value	1,746.2	1,771.0
Accumulated Deficit	(310.6)	(326.8)
Accumulated Other Comprehensive Loss	(339.1)	(345.7)
Total Shareholders' Equity	1,099.7	1,101.7
Total Liabilities and Shareholders' Equity	\$ 4,691.0	\$ 4,256.1

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>In millions</i>	Three Months Ended March 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 57.5	\$ 55.1
Non-cash Items Included in Net Income:		
Depreciation and Amortization	70.7	68.1
Deferred Income Taxes	28.9	29.9
Amount of Postretirement Expense Less Than Funding	(6.7)	(8.1)
Other, Net	12.8	10.7
Changes in Operating Assets and Liabilities	(104.8)	(128.0)
Net Cash Provided by Operating Activities	58.4	27.7
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Spending	(99.0)	(57.2)
Packaging Machinery Spending	(4.0)	(3.5)
Acquisition of Businesses, Net of Cash Acquired	(288.5)	(116.6)
Other, Net	(1.4)	(0.1)
Net Cash Used in Investing Activities	(392.9)	(177.4)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Common Stock	(43.5)	(4.0)
Payments on Debt	(6.3)	(6.3)
Borrowings under Revolving Credit Facilities	552.5	396.7
Payments on Revolving Credit Facilities	(122.4)	(251.3)
Repurchase of Common Stock related to Share-Based Payments	(10.4)	(20.1)
Dividends Paid	(16.3)	—
Other, Net	(0.3)	—
Net Cash Used in Financing Activities	353.3	115.0
Effect of Exchange Rate Changes on Cash	1.9	(3.5)
Net Increase (Decrease) in Cash and Cash Equivalents	20.7	(38.2)
Cash and Cash Equivalents at Beginning of Period	54.9	81.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 75.6	\$ 43.4

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 — GENERAL INFORMATION

Nature of Business and Basis of Presentation

Graphic Packaging Holding Company (“GPHC” and, together with its subsidiaries, the “Company”) is committed to providing consumer packaging that makes a world of difference. The Company is a leading provider of paper-based packaging solutions for a wide variety of products to food, beverage and other consumer products companies. The Company operates on a global basis and is one of the largest producers of folding cartons in the United States (“U.S.”) and holds leading market positions in coated unbleached kraft paperboard and coated-recycled paperboard.

The Company’s customers include many of the world’s most widely recognized companies and brands with prominent market positions in beverage, food and other consumer products. The Company strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost by capitalizing on its low-cost paperboard mills and converting plants, its proprietary carton and packaging designs, and its commitment to customer service.

GPHC conducts no significant business and has no independent assets or operations other than its ownership of all of Graphic Packaging International, Inc.'s (“GPII”) outstanding common stock.

The Company’s Condensed Consolidated Financial Statements include all subsidiaries in which the Company has the ability to exercise direct or indirect control over operating and financial policies. Intercompany transactions and balances are eliminated in consolidation.

In the Company’s opinion, the accompanying Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods. The Company’s year end Condensed Consolidated Balance Sheet data was derived from audited financial statements. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with instructions to Form 10-Q and Rule 10-01 of Regulation S-X and do not include all the information required by accounting principles generally accepted in the United States of America (“U.S. GAAP”) for complete financial statements. Therefore, these Condensed Consolidated Financial Statements should be read in conjunction with GPHC’s Form 10-K for the year ended December 31, 2015. In addition, the preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates and changes in these estimates are recorded when known.

For a summary of the Company’s significant accounting policies, please refer to GPHC’s Form 10-K for the year ended December 31, 2015.

Accounts Receivable and Allowances

The Company has entered into agreements for the purchasing and servicing of receivables (the “AR Sales Agreements”), to sell, on a revolving basis, certain trade accounts receivable balances to a third party financial institution. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (the “Codification”). During the first three months of 2016, the Company sold and derecognized approximately \$ 300 million of receivables, collected approximately \$ 290 million on behalf of the financial institution, and received funding of approximately \$24 million by the financial institution, resulting in deferred proceeds of approximately \$ 36 million as of March 31, 2016 . During the same period of 2015, the Company sold and derecognized approximately \$173 million of receivables, collected approximately \$142 million on behalf of the financial institution, and received funding of approximately \$15 million by the financial institution, resulting in deferred proceeds of approximately \$48 million as of March 31, 2015. Cash proceeds related to the sales are included in cash from operating activities in the Condensed Consolidated Statements of Cash Flows in the Changes in Operating Assets and Liabilities line item. The loss on sale is not material and is included in Other Expense (Income), Net line item on the Condensed Consolidated Statement of Operations.

The Company has also entered into various factoring and supply chain financing arrangements, principally at the request of customers, which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the three months ended March 31, 2016 and 2015, the Company sold receivables of approximately \$10 million and \$81 million , respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, at March 31, 2016 and December 31, 2015, were approximately \$291 million and \$ 282 million , respectively.

Capital Allocation Plan

On February 25, 2016, the Company's board of directors declared a regular quarterly dividend of \$ 0.05 per share of common stock paid on April 5, 2016 to shareholders of record as of March 15, 2016.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

On February 4, 2015, the Company's board of directors authorized a share repurchase program to allow the Company to purchase up to \$ 250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. The Company repurchased 3,712,552 , and 279,328 shares at an average price of \$12.12 and \$14.30 during the quarters ending March 31, 2016 and March 31, 2015, respectively. As of March 31, 2016, the Company has approximately \$142 million remaining under the current share repurchase program.

Business Combinations and Other Special Charges

The following table summarizes the transactions recorded in Business Combinations and Other Special Charges in the Consolidated Statements of Operations:

<i>In millions</i>	Three Months Ended March 31,	
	2016	2015
Charges Associated with Business Combinations	\$ 5.1	\$ 1.0
Other Special Charges	5.4	1.2
Total	\$ 10.5	\$ 2.2

On March 31, 2016, the Company acquired substantially all of the assets of Metro Packaging & Imaging, Inc. ("Metro"), a single facility located in Wayne, New Jersey.

On February 16, 2016, the Company acquired Walter G. Anderson, Inc., ("WG Anderson") a premier folding carton manufacturer with a focus on store branded food and consumer product markets. WG Anderson operates two world-class sheet-fed folding carton converting facilities located in Hamel, Minnesota and Newton, Iowa.

On January 11, 2016, the Company agreed to offer to purchase 100% of the outstanding shares of Colopak (ASX:CKL), a leading folding carton supplier in Australia and New Zealand. Colopak operates three folding carton facilities that convert paperboard into folding cartons for the food, beverage and consumer product markets. The folding carton facilities are located in Melbourne, Australia, Sydney, Australia and Auckland, New Zealand. The acquisition was approved by Colopak shareholders and regulatory authorities and is expected to close in the second quarter of 2016.

On January 5, 2016, the Company acquired G-Box, S.A. de C.V., ("G-Box"). The acquisition includes two folding carton converting facilities located in Monterrey, Mexico and Tijuana, Mexico that service the food, beverage, and consumer products markets.

For more information regarding the above acquisitions see *Note 3 - Acquisitions* .

On October 1, 2015, the Company acquired the converting assets of Staunton, VA-based Carded Graphics, LLC. ("Carded"), an award winning folding carton producer with a strong regional presence in food, craft beer and other consumer product markets.

On February 4, 2015, the Company completed its acquisition of certain assets of Cascades Norampac Division ("Cascades"). On January 2, 2015, the Company completed its acquisition of Rose City Printing and Packaging, Inc. ("Rose City").

Charges associated with these acquisitions are reflected in Charges Associated with Business Combinations in the above table.

Adoption of New Accounting Standards

Effective January 1, 2016, the Company adopted Accounting Standards Update ("ASU") No. 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*. The amendments in this ASU eliminated the requirement to retrospectively account for provisional amounts recognized in a business combination. The adoption did not have any impact on the Company's disclosure for business combinations and financial position.

Effective January 1, 2016 the Company adopted ASU No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* . The amendments in the ASU clarify the proper method of accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. The adoption had no impact on the Company's financial position, results of operations and cash flows.

Accounting Standards Not Yet Adopted

In March 2016, the FASB issued ASU 2016-09, *Compensation-Stock Compensation (Topic 718); Improvements to Employees Share-Based Payment Accounting* . The amendments in this ASU are part of the simplification initiative by the FASB and involve several aspects

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

of the accounting for share-based payment transactions, including income tax consequences, classification of awards as equity or liabilities, forfeitures, and classification on the statement of cash flows. The amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted in any annual or interim period. Depending on the amendment, methods used to apply the requirements of the amendment include modified retrospective, retrospectively, and prospectively. The Company is evaluating the impact of adoption on the Company's financial position, results of operations and cash flow.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The amendments in this ASU require an entity to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The amendments also require certain quantitative and qualitative disclosures about leasing arrangements. The amendments are effective for fiscal years beginning after December 15, 2018 and interim periods within those years. Early adoption is permitted. The updated guidance requires a modified retrospective adoption. The Company is evaluating the impact of adoption on the Company's financial position, results of operation and cash flows.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. This amendment replaces the current method of measuring inventories at lower of cost or market with a lower of cost and net realizable value method. The amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Company is currently evaluating the impact of adoption on the Company's financial position, results of operations and cash flows.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. Adoption of ASU No. 2014-09 requires that an entity recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On July 9, 2015, the FASB deferred the effective date by one year to December 15, 2017 for interim and annual reporting periods beginning after that date and permitted early adoption of the standard but not before the original effective date of December 15, 2016. The Company is currently evaluating the impact of adoption on the Company's financial position, results of operations and cash flows.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 2 — INVENTORIES, NET

Inventories, Net by major class:

<i>In millions</i>	March 31, 2016	December 31, 2015
Finished Goods	\$ 268.2	\$ 265.5
Work in Progress	63.9	50.4
Raw Materials	188.0	163.0
Supplies	79.3	78.2
Total	\$ 599.4	\$ 557.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 3 — ACQUISITIONS

On March 31, 2016, the Company completed the acquisition of substantially all the assets of Metro, a single facility located in Wayne, New Jersey.

On February 16, 2016, the Company completed the acquisition of WG Anderson, a premier folding carton manufacturer with a focus on store branded food and consumer product markets. WG Anderson operates two world-class sheet-fed folding carton converting facilities located in Hamel, Minnesota and Newton, Iowa.

On January 5, 2016, the Company acquired G-Box. The acquisition includes two folding carton converting facilities located in Monterrey, Mexico and Tijuana, Mexico that service the food, beverage, and consumer products markets.

The Metro, WG Anderson and G-Box transactions are referred to collectively as the "2016 Acquisitions".

The Company paid approximately \$288 million, net of cash acquired, for the 2016 Acquisitions using existing cash and borrowings under its revolving line of credit. The acquisition accounting for the 2016 Acquisitions has been preliminarily allocated to assets and liabilities assumed based on the estimated fair values as of the purchase dates and is subject to adjustments in subsequent periods once the third party valuations are completed. Management believes that the purchase price attributable to goodwill represents the benefits expected as the acquisitions were made to continue to grow the North American food and beverage business, integrate paperboard from the Company's mills and to further optimize the Company's supply chain footprint.

The preliminary acquisition accounting allocation for the 2016 Acquisitions is as follows:

<i>In millions</i>	Amounts Recognized as of Acquisition Date	Measurement Period Adjustments	Amounts Recognized as of Acquisition Dates (as adjusted)
Purchase Price	\$ 299.2	\$ —	\$ 299.2
Cash and Cash Equivalents	\$ 10.7	\$ —	\$ 10.7
Receivables, Net	17.1	—	17.1
Inventories, Net	24.9	—	24.9
Other Current Assets	3.4	—	3.4
Property, Plant and Equipment, Net	78.0	—	78.0
Other Assets	9.4	106.7	116.1
Total Assets Acquired	143.5	106.7	250.2
Current Liabilities	24.0	—	24.0
Deferred Tax Liabilities	9.0	33.1	42.1
Total Liabilities Assumed	33.0	33.1	66.1
Net Assets Acquired	110.5	73.6	184.1
Goodwill	188.7	(73.6)	115.1
Total Estimated Fair Value of Net Assets Acquired	\$ 299.2	\$ —	\$ 299.2

On October 1, 2015, the Company completed the acquisition of Carded. Based in Staunton, VA, Carded's state-of-the-art converting facility produces award winning folding cartons and has a strong regional presence in the food, craft beer and other consumer product markets.

On February 4, 2015, the Company completed the acquisition of certain assets of Cascades in Canada. Cascades services the food and beverage markets and operates three folding carton converting facilities located in Cobourg, Ontario, Mississauga, Ontario and Winnipeg, Manitoba along with a thermo mechanical pulp mill located in Jonquiere, Quebec and a coated recycled board mill located in East Angus, Quebec. The Jonquiere mill was shutdown in the third quarter of 2015.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

On January 2, 2015, the Company acquired Rose City through the purchase of all of the issued and outstanding stock of its parent company, Rose City Holding Company. Rose City services food and beverage markets and operates two folding carton converting facilities located in Gresham, OR and Vancouver, WA. The Cascades, Rose City, and Carded Graphics transactions are referred to collectively as the "North American Acquisitions."

In 2015, the Company paid approximately \$164 million for the North American Acquisitions and the acquisition accounting has been finalized.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4 — DEBT

For more information regarding the Company's debt, see "Note 5 — Debt" of the Notes to Consolidated Financial Statements of the Company's 2015 Form 10-K.

Long-Term Debt is composed of the following:

<i>In millions</i>	March 31, 2016	December 31, 2015
Senior Notes with interest payable semi-annually at 4.875%, effective rate of 4.95%, payable in 2022	\$ 250.0	\$ 250.0
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.80%, payable in 2021	425.0	425.0
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (1.7% at March 31, 2016) payable through 2019	968.8	975.0
Senior Secured Revolving Facilities with interest payable at floating rates (1.7% at March 31, 2016) payable in 2019	658.2	224.8
Capital Lease Obligations	1.6	1.8
Other	2.7	1.8
Total Debt	2,306.3	1,878.4
Less: Current Portion	25.5	25.8
	2,280.8	1,852.6
Less: Unamortized Deferred Debt Issuance Costs	13.1	13.7
Total Long-Term Debt	2,267.7	1,838.9

At March 31, 2016, the Company and its U.S. and international subsidiaries had the following commitments, amounts outstanding and amounts available under revolving credit facilities:

<i>In millions</i>	Total Commitments	Total Outstanding	Total Available
Senior Secured Domestic Revolving Credit Facility(a)	\$ 1,250.0	\$ 570.0	\$ 655.2
Senior Secured International Revolving Credit Facility	179.3	88.2	91.1
Other International Facilities	21.7	10.5	11.2
Total	\$ 1,451.0	\$ 668.7	\$ 757.5

(a) In accordance with its debt agreements, the Company's availability under its revolving credit facilities has been reduced by the amount of standby letters of credit issued of \$24.8 million as of March 31, 2016. These letters of credit are used primarily as security against its self-insurance obligations and workers' compensation obligations. These letters of credit expire at various dates through mid-2018 unless extended.

The Credit Agreement and the indentures governing the 4.75% Senior Notes due 2021 and 4.875% Senior Notes due 2022 (the "Indentures") limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Credit Agreement and the Indentures, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, make dividend and other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the Indenture, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

Under the terms of the Credit Agreement, the Company must comply with a maximum consolidated total leverage ratio and a minimum consolidated interest coverage ratio. The Company's obligations under the Credit Agreement are secured by substantially all of the Company's domestic assets.

As of March 31, 2016, the Company was in compliance with the covenants in the Credit Agreement and the Indentures.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 5 — STOCK INCENTIVE PLANS

The Company has one active equity compensation plan from which new grants may be made, the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (the “2014 Plan”). Under the 2014 Plan, the Company may grant stock options, stock appreciation rights, restricted stock, restricted stock units (“RSU’s”) and other types of stock-based and cash awards. Awards under the 2014 Plan generally vest and expire in accordance with terms established at the time of grant. Shares issued pursuant to awards under the 2014 Plan are from the Company’s authorized but unissued shares. Compensation costs are recognized on a straight-line basis over the requisite service period of the award.

Stock Awards, Restricted Stock and Restricted Stock Units

Under the 2014 Plan, all RSUs generally vest and become payable in three years from date of grant. RSUs granted to employees generally contain performance conditions based on various financial targets and service requirements that must be met for the shares to vest. Stock awards granted to non-employee directors as part of their compensation for service on the Board are unrestricted on the grant date.

Data concerning RSUs granted in the first three months of 2016 is as follows:

	Shares	Weighted Average Grant Date Fair Value Per Share
RSUs — Employees	1,869,270	\$ 11.18

During the three months ended March 31, 2016 and 2015, \$5.5 million and \$3.7 million, respectively, were charged to compensation expense for stock incentive plans.

During the three months ended March 31, 2016 and 2015, approximately 1.6 million and 2.1 million shares were issued, respectively. The shares issued were primarily related to RSUs granted during 2013 and 2012, respectively.

NOTE 6 — PENSIONS AND OTHER POSTRETIREMENT BENEFITS

The Company maintains both defined benefit pension plans and postretirement health care plans that provide medical and life insurance coverage to eligible salaried and hourly retired employees in North America and their dependents. The Company maintains international defined benefit pension plans which are either noncontributory or contributory and are funded in accordance with applicable local laws. Pension or termination benefits are based primarily on years of service and the employee's compensation.

Pension and Postretirement Expense

The pension and postretirement expenses related to the Company’s plans consisted of the following:

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<i>In millions</i>	Pension Benefits		Post Retirement Health Care Benefits	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2016	2015	2016	2015
Components of Net Periodic Cost:				
Service Cost	\$ 2.5	\$ 3.8	\$ 0.2	\$ 0.2
Interest Cost	11.1	13.4	0.3	0.4
Administrative Expenses	0.3	0.2	—	—
Expected Return on Plan Assets	(15.1)	(18.5)	—	—
Amortization:				
Prior Service Cost (Credit)	0.2	0.2	(0.1)	(0.1)
Actuarial Loss (Gain)	4.8	5.5	(0.5)	(0.4)
Net Periodic Cost	\$ 3.8	\$ 4.6	\$ (0.1)	\$ 0.1

Employer Contributions

The Company made contributions of \$ 10.2 million and \$ 12.3 million to its pension plans during the first three months of 2016 and 2015, respectively. The Company expects to make contributions of \$40 million to \$60 million for the full year 2016. During 2015, the Company made \$ 53.4 million of contributions to its pension plans.

The Company made postretirement health care benefit payments of \$ 0.2 million and \$ 0.5 million during the first three months of 2016 and 2015, respectively. The Company estimates its postretirement health care benefit payments for the full year 2016 to be approximately \$ 3 million . During 2015, the Company made postretirement health care benefit payments of \$ 2.8 million .

NOTE 7 — FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

The Company enters into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments under the *Derivatives and Hedging* topic of the FASB Codification and those not designated as hedging instruments under this guidance. The Company uses interest rate swaps, natural gas swap contracts, and forward exchange contracts. These derivative instruments are designated as cash flow hedges and, to the extent they are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings but are included in Accumulated Other Comprehensive Income. These changes in fair value will subsequently be reclassified to earnings.

For more information regarding the Company's financial instruments and fair value measurement, see " *Note 9 — Financial Instruments, Derivatives and Hedging Activities* " and " *Note 10 — Fair Value Measurement* " of the Notes to Consolidated Financial Statements of the Company's 2015 Form 10-K.

Interest Rate Risk

The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facilities. The differential to be paid or received under these agreements is recognized as an adjustment to Interest Expense related to debt. The following table summarizes the Company's current interest rate swap positions for each period presented as of March 31, 2016:

Start	End	<i>(In Millions)</i> Notional Amount	Weighted Average Interest Rate
Current	4/1/2016	\$560.0	0.75%
4/01/2016	2/01/2017	\$450.0	1.00%
02/01/2017	12/01/2017	\$300.0	1.03%
12/01/2017	10/01/2018	\$150.0	1.40%

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Changes in fair value will subsequently be reclassified into earnings as a component of Interest Expense, Net as interest is incurred on amounts outstanding under the term loan facility. Ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs.

During the first three months of 2016 and 2015, there were no amounts of ineffectiveness related to changes in the fair value of interest rate swap agreements. Additionally, there were no amounts excluded from the measure of effectiveness.

Commodity Risk

To manage risks associated with future variability in cash flows and price risk attributable to certain commodity purchases, the Company enters into natural gas swap contracts to hedge prices for a designated percentage of its expected natural gas usage. Such contracts are designated as cash flow hedges. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Loss, and the resulting gain or loss is reclassified into Cost of Sales concurrently with the recognition of the commodity consumed and the ineffective portion of the swap contracts' change in fair value would be recognized immediately in earnings. The Company has hedged approximately 60% and 30% of its expected natural gas usage for the remainder of 2016 and 2017, respectively.

During the first three months of 2016 and 2015, there were minimal amounts of ineffectiveness related to changes in the fair value of natural gas swap contracts. Additionally, there were no amounts excluded from the measure of effectiveness.

Foreign Currency Risk

The Company enters into forward exchange contracts to manage risks associated with foreign currency transactions and future variability of cash flows arising from those transactions that may be adversely affected by changes in exchange rates. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Loss and gains/losses related to these contracts are recognized in Other Expense (Income), Net or Net Sales, when appropriate.

At March 31, 2016, multiple forward exchange contracts existed that expire on various dates through the remainder of 2016. Those purchased forward exchange contracts outstanding at March 31, 2016 and December 31, 2015, when aggregated and measured in U.S. dollars at contractual rates at March 31, 2016 and December 31, 2015, had notional amounts totaling \$ 45.9 million and \$ 65.2 million, respectively.

No amounts were reclassified to earnings during the first three months of 2016 or during 2015 in connection with forecasted transactions that were considered probable of not occurring and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there were no amounts excluded from the measure of effectiveness.

Derivatives not Designated as Hedges

The Company enters into forward exchange contracts to effectively hedge substantially all of its accounts receivable resulting from sales transactions denominated in foreign currencies in order to manage risks associated with variability in cash flows that may be adversely affected by changes in exchange rates. At March 31, 2016 and December 31, 2015, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those foreign currency exchange contracts outstanding at March 31, 2016 and December 31, 2015, when aggregated and measured in U.S. dollars at exchange rates at March 31, 2016 and December 31, 2015, had net notional amounts totaling \$ 59.9 million and \$ 45.5 million, respectively. Unrealized gains and losses resulting from these contracts are recognized in Other Expense (Income), Net and approximately offset corresponding recognized but unrealized gains and losses on the remeasurement of these accounts receivable.

Fair Value of Financial Instruments

The Company's derivative instruments are carried at fair value. The Company has determined that the inputs to the valuation of these derivative instruments are Level 2 in the fair value hierarchy. Level 2 inputs are defined as quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. The Company uses valuation techniques based on discounted cash flow analyses, which reflect the terms of the derivatives and use observable market-based inputs, including forward rates, and uses market price quotations obtained from independent derivatives brokers, corroborated with information obtained from independent pricing service providers.

As of March 31, 2016, the Company had a gross derivative liability of \$ 16.0 million and a gross derivative asset of \$ 0.6 million, primarily related to interest rate, foreign currency and commodity contracts. As of March 31, 2016, there has not been any significant impact to the fair value of the Company's derivative liabilities due to its own credit risk. Similarly, there has not been any significant adverse impact to the Company's derivative assets based on evaluation of the Company's counterparties' credit risks.

The fair values of the Company's other financial assets and liabilities at March 31, 2016 and December 31, 2015 approximately equal the carrying values reported on the Condensed Consolidated Balance Sheets except for Long-Term Debt. The fair value of the Company's Long-Term Debt (excluding capital leases and deferred financing fees) was \$ 2,324.4 million and \$ 1,891.2 million as compared to the carrying amounts of \$2,304.7 million and \$ 1,876.6 million as of March 31, 2016 and December 31, 2015, respectively. The fair value of the Company's Total Debt, including the Senior Notes, are based on quoted market prices (Level 2 inputs).

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The following is a rollforward of pre-tax Accumulated Other Comprehensive Loss pertaining to derivative instruments:

In millions

Balance at December 31, 2015	\$ (13.5)
Reclassification to Earnings	3.7
Current Period Change in Fair Value	(7.1)
Balance at March 31, 2016	\$ (16.9)

At March 31, 2016, the Company expects to reclassify approximately \$ 15 million of loss in the next twelve months from Accumulated Other Comprehensive Loss to earnings, contemporaneously with and offsetting changes in the related hedged exposure. The actual amount that will be reclassified to future earnings may vary from this amount as a result of changes in market conditions.

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NOTE 8 — INCOME TAXES

During the three months ended March 31, 2016, the Company recognized Income Tax Expense of \$ 33.2 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of \$ 90.3 million. The effective tax rate for the three months ended March 31, 2016 was different than the statutory rate due to the mix and levels of earnings between foreign and domestic tax jurisdictions as well as discrete items recorded during the quarter. During the three months ended March 31, 2015, the Company recognized Income Tax Expense of \$ 33.6 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of \$ 88.4 million. The effective tax rate for the three months ended March 31, 2015 was different than the statutory rate primarily due to the mix and levels between foreign and domestic earnings, including losses in jurisdictions with full valuation allowances. As of December 31, 2015, the Company had approximately \$470 million of Net Operating Losses (“NOLs”) for U.S. federal income tax purposes which may be used to offset future taxable income. The Company will utilize NOLs during 2016 and expects to have approximately \$225 million to \$275 million of NOLs remaining at December 31, 2016. Based on these NOLs and other tax benefits, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2019.

NOTE 9 — ENVIRONMENTAL AND LEGAL MATTERS

Environmental Matters

Environmental Matters

The Company is subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations, including those governing discharges to air, soil and water, the management, treatment and disposal of hazardous substances, solid waste and hazardous wastes, the investigation and remediation of contamination resulting from historical site operations and releases of hazardous substances, and the health and safety of employees. Compliance initiatives could result in significant costs, which could negatively impact the Company’s consolidated financial position, results of operations or cash flows. Any failure to comply with environmental or health and safety laws and regulations or any permits and authorizations required thereunder could subject the Company to fines, corrective action or other sanctions.

Some of the Company’s current and former facilities are the subject of environmental investigations and remediations resulting from historic operations and the release of hazardous substances or other constituents. Some current and former facilities have a history of industrial usage for which investigation and remediation obligations may be imposed in the future or for which indemnification claims may be asserted against the Company. Also, potential future closures or sales of facilities may necessitate further investigation and may result in future remediation at those facilities.

The Company has established reserves for those facilities or issues where a liability is probable and the costs are reasonably estimable. The Company believes that the amounts accrued for its loss contingencies, and the reasonably possible loss beyond the amounts accrued, are not material to the Company’s consolidated financial position, results of operations or cash flows. The Company cannot estimate with certainty other future corrective compliance, investigation or remediation costs. Some costs relating to historic usage that the Company considers to be reasonably possible of resulting in liability are not quantifiable at this time. The Company will continue to monitor environmental issues at each of its facilities, as well as regulatory developments, and will revise its accruals, estimates and disclosures relating to past, present and future operations, as additional information is obtained.

Legal Matters

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company’s consolidated financial position, results of operations or cash flows.

NOTE 10 — SEGMENT INFORMATION

During 2015, the Company reevaluated the aggregation of operating segments into reportable segments in accordance with FASB ASC 280 *Segment Reporting*, and concluded there are three reportable segments, and recast prior periods as follows:

Paperboard Mills includes the seven North American paperboard mills which produce primarily coated unbleached kraft (“CUK”) and coated recycled board (“CRB”). The majority of the paperboard is consumed internally to produce paperboard packaging for the Americas and Europe Paperboard Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment Net Sales represent the sale of paperboard only to external

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customers. The effect of intercompany transfers to the paperboard packaging segments has been eliminated from the Paperboard Mills segment to reflect the economics of the integration of these segments.

Americas Paperboard Packaging includes paperboard packaging folding cartons sold primarily to Consumer Packaged Goods ("CPG") companies serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging folding cartons sold primarily to CPG companies serving the food, beverage and consumer product markets in Europe.

The Company allocates certain mill and corporate costs to the reportable segments to appropriately represent the economics of these segments. The Corporate and Other caption includes the Pacific Rim operating segment and unallocated corporate and one-time costs.

These segments are evaluated by the chief operating decision maker based primarily on Income from Operations, as adjusted for depreciation and amortization. The accounting policies of the reportable segments are the same as those described above in Note 1 - Nature of Business and Summary of Significant Accounting Policies.

Segment information is as follows:

<i>In millions</i>	Three Months Ended	
	March 31,	
	2016	2015
NET SALES:		
Paperboard Mills	\$ 101.1	\$ 103.4
Americas Paperboard Packaging	785.2	754.0
Europe Paperboard Packaging	144.3	144.7
Corporate/Other/Eliminations	3.4	6.1
Total	\$ 1,034.0	\$ 1,008.2
INCOME (LOSS) FROM OPERATIONS:		
Paperboard Mills	\$ (2.2)	\$ (2.9)
Americas Paperboard Packaging	115.3	100.7
Europe Paperboard Packaging	9.1	9.0
Corporate and Other	(15.0)	(1.5)
Total	\$ 107.2	\$ 105.3
DEPRECIATION AND AMORTIZATION:		
Paperboard Mills	\$ 31.1	\$ 29.8
Americas Paperboard Packaging	27.7	25.3
Europe Paperboard Packaging	10.1	11.3
Corporate and Other	1.8	1.7
Total	\$ 70.7	\$ 68.1

For more information regarding the Company's business segments, see "Note 16 — Business Segment and Geographic Area Information" of the Notes to Consolidated Financial Statements of the Company's 2015 Form 10-K.

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NOTE 11 — EARNINGS PER SHARE

	Three Months Ended	
	March 31,	
<i>In millions, except per share data</i>	2016	2015
Net Income	\$ 57.5	\$ 55.1
Weighted Average Shares:		
Basic	323.1	329.6
Dilutive Effect of RSUs and Stock Awards	1.1	2.3
Diluted	324.2	331.9
Income Per Share — Basic	\$ 0.18	\$ 0.17
Income Per Share — Diluted	\$ 0.18	\$ 0.17

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NOTE 12 — EQUITY

The following is a summary of the changes in total equity for the three months ended March 31, 2016 :

<i>In millions</i>	Total Shareholders' Equity
Balance at December 31, 2015	\$ 1,101.7
Net Income	57.5
Other Comprehensive Income, Net of Tax	6.6
Dividends declared	(16.2)
Repurchase of Common Stock	(45.0)
Compensation Expense Under Share-Based Plans	5.5
Repurchase of Common Stock related to Share-Based Payments	(10.4)
Balance at March 31, 2016	\$ 1,099.7

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NOTE 13 — OTHER COMPREHENSIVE (LOSS) INCOME

The following represents changes in Accumulated Other Comprehensive (Loss) Income by each component of other comprehensive income for the three months ended March 31, 2016 ^(a) :

<i>In millions</i>	Derivative Instruments	Currency Translation Adjustment	Pension Benefit Plans	Postretirement Benefit Plans	Total
Balance at December 31, 2015	\$ (18.4)	\$ (87.8)	\$ (255.4)	\$ 15.9	\$ (345.7)
Other Comprehensive (Loss) Income before Reclassifications	(4.3)	6.0	—	—	1.7
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) ^(b)	2.3	—	3.0	(0.4)	4.9
Net Current-period Other Comprehensive (Loss) Income	(2.0)	6.0	3.0	(0.4)	6.6
Balance at March 31, 2016	\$ (20.4)	\$ (81.8)	\$ (252.4)	\$ 15.5	\$ (339.1)

^(a) All amounts are net of income taxes.

^(b) See following table for details about these reclassifications.

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The following represents reclassifications out of Accumulated Other Comprehensive Income (Loss) for the three months ended March 31, 2016 :

<i>In millions</i>		
Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income	Affected Line Item in the Statement Where Net Income is Presented
Derivatives Instruments:		
Commodity Contracts	\$ 4.4	Cost of Sales
Foreign Currency Contracts	(1.2)	Other (Income) Expense, Net
Interest Rate Swap Agreements	0.5	Interest Expense, Net
	<u>3.7</u>	Total before Tax
	(1.4)	Tax Benefit
	<u>\$ 2.3</u>	Net of Tax
Amortization of Defined Benefit Pension Plans:		
Prior Service Costs	\$ 0.2 ^(c)	
Actuarial Losses	4.8 ^(c)	
	<u>5.0</u>	Total before Tax
	(2.0)	Tax Benefit
	<u>\$ 3.0</u>	Net of Tax
Amortization of Postretirement Benefit Plans:		
Prior Service Credits	\$ (0.1) ^(c)	
Actuarial Gains	(0.5) ^(c)	
	<u>(0.6)</u>	Total before Tax
	0.2	Tax Expense
	<u>\$ (0.4)</u>	Net of Tax
Total Reclassifications for the Period	<u>\$ 4.9</u>	

^(c) These accumulated other comprehensive income components are included in the computation of net periodic pension cost (see “*Note 6 — Pensions and Other Postretirement Benefits*”).

NOTE 14 — GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

These consolidating financial statements reflect GPHC (“the Parent”); GPII (the “Subsidiary Issuer”); and the Subsidiary Guarantors, which consist of all material 100% owned subsidiaries of GPII other than its foreign subsidiaries; and the nonguarantor subsidiaries (herein referred to as “Nonguarantor Subsidiaries”). The Nonguarantor Subsidiaries include all of GPII’s foreign subsidiaries. Separate complete financial statements of the Subsidiary Guarantors are not presented because the guarantors are jointly and severally, fully and unconditionally liable under the guarantees.

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<i>In millions</i>	Three Months Ended March 31, 2016					
	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	\$ —	\$ 866.0	\$ 16.1	\$ 231.3	\$ (79.4)	\$ 1,034.0
Cost of Sales	—	691.4	12.7	201.6	(79.4)	826.3
Selling, General and Administrative	—	70.1	0.7	18.3	—	89.1
Other (Income) Expense, Net	—	(1.6)	—	2.5	—	0.9
Business Combinations and Other Special Charges	—	10.5	—	—	—	10.5
Income from Operations	—	95.6	2.7	8.9	—	107.2
Interest Expense, Net	—	(15.9)	—	(1.0)	—	(16.9)
Income before Income Taxes and Equity						
Income of Unconsolidated Entities	—	79.7	2.7	7.9	—	90.3
Income Tax Expense	—	(31.6)	(1.1)	(0.5)	—	(33.2)
Income before Equity Income of Unconsolidated Entities	—	48.1	1.6	7.4	—	57.1
Equity Income of Unconsolidated Entities	—	—	—	0.4	—	0.4
Equity in Net Earnings of Subsidiaries	57.5	9.4	(2.6)	—	(64.3)	—
Net Income (Loss)	\$ 57.5	\$ 57.5	\$ (1.0)	\$ 7.8	\$ (64.3)	\$ 57.5
Comprehensive Income (Loss)	\$ 64.1	\$ 64.1	\$ (1.0)	\$ 13.0	\$ (76.1)	\$ 64.1

<i>In millions</i>	Three Months Ended March 31, 2015					
	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	\$ —	\$ 834.3	\$ 0.3	\$ 233.7	\$ (60.1)	\$ 1,008.2
Cost of Sales	—	677.3	(0.3)	201.7	(60.1)	818.6
Selling, General and Administrative	—	67.1	2.1	16.2	—	85.4
Other (Income) Expense, Net	—	(3.4)	—	0.1	—	(3.3)
Business Combinations and Other Special Charges	—	1.2	—	1.0	—	2.2
Income from Operations	—	92.1	(1.5)	14.7	—	105.3
Interest Expense, Net	—	(16.0)	—	(0.9)	—	(16.9)
Income (Loss) before Income Taxes and Equity						
Income of Unconsolidated Entities	—	76.1	(1.5)	13.8	—	88.4
Income Tax (Expense) Benefit	—	(28.4)	—	(5.2)	—	(33.6)
Income before Equity Income of Unconsolidated Entities	—	47.7	(1.5)	8.6	—	54.8
Equity (Loss) Income of Unconsolidated Entities	—	—	—	0.3	—	0.3
Equity in Net Earnings of Subsidiaries	55.1	7.4	1.7	—	(64.2)	—
Net Income (Loss)	\$ 55.1	\$ 55.1	\$ 0.2	\$ 8.9	\$ (64.2)	\$ 55.1
Comprehensive Income (Loss)	\$ 38.7	\$ 38.7	\$ (0.9)	\$ (23.7)	\$ (14.1)	\$ 38.7

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	March 31, 2016					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ —	\$ 28.8	\$ 7.7	\$ 39.1	\$ —	\$ 75.6
Receivables, Net	—	239.7	7.2	227.1	—	474.0
Inventories, Net	—	423.0	12.9	163.5	—	599.4
Intercompany	—	887.3	36.6	—	(923.9)	—
Other Current Assets	—	26.3	0.1	14.8	—	41.2
Total Current Assets	—	1,605.1	64.5	444.5	(923.9)	1,190.2
Property, Plant and Equipment, Net	—	1,417.2	54.0	218.3	—	1,689.5
Investment in Consolidated Subsidiaries	1,240.9	—	15.3	—	(1,256.2)	—
Goodwill	—	1,101.5	70.1	108.4	—	1,280.0
Other Assets	—	361.7	64.0	105.6	—	531.3
Total Assets	\$ 1,240.9	\$ 4,485.5	\$ 267.9	\$ 876.8	\$ (2,180.1)	\$ 4,691.0
LIABILITIES						
Current Liabilities:						
Short-Term Debt and Current Portion of Long-Term Debt	\$ —	\$ 25.3	\$ —	\$ 8.0	\$ —	\$ 33.3
Accounts Payable	—	301.3	4.9	100.3	—	406.5
Intercompany	141.2	—	0.1	796.9	(938.2)	—
Other Accrued Liabilities	—	183.2	1.7	46.1	—	231.0
Total Current Liabilities	141.2	509.8	6.7	951.3	(938.2)	670.8
Long-Term Debt	—	2,176.1	—	91.6	—	2,267.7
Deferred Income Tax Liabilities	—	278.5	31.7	27.8	—	338.0
Other Noncurrent Liabilities	—	280.2	7.5	27.1	—	314.8
EQUITY						
Total Equity	1,099.7	1,240.9	222.0	(221.0)	(1,241.9)	1,099.7
Total Liabilities and Equity	\$ 1,240.9	\$ 4,485.5	\$ 267.9	\$ 876.8	\$ (2,180.1)	\$ 4,691.0

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	December 31, 2015					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ —	\$ 0.1	\$ —	\$ 54.8	\$ —	\$ 54.9
Receivables, Net	—	217.0	—	206.9	—	423.9
Inventories, Net	—	408.8	—	148.3	—	557.1
Intercompany	—	656.4	21.6	—	(678.0)	—
Other Current Assets	—	19.2	6.3	5.4	—	30.9
Total Current Assets	—	1,301.5	27.9	415.4	(678.0)	1,066.8
Property, Plant and Equipment, Net	—	1,358.0	0.2	228.2	—	1,586.4
Investment in Consolidated Subsidiaries	1,176.8	—	15.2	—	(1,192.0)	—
Goodwill	—	1,042.8	—	125.0	—	1,167.8
Other Assets	—	334.7	—	100.4	—	435.1
Total Assets	\$ 1,176.8	\$ 4,037.0	\$ 43.3	\$ 869.0	\$ (1,870.0)	\$ 4,256.1
LIABILITIES						
Current Liabilities:						
Short-Term Debt and Current Portion of Long-Term Debt	\$ —	\$ 25.5	\$ —	\$ 11.1	\$ —	\$ 36.6
Accounts Payable	—	342.8	—	115.1	—	457.9
Interest Payable	—	9.2	—	—	—	9.2
Intercompany	75.1	—	—	808.8	(883.9)	—
Other Accrued Liabilities	—	182.6	—	45.9	—	228.5
Total Current Liabilities	75.1	560.1	—	980.9	(883.9)	732.2
Long-Term Debt	—	1,761.4	—	77.5	—	1,838.9
Deferred Income Tax Liabilities	—	249.2	—	17.5	—	266.7
Other Noncurrent Liabilities	—	289.5	—	27.1	—	316.6
EQUITY						
Total Equity	1,101.7	1,176.8	43.3	(234.0)	(986.1)	1,101.7
Total Liabilities and Equity	\$ 1,176.8	\$ 4,037.0	\$ 43.3	\$ 869.0	\$ (1,870.0)	\$ 4,256.1

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(Unaudited)

<i>In millions</i>	Three Months Ended March 31, 2016					
	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	\$ 57.5	\$ 57.5	\$ (1.0)	\$ 7.8	\$ (64.3)	\$ 57.5
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	59.3	0.9	10.5	—	70.7
Deferred Income Taxes	—	29.3	1.0	(1.4)	—	28.9
Amount of Postretirement Expense Less Than Funding	—	(5.4)	—	(1.3)	—	(6.7)
Equity in Net Earnings of Subsidiaries	(57.5)	(9.4)	2.6	—	64.3	—
Other, Net	—	12.8	—	—	—	12.8
Changes in Operating Assets and Liabilities	—	(113.2)	4.1	4.3	—	(104.8)
Net Cash Provided by Operating Activities	—	30.9	7.6	19.9	—	58.4
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(80.0)	—	(19.0)	—	(99.0)
Packaging Machinery Spending	—	(4.0)	—	—	—	(4.0)
Acquisition of Business, Net of Cash Acquired	—	(205.4)	—	(83.1)	—	(288.5)
Other, Net	70.2	(84.6)	0.1	—	12.9	(1.4)
Net Cash Provided by (Used in) Investing Activities	70.2	(374.0)	0.1	(102.1)	12.9	(392.9)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(43.5)	—	—	—	—	(43.5)
Payments on Debt	—	(6.3)	—	—	—	(6.3)
Borrowings under Revolving Credit Facilities	—	528.9	—	23.6	—	552.5
Payments on Revolving Credit Facilities	—	(108.6)	—	(13.8)	—	(122.4)
Dividends Paid	(16.3)	—	—	—	—	(16.3)
Repurchase of Common Stock related to Share-Based Payments	(10.4)	—	—	—	—	(10.4)
Other, Net	—	(42.2)	—	54.8	(12.9)	(0.3)
Net Cash (Used in) Provided by Financing Activities	(70.2)	371.8	—	64.6	(12.9)	353.3
Effect of Exchange Rate Changes on Cash	—	—	—	1.9	—	1.9
Net Increase (Decrease) in Cash and Cash Equivalents	—	28.7	7.7	(15.7)	—	20.7
Cash and Cash Equivalents at Beginning of Period	—	0.1	—	54.8	—	54.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ —	\$ 28.8	\$ 7.7	\$ 39.1	\$ —	\$ 75.6

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

<i>In millions</i>	Three Months Ended March 31, 2015					
	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	\$ 55.1	\$ 55.1	\$ 0.2	\$ 8.9	\$ (64.2)	\$ 55.1
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	55.4	0.5	12.2	—	68.1
Deferred Income Taxes	—	26.5	(0.2)	3.6	—	29.9
Amount of Postretirement Expense Less Than Funding	—	(4.7)	—	(3.4)	—	(8.1)
Equity in Net Earnings of Subsidiaries	(55.1)	(7.4)	(1.7)	—	64.2	—
Gain on the Sale of Assets	—	—	—	—	—	—
Other, Net	—	11.6	—	(0.9)	—	10.7
Changes in Operating Assets and Liabilities	—	(12.7)	3.9	(119.2)	—	(128.0)
Net Cash Provided By (Used in) Operating Activities	—	123.8	2.7	(98.8)	—	27.7
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(48.1)	(0.1)	(9.0)	—	(57.2)
Packaging Machinery Spending	—	(3.5)	—	—	—	(3.5)
Acquisition of Business, Net of Cash Acquired	—	(80.1)	—	(36.5)	—	(116.6)
Other, Net	24.1	(0.1)	—	—	(24.1)	(0.1)
Net Cash Provided by (Used in) Investing Activities	24.1	(131.8)	(0.1)	(45.5)	(24.1)	(177.4)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(4.0)	—	—	—	—	(4.0)
Payments on Debt	—	(6.3)	—	—	—	(6.3)
Borrowings under Revolving Credit Facilities	—	276.1	—	120.6	—	396.7
Payments on Revolving Credit Facilities	—	(241.4)	—	(9.9)	—	(251.3)
Repurchase of Common Stock related to Share-Based Payments	(20.1)	—	—	—	—	(20.1)
Other, Net	—	(24.1)	—	—	24.1	—
Net Cash (Used in) Provided by Financing Activities	(24.1)	4.3	—	110.7	24.1	115.0
Effect of Exchange Rate Changes on Cash	—	—	—	(3.5)	—	(3.5)
Net Increase (Decrease) in Cash and Cash Equivalents	—	(3.7)	2.6	(37.1)	—	(38.2)
Cash and Cash Equivalents at Beginning of Period	—	2.0	—	79.6	—	81.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ —	\$ (1.7)	\$ 2.6	\$ 42.5	\$ —	\$ 43.4

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

This management's discussion and analysis of financial conditions and results of operations is intended to provide investors with an understanding of the Company's past performance, financial condition and prospects. The following will be discussed and analyzed:

- Overview of Business
- Overview of 2016 Results
- Results of Operations
- Financial Condition, Liquidity and Capital Resources
- Critical Accounting Policies
- New Accounting Standards
- Business Outlook

OVERVIEW OF BUSINESS

The Company's objective is to strengthen its position as a leading provider of paperboard packaging solutions. To achieve this objective, the Company offers customers its paperboard, cartons and packaging machines, either as an integrated solution or separately. Cartons and carriers are designed to protect and contain products. Product offerings include a variety of laminated, coated and printed packaging structures that are produced from the Company's coated unbleached kraft ("CUK") and coated-recycled board ("CRB"), as well as other grades of paperboard that are purchased from third party suppliers. Innovative designs and combinations of paperboard, films, foils, metallization, holographics and embossing are customized to the individual needs of the customers.

The Company is implementing strategies (i) to expand market share in its current markets and to identify and penetrate new markets; (ii) to capitalize on the Company's customer relationships, business competencies, and mills and converting assets; (iii) to develop and market innovative, sustainable products and applications; and (iv) to continue to reduce costs by focusing on operational improvements. The Company's ability to fully implement its strategies and achieve its objectives may be influenced by a variety of factors, many of which are beyond its control, such as inflation of raw material and other costs, which the Company cannot always pass through to its customers, and the effect of overcapacity in the worldwide paperboard packaging industry.

Significant Factors That Impact The Company's Business

Impact of Inflation/Deflation. The Company's cost of sales consists primarily of energy (including natural gas, fuel oil and electricity), pine pulpwood, chemicals, secondary fibers, purchased paperboard, aluminum foil, ink, plastic films and resins, depreciation expense and labor. Costs decreased in the first three months of 2016 by \$3.0 million, compared to the first three months of 2015. The lower costs in the three months ended March 31, 2016 were primarily due to chemicals (\$2.7 million), energy (\$2.2 million), primarily due to the price of natural gas, externally purchased paperboard (\$1.5 million), freight (\$1.5 million), and other costs (\$0.2 million). The commodity price decreases were partially offset by higher labor and benefit costs (\$5.1 million).

Because the price of natural gas experiences significant volatility, the Company has entered into contracts designed to manage risks associated with future variability in cash flows caused by changes in the price of natural gas. The Company has entered into natural gas swap contracts to hedge prices for a portion of its expected usage for the remainder of 2016 and 2017. Since negotiated sales contracts and the market largely determine the pricing for its products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur.

Commitment to Cost Reduction. In light of increasing margin pressure throughout the packaging industry, the Company has programs in place that are designed to reduce costs, improve productivity and increase profitability. The Company utilizes a global continuous improvement initiative that uses statistical process control to help design and manage many types of activities, including production and maintenance. This includes a Six Sigma process focused on reducing variable and fixed manufacturing and administrative costs. The Company expanded the continuous improvement initiative to include the deployment of Lean Sigma principles into manufacturing and supply chain services.

The Company's ability to continue to successfully implement its business strategies and to realize anticipated savings and operating efficiencies is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement the strategic cost reductions or other cost savings plans it may not be able to continue to compete successfully against other manufacturers. In addition, any failure to generate the anticipated efficiencies and savings could adversely affect the Company's financial results.

Competition and Market Factors. As some products can be packaged in different types of materials, the Company's sales are affected by competition from other manufacturers' CUK board and CRB board and other paper substrates such as solid bleached sulfate and recycled clay-coated news. Additional substitute products also include plastic, shrink film and corrugated containers. In addition, while the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time

to time, and the Company may not be successful in renewing on favorable terms or at all. The Company works to maintain market share through efficiency, product innovation and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

In addition, the Company's sales historically are driven by consumer buying habits in the markets its customers serve. Changes in consumer dietary habits and preferences, increases in the costs of living, unemployment rates, access to credit markets, as well as other macroeconomic factors, may negatively affect consumer spending behavior. New product introductions and promotional activity by the Company's customers and the Company's introduction of new packaging products also impact its sales.

Debt Obligations . The Company had \$2,301.0 million of outstanding debt obligations as of March 31, 2016. This debt has consequences for the Company, as it requires a portion of cash flow from operations to be used for the payment of principal and interest, exposes the Company to the risk of increased interest rates and restricts the Company's ability to obtain additional financing. Covenants in the Company's Credit Agreement and Indentures also restrict, among other things, the disposal of assets, the incurrence of additional indebtedness (including guarantees), payment of dividends, loans or advances, and certain other types of transactions. The Credit Agreement also requires compliance with a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio. The Company's ability to comply in future periods with the financial covenants will depend on its ongoing financial and operating performance, which in turn will be subject to many other factors, many of which are beyond the Company's control. See "Financial Condition, Liquidity and Capital Resources — Liquidity and Capital Resources" for additional information regarding the Company's debt obligations.

The debt and the restrictions under the Credit Agreement and the Indentures could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The outstanding debt obligations and the restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs.

OVERVIEW OF FIRST QUARTER 2016 RESULTS

This management's discussion and analysis contains an analysis of Net Sales, Income from Operations and other information relevant to an understanding of results of operations. On a Consolidated basis:

- Net Sales for the three months ended March 31, 2016, increased by \$25.8 million or 2.6% to \$1,034.0 million from \$1,008.2 million for the three months ended March 31, 2015, primarily due to the acquisitions discussed below and higher beverage sales partially offset by unfavorable foreign exchange rates and lower pricing.
- Income from Operations for the three months ended March 31, 2016 increased \$1.9 million or 1.8% to \$107.2 million from \$105.3 million for the three months ended March 31, 2015 due to cost savings through continuous improvement programs and the acquisitions partially offset by the lower pricing and unfavorable foreign exchange rates.

Acquisitions

- On March 31, 2016, the Company acquired substantially all of the assets of Metro Packaging & Imaging, Inc. ("Metro"), a single facility located in Wayne, New Jersey.
- On February 16, 2016, the Company acquired Walter G. Anderson, Inc., ("WG Anderson") a premier folding carton manufacturer with a focus on store branded food and consumer product markets. WG Anderson operates two world-class sheet-fed folding carton converting facilities located in Hamel, Minnesota and Newton, Iowa.
- On January 5, 2016, the Company acquired G-Box, S.A. de C.V., ("G-Box"). The acquisition includes two folding carton converting facilities located in Monterrey, Mexico and Tijuana, Mexico that service the food, beverage and consumer products markets.
- Metro, WG Anderson and G-Box are referred to collectively as the "2016 Acquisitions."
- On January 11, 2016, the Company agreed to offer to purchase 100% of the outstanding shares of Colorpak (ASX:CKL), a leading folding carton supplier in Australia and New Zealand. Colorpak operates three folding carton facilities that convert paperboard into folding cartons for the food, beverage and consumer product markets. The folding carton facilities are located in Melbourne, Australia, Sydney, Australia and Auckland, New Zealand. The acquisition was approved by Colorpak shareholders and the regulatory authorities, and is expected to close in the second quarter of 2016.

Capital Allocations

- The Company repurchased 3,712,552 shares at an average price of \$12.12 during the quarter ended March 31, 2016 in accordance with the previously announced share repurchase program allowing management to purchase up to \$ 250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. As of March 31, 2016, the Company has approximately \$142 million remaining under the current share repurchase program.

- On February 25, 2016, the Company's board of directors declared a regular quarterly dividend of \$ 0.05 per share of common stock paid on April 5, 2015 to shareholders of record as of March 15, 2016.

RESULTS OF OPERATIONS

	Three Months Ended	
	March 31,	
	2016	2015
Net Sales	\$ 1,034.0	\$ 1,008.2
Income from Operations	107.2	105.3
Interest Expense, Net	(16.9)	(16.9)
Income before Taxes and Equity Income of Unconsolidated Entities	90.3	88.4
Income Tax Expense	(33.2)	(33.6)
Income before Equity Income of Unconsolidated Entities	57.1	54.8
Equity Income of Unconsolidated Entities	0.4	0.3
Net Income	\$ 57.5	\$ 55.1

FIRST QUARTER 2016 COMPARED WITH FIRST QUARTER 2015

Net Sales

<i>In millions</i>	Three Months Ended March 31,			
	2016	2015	Increase (Decrease)	Percent Change
Consolidated	\$ 1,034.0	\$ 1,008.2	\$ 25.8	2.6%

The components of the change in Net Sales are as follows:

<i>In millions</i>	Three Months Ended March 31,					
	Variances					
	2015	Price	Volume/Mix	Exchange	Total	2016
Consolidated	\$ 1,008.2	\$ (8.0)	\$ 42.5	\$ (8.7)	\$ 25.8	\$ 1,034.0

The Company's Net Sales for the three months ended March 31, 2016 increased by \$25.8 million, or 2.6% to \$1,034.0 million from \$1,008.2 million for the three months ended March 31, 2015, primarily due to Net Sales of \$43.4 million for the 2016 Acquisitions as well as the acquisition of certain assets of Cascades Norampac Division ("Cascades") on February 4, 2015. Volumes also increased in Europe and for beer and soft drinks in the Americas. This volume was offset by soft demand for certain consumer products and \$18.6 million of lower Net Sales due to the closure or shutdown of certain assets. Unfavorable exchange rates and lower pricing also negatively impacted Net Sales.

Income (Loss) from Operations

<i>In millions</i>	Three Months Ended March 31,			
	2016	2015	Increase (Decrease)	Percent Change
Consolidated	\$ 107.2	\$ 105.3	\$ 1.9	1.8%

The components of the change in Income (Loss) from Operations are as follows:

<i>In millions</i>	Three Months Ended March 31,								
	2015	Variances						Total	2016
		Price	Volume/Mix	Deflation	Exchange	Other ^(a)			
Consolidated	\$ 105.3	\$ (8.0)	\$ 1.1	\$ 3.0	\$ (3.8)	\$ 9.6	\$ 1.9	\$ 107.2	

^(a) Includes the Company's cost reduction initiatives, sales of assets and expenses related to acquisitions and integration activities and shutdown costs.

Income from Operations for the three months ended March 31, 2016 increased \$1.9 million or 1.8%, to \$107.2 million from \$105.3 million for the three months ended March 31, 2015 due to cost savings through continuous improvement programs, the acquisitions, and net deflation. These increases were partially offset by higher business combinations and other special charges, the lower pricing, and unfavorable foreign exchange rates. Deflation in the three months ended March 31, 2016 was primarily due to chemicals (\$2.7 million), energy (\$2.2 million), primarily due to the price of natural gas, externally purchased paperboard (\$1.5 million), freight (\$1.5 million), and other costs (\$0.2 million). The commodity price decreases were partially offset by higher labor and benefit costs (\$5.1 million).

Interest Expense, Net

Interest Expense, Net was \$ 16.9 million for both the three months ended March 31, 2016 and 2015. Interest Expense, Net increased due to higher average debt balances offset by average lower rates during the same period in the prior year. As of March 31, 2016, approximately 46.4% of the Company's total debt was subject to floating interest rates.

Income Tax Expense

During the three months ended March 31, 2016, the Company recognized Income Tax Expense of \$ 33.2 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of \$ 90.3 million. The effective tax rate for the three months ended March 31, 2016 was different than the statutory rate, primarily due to the mix and levels of earnings between foreign and domestic tax jurisdictions, including losses in jurisdictions with full valuation allowances. During the three months ended March 31, 2015, the Company recognized Income Tax Expense of \$ 33.6 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of \$ 88.4 million. The effective tax rate for the three months ended March 31, 2015 was different than the statutory rate primarily due to the mix and levels of earnings between foreign and domestic earnings, including losses in jurisdictions with full valuation allowances. As of December 31, 2015, the Company had approximately \$470 million of Net Operating Losses ("NOLs") for U.S. federal income tax purposes which may be used to offset future taxable income. The Company will utilize NOLs during 2016 and expects to have approximately \$225 million to \$275 million of NOLs remaining at December 31, 2016. Based on these NOLs and other tax benefits, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2019.

Segment Reporting

During 2015, the Company reevaluated the aggregation of operating segments into reportable segments in accordance with FASB ASC 280 *Segment Reporting*, and concluded there are three reportable segments, and recast prior periods as follows:

Paperboard Mills includes the seven North American paperboard mills which produce primarily coated unbleached kraft ("CUK") and coated recycled board ("CRB"). The majority of the paperboard is consumed internally to produce paperboard packaging for the Americas and Europe Paperboard Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment Net Sales represent the sale of paperboard only to external customers. The effect of intercompany transfers to the paperboard packaging segments has been eliminated from the Paperboard Mills segment to reflect the economics of the intergration of these segments.

Americas Paperboard Packaging includes paperboard packaging folding cartons sold primarily to Consumer Packaged Goods ("CPG") companies serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging folding cartons sold primarily to CPG companies serving the food, beverage and consumer product markets in Europe.

The Company allocates certain mill and corporate costs to the reportable segments to appropriately represent the economics of these segments. The Corporate and Other caption includes the Pacific Rim operating segment and unallocated corporate and one-time costs.

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These segments are evaluated by the chief operating decision maker based primarily on Income from Operations, as adjusted for depreciation and amortization. The accounting policies of the reportable segments are the same as those described above in Note 1 - Nature of Business and Summary of Significant Accounting Policies.

<i>In millions</i>	Three Months Ended	
	March 31,	
	2016	2015
NET SALES:		
Paperboard Mills	\$ 101.1	\$ 103.4
Americas Paperboard Packaging	785.2	754.0
Europe Paperboard Packaging	144.3	144.7
Corporate/Other/Eliminations	3.4	6.1
Total	\$ 1,034.0	\$ 1,008.2
INCOME (LOSS) FROM OPERATIONS:		
Paperboard Mills	\$ (2.2)	\$ (2.9)
Americas Paperboard Packaging	115.3	100.7
Europe Paperboard Packaging	9.1	9.0
Corporate and Other	(15.0)	(1.5)
Total	\$ 107.2	\$ 105.3

2016 COMPARED WITH 2015

Paperboard Mills - Open market paperboard Net Sales decreased due to the third quarter 2015 closure of the Jonquiere, Quebec mill (part of the February 4, 2015 Cascades acquisition) and the October 2015 shutdown of the kraft paper machine in West Monroe, LA., partially offset by increased CRB sales including East Angus (also part of the Cascades acquisition). Loss from Operations improved due to productivity improvements as well as deflation, primarily for coatings and energy.

Americas Paperboard Packaging - Net Sales increased due to \$33 million of Net Sales for the 2016 Acquisitions, higher sales for beer, primarily big beer and craft, soft drink and specialty beverage (energy drinks, teas, and water), and new product introductions. These increases were partially offset by soft demand for certain consumer products, primarily frozen foods and cereal, lower pricing and unfavorable exchange rates. Income from Operations increased due to the acquisitions and improved operating performance.

Europe Paperboard Packaging - Net Sales and Income from Operations were even with prior year as increased volume/mix was offset by unfavorable foreign exchange rates and lower pricing.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company broadly defines liquidity as its ability to generate sufficient funds from both internal and external sources to meet its obligations and commitments. In addition, liquidity includes the ability to obtain appropriate debt and equity financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service commitments.

Cash Flows

<i>In millions</i>	Three Months Ended	
	March 31,	
	2016	2015
Net Cash Provided by Operating Activities	\$ 58.4	\$ 27.7
Net Cash Used in Investing Activities	\$ (392.9)	\$ (177.4)
Net Cash Used by Financing Activities	\$ 353.3	\$ 115.0

Net cash provided by operating activities for the first three months of 2016 totaled \$58.4 million, compared to net cash provided by operating activities of \$27.7 million for the same period in 2015. The increase was due primarily to improved business operations and sales of receivables. Pension contributions for the first three months of 2016 and 2015 were \$10.4 million and \$12.8 million, respectively.

Net cash used in investing activities for the first three months of 2016 totaled \$392.9 million, compared to net cash used in investing activities of \$177.4 million for the same period in 2015. Current year activities consisted primarily of capital spending of \$99.0 million and \$288.5 million for the 2016 Acquisitions. In the prior year, the Company paid \$117.6 million for the Cascades and Rose City acquisitions and had \$57.2 million of capital spending.

Net cash provided by financing activities for the first three months of 2016 totaled \$353.3 million, compared to net cash provided by financing activities of \$115.0 million for the same period in 2015. Current year activities include net borrowings under revolving credit facilities of \$430.1 million, primarily for the 2016 Acquisitions, and payments on debt of \$6.3 million. The Company also paid dividends of \$16.3 million, repurchased \$43.5 million of its common stock, and withheld \$10.4 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units. In the prior year, the Company had net payments under revolving credit facilities of \$145.5 million and payments on debt of \$6.3 million. Additionally, in the prior year the Company withheld \$20.1 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units.

Liquidity and Capital Resources

The Company's liquidity needs arise primarily from debt service on its indebtedness and from the funding of its capital expenditures, ongoing operating costs and working capital. Principal and interest payments under the term loan facility and the revolving credit facilities, together with principal and interest payments on the Company's 4.75% Senior Notes due 2021 and 4.875% Senior Notes due 2022 (the "Notes"), represent liquidity requirements for the Company. Based upon current levels of operations, anticipated cost savings and expectations as to future growth, the Company believes that cash generated from operations, together with amounts available under its revolving credit facilities and other available financing sources, will be adequate to permit the Company to meet its debt service obligations, necessary capital expenditure program requirements and ongoing operating costs and working capital needs, although no assurance can be given in this regard. The Company's future financial and operating performance, ability to service or refinance its debt and ability to comply with the covenants and restrictions contained in its debt agreements (see "Covenant Restrictions" below) will be subject to future economic conditions, including conditions in the credit markets, and to financial, business and other factors, many of which are beyond the Company's control, and will be substantially dependent on the selling prices and demand for the Company's products, raw material and energy costs, and the Company's ability to successfully implement its overall business and profitability strategies.

The Company has entered into agreements for the purchasing and servicing of receivables (the "AR Sales Agreements"), to sell, on a revolving basis, certain trade accounts receivable balances to a third party financial institution. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification"). During the first three months of 2016, the Company sold and derecognized approximately \$ 300 million of receivables, collected approximately \$ 290 million on behalf of the financial institution, and received funding of approximately \$24 million by the financial institution, resulting in deferred proceeds of approximately \$ 36 million as of March 31, 2016 . During the same period of 2015, the Company sold and derecognized approximately \$173 million of receivables, collected approximately \$142 million on behalf of the financial institution, and received funding of approximately \$15 million by the financial institution, resulting in deferred proceeds of approximately \$48 million as of March 31, 2015. Cash proceeds related to the sales are included in cash from operating activities in the Condensed Consolidated Statements of Cash Flows in the Changes in Operating Assets and Liabilities line item. The loss on sale is not material and is included in Other Expense (Income), Net line item on the Condensed Consolidated Statement of Operations.

The Company has also entered into various factoring and supply chain financing arrangements, principally at the request of customers, which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the three months ended March 31, 2016 and 2015, the Company sold receivables of approximately \$10 million and \$81 million , respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, at March 31, 2016 and December 31, 2015, were approximately \$291 million and \$ 282 million , respectively.

Covenant Restrictions

The Credit Agreement and the Indentures limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Credit Agreement and the Indentures, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase shares, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the indentures under which the Notes are issued, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions, together with disruptions in the credit markets, could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

Under the terms of the Credit Agreement, the Company must comply with a maximum Consolidated Total Leverage Ratio covenant and a minimum Consolidated Interest Expense Ratio covenant. The Second Amended and Restated Credit Agreement, which contains the definitions of these covenants, was filed as an exhibit to the Company's Form 8-K filed on October 7, 2014.

The Company must maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At March 31, 2016, the Company was in compliance with the Consolidated Total Leverage Ratio covenant in the Credit Agreement and the ratio was 2.78 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At March 31, 2016, the Company was in compliance with the minimum Consolidated Interest Expense Ratio covenant in the Credit Agreement and the ratio was 12.59 to 1.00.

As of March 31, 2016, the Company's credit was BB+ by Standard & Poor's and Ba1 by Moody's Investor Services. Standard & Poor's and Moody's Investor Services' ratings on the Company included a stable outlook.

Capital Investment

The Company's capital investment in the first three months of 2016 was \$99.0 million compared to \$ 57.2 million in the first three months of 2015. The capital investments were primarily due to planned asset upgrades at the U.S.- based mills and continued investments made as part of the European integration.

Environmental Matters

Some of the Company's current and former facilities are the subject of environmental investigations and remediations resulting from historical operations and the release of hazardous substances or other constituents. Some current and former facilities have a history of industrial usage for which investigation and remediation obligations may be imposed in the future or for which indemnification claims may be asserted against the Company. Also, potential future closures or sales of facilities may necessitate further investigation and may result in future remediation at those facilities. The Company has established reserves for those facilities or issues where liability is probable and the costs are reasonably estimable.

For further discussion of the Company's environmental matters, see Note 9 in Part I, Item 1, Notes to Condensed Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates, and changes in these estimates are recorded when known. The critical accounting policies used by management in the preparation of the Company's condensed consolidated financial statements are those that are important both to the presentation of the Company's financial condition and results of operations and require significant judgments by management with regard to estimates used.

The Company's most critical accounting policies which require significant judgment or involve complex estimations are described in GPHC's Form 10-K for the year ended December 31, 2015.

NEW ACCOUNTING STANDARDS

For a discussion of recent accounting pronouncements impacting the Company, see Note 1 in Part I, Item 1, Notes to Condensed Consolidated Financial Statements.

BUSINESS OUTLOOK

Total capital investment for 2016 is expected to be between \$270 million and \$280 million and is expected to relate principally to the Company's maintenance and process capability improvements (approximately \$255 million) and acquiring capital spares (approximately \$20 million).

The Company also expects the following in 2016:

- Depreciation and amortization between \$290 million and \$310 million, excluding the impact of purchase accounting for the 2016 Acquisitions.
- Interest expense of \$75 million to \$85 million, including approximately \$4 million to \$5 million of non-cash interest expense associated with amortization of debt issuance costs.
- Cash flow of \$360 million to \$380 million available for net debt reduction, dividends, and share repurchases, excluding mergers and acquisitions and capital market activity.
- Pension plan contributions of \$40 million to \$60 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

For a discussion of certain market risks related to the Company, see Part II, “*Item 7A, Quantitative and Qualitative Disclosure about Market Risk*”, in GPHC’s Form 10-K for the year ended December 31, 2015 . There have been no significant developments with respect to derivatives or exposure to market risk during the first three months of 2016. For a discussion of the Company’s Financial Instruments, Derivatives and Hedging Activities, see GPHC’s Form 10-K for the year ended December 31, 2015 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources* .”

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company’s management has carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company’s disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934, as amended. Based upon such evaluation, management has concluded that the Company’s disclosure controls and procedures were effective as of March 31, 2016 .

Changes in Internal Control over Financial Reporting

There was no change in the Company’s internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2016 that has materially affected, or is likely to materially affect, the Company’s internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. For more information see "Note 9 - Environmental and Legal Matters" in the Notes to Condensed Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in GPHC's Form 10-K for the year ended December 31, 2015.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company purchases shares of its common stock from time to time pursuant to the share repurchase program announced on February 4, 2015, which allows management to purchase up to \$250 million of the Company's issued and outstanding common stock.

During the first quarter of 2016, the Company purchased shares of its common stock through a broker in the open market as follows:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Program (a)
January 1, 2016 through January 31, 2016	1,625,766	\$ 11.92	6,250,977	14,755,979
February 1, 2016 through February 29, 2016	993,869	\$ 11.75	7,244,846	12,648,376
March 1, 2016 through March 31, 2016	1,092,917	\$ 12.77	8,337,763	11,050,587
Total	3,712,552			

^(a) Based on the closing price of the Company's common stock at the end of each period.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1*	Second Amendment to the GPI Savings Plan dated as of February 10, 2016.
10.2*	Third Amendment to the GPI Savings Plan dated as of March 4, 2016.
10.3*	Fourth Amendment to the GPI Savings Plan dated as of March 29, 2016.
10.4*	Fourth Amendment to the Graphic Packaging Retirement Plan dated March 4, 2016
31.1	Certification required by Rule 13a-14(a).
31.2	Certification required by Rule 13a-14(a).
32.1	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAPHIC PACKAGING HOLDING COMPANY
(Registrant)

<u>/s/ STEPHEN R. SCHERGER</u> Stephen R. Scherger	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	April 28, 2016
<u>/s/ DEBORAH R. FRANK</u> Deborah R. Frank	Vice President and Chief Accounting Officer (Principal Accounting Officer)	April 28, 2016

**SECOND AMENDMENT TO THE
GPI SAVINGS PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, Graphic Packaging International, Inc. (the “Company”) maintains for the benefit of its employees the GPI Savings Plan (the “Plan”); and

WHEREAS, Section 13.1 of the Plan authorizes the Board of Directors of Graphic Packaging Holding Company (the “Board”) to amend the Plan at any time; and

WHEREAS, the Board has delegated to the Retirement Committee of Graphic Packaging International, Inc. (the “Retirement Committee”) the responsibility to make certain amendments to the Plan; and

WHEREAS, the Company has agreed to acquire 100% of the outstanding equity (the “Transaction”) of Walter G. Anderson, Inc. (“WGA”); and

WHEREAS, in connection with the Transaction, employees of WGA will become employees of the Company effective as of the closing date of the Transaction (the “Closing Date”); and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan to recognize employees’ service with WGA for purposes of the Plan.

NOW, THEREFORE, BE IT RESOLVED, that, effective as of the Closing Date, the Plan is hereby amended as follows:

1. Subsection 1.101 of the Plan is amended by adding the following sentence to the end thereof:

“An Employee’s period of service with Walter G. Anderson, Inc., to the extent not otherwise counted hereunder, will be taken into account in determining his Year of Eligibility Service, provided that such Employee was employed by Walter G. Anderson, Inc. as of the close of business on date immediately preceding the closing date of the acquisition of Walter G. Anderson, Inc. by the Controlling Company.”

2. Subsection 1.102(d) of the Plan is amended to read as follows:

(d) Predecessor Employer. An Employee’s periods of employment credited for vesting purposes under the Altivity Plan as of December 31, 2008 and the Rose City Plan as of December 31, 2015 will be taken into account in determining his Years of Vesting Service. An Employee’s periods of employment with Carded Graphics, LLC will be taken into account in determining his Years of Vesting Service, provided that such Employee was employed by Carded Graphics, LLC as of the close of business on September 31, 2015. An Employee’s periods of employment

with Walter G. Anderson, Inc. will be taken into account in determining his Years of Vesting Service, provided that such Employee was employed by Walter G. Anderson, Inc. as of the close of business on date immediately preceding the closing date of the acquisition of Walter G. Anderson, Inc. by the Controlling Company.

3. Section 13.2 of the Loan Rules is amended by adding the following new subsection (c) to the end thereof:
- (c) *W.G. Anderson* . In the event a former participant in the Walter G. Anderson, Inc. Employees Retirement Savings Plan (the “WGA Plan”) elected to roll over the balance of his or her outstanding loan(s) to the Plan (in accordance with such uniform rules as then established by the Retirement Committee), such loan(s) shall remain outstanding and be repaid in accordance with their terms. Notwithstanding the fact that such Participant was permitted to roll over more than one loan from the WGA Plan as described in the preceding sentence, such Participant will not be allowed to receive an additional loan from the Plan until all loans rolled over from the WGA Plan have been fully repaid.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Second Amendment to the GPI Savings Plan this 10th day of February, 2016.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE
MEMBERS

By: /s/ Stephen Scherger
Stephen Scherger

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Brian A. Wilson
Brian A. Wilson

**THIRD AMENDMENT TO THE
GPI SAVINGS PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, the Board of Directors of Graphic Packaging Holding Company (the “Company”) has delegated to the Retirement Committee of Graphic Packaging International, Inc. (the “Retirement Committee”) the responsibility to make certain amendments to the GPI Savings Plan (the “Plan”); and

WHEREAS, the Retirement Committee deems it desirable to retroactively amend the Plan, in a manner approved by the Internal Revenue Service under its Voluntary Correction Program, to include as eligible compensation, for a limited period of time, certain wage types that, due to an administrative error, were improperly treated as eligible compensation under the Plan;

NOW, THEREFORE, BE IT RESOLVED, that, effective as of September 24, 2009, the Plan is hereby amended as follows:

1. Section 1.21(a) of the Plan is amended by adding the following sentence after the third sentence of such section:

“Notwithstanding the foregoing exclusions, for the period beginning September 24, 2009 and ending August 25, 2015, Compensation shall include any payments made using payroll code ‘1099,’ as reflected in the administrative records of the Controlling Company.”

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Third Amendment to the GPI Savings Plan this 4th day of March, 2016.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE
MEMBERS

By: /s/ Stephen R.
Scherger

Stephen R.
Scherger

By: /s/ Carla J. Chaney

Carla J. Chaney

By: /s/ Debbie Frank

Debbie Frank

By: /s/ Brad Ankerholz

Brad Ankerholz

By: /s/ Brian A.
Wilson

Brian W. Wilson

**FOURTH AMENDMENT TO THE
GPI SAVINGS PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, Graphic Packaging International, Inc. (the “Company”) maintains for the benefit of its employees the GPI Savings Plan (the “Plan”); and

WHEREAS, Section 13.1 of the Plan authorizes the Board of Directors of Graphic Packaging Holding Company (the “Board”) to amend the Plan at any time; and

WHEREAS, the Board has delegated to the Retirement Committee of Graphic Packaging International, Inc. (the “Retirement Committee”) the responsibility to make certain amendments to the Plan; and

WHEREAS, the Company has agreed to acquire the assets (the “Transaction”) of Metro Packaging & Imaging, Inc. (“Metro Packaging”); and

WHEREAS, in connection with the Transaction, employees of Metro Packaging will become employees of the Company effective as of the closing date of the Transaction (the “Closing Date”); and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan to recognize employees’ service with Metro Packaging for purposes of the Plan;

NOW, THEREFORE, BE IT RESOLVED, that, effective as of the Closing Date, the Plan is hereby amended as follows:

1. Subsection 1.101 of the Plan is amended by adding the following sentence to the end thereof:

“An Employee’s period of service with Metro Packaging & Imaging, Inc., to the extent not otherwise counted hereunder, will be taken into account in determining his Year of Eligibility Service, provided that such Employee was employed by Metro Packaging & Imaging, Inc. immediately prior to the closing of the acquisition of Metro Packaging & Imaging, Inc. by the Company.”

2. Subsection 1.102(d) of the Plan is amended to read as follows:

(d) Predecessor Employer. An Employee’s periods of employment credited for vesting purposes under the Altivity Plan as of December 31, 2008 and the Rose City Plan as of December 31, 2015 will be taken into account in determining his Years of Vesting Service. An Employee’s periods of employment with Carded Graphics, LLC will be taken into account in determining his Years of Vesting Service, provided that such Employee was employed by Carded Graphics, LLC as of the close of business on September 31, 2015. An Employee’s periods of employment

with Walter G. Anderson, Inc. will be taken into account in determining his Years of Vesting Service, provided that such Employee was employed by Walter G. Anderson, Inc. immediately prior to the closing of the acquisition of Walter G. Anderson, Inc. by the Controlling Company. An Employee's periods of employment with Metro Packaging & Imaging, Inc. will be taken into account in determining his Years of Vesting Service, provided that such Employee was employed by Metro Packaging & Imaging, Inc. immediately prior to the closing of the acquisition of Metro Packaging & Imaging, Inc. by the Company.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Fourth Amendment to the GPI Savings Plan this 29th day of March, 2016.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE
MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
Stephen Scherger

By: /s/ Brian A. Wilson
Brian A. Wilson

**FOURTH AMENDMENT TO THE
GRAPHIC PACKAGING RETIREMENT PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, the Compensation and Benefits Committee of the Board of Directors of Graphic Packaging Holding Company has delegated to the Retirement Committee (the “Retirement Committee”) of Graphic Packaging International, Inc. (the “Company”) the responsibility to make certain amendments to the Graphic Packaging Retirement Plan (the “Plan”); and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan to reflect recently negotiated benefit changes with respect to employees at the Company’s Menasha, Wisconsin and Wausau, Wisconsin facilities represented by Local 77-P of the Graphic Communications Conference of the International Brotherhood of Teamsters (GCC/IBT);

NOW, THEREFORE, BE IT RESOLVED, that, effective as of April 30, 2016, the Plan is hereby amended as follows:

1. Article 1 of Appendix 9 is amended by adding a new Section 1.7A immediately following Section 1.7 to read as follows:

“**1.7A Non-Grandfathered Member** means a Member who is in active employment, is on an approved Leave of Absence or Layoff as described in Section 1.7 or is on a military leave as described in Section 2.5, provided the Member’s reemployment rights are protected by law on April 30, 2016, and on April 30, 2016:

- (a) has not yet attained age 55, and
- (b) whose age measured in years (including fractional years) plus his years (including fractional years) of Benefit Service is less than 70.

A Member other than a Non-Grandfathered Member will be eligible to make a one-time irrevocable election on or before April 30, 2016, to waive participation under this Appendix 9 and by doing so shall become a Non-Grandfathered Member and shall cease to accrue Benefit Service on and after May 1, 2016.”

2. Section 2.2 of Appendix 9 is amended by adding a paragraph at the end thereof to read as follows:

“A Non-Grandfathered Member shall not be credited with Benefit Service for any period of service or period of absence under this Appendix 9 after April 30, 2016.”

3. Effective as of April 30, 2016, Section 3.1 of Appendix 9 is amended by adding the following new paragraph at the end thereof to read as follows:

“A Member other than a Non-Grandfathered Member will be eligible to make a one-time irrevocable election on or before April 30, 2016 to waive participation under this Appendix 9 and by doing so shall become a Non-Grandfathered Member and shall cease to accrue Benefit Service on and after May 1, 2016.”

4. Effective as of April 30, 2016, Section 5.1 of Appendix 9 is amended by adding the following paragraph at the end thereof:

“Notwithstanding any provision of the Plan to the contrary, benefit accruals shall cease under this Appendix 9 as of April 30, 2016, for all Non-Grandfathered Members.”

5. Effective as of April 30, 2016, Section 5.4(a) of Appendix 9 is amended by the addition of a new paragraph at the end thereof to read as follows:

“Notwithstanding any provision of the Plan to the contrary, a Non-Grandfathered Member who terminates from active employment with the Employer and all Affiliated Employers as an Employee on account of Disability after April 30, 2016, shall not be eligible for a disability retirement Pension.”

6. Effective as of April 30, 2016, Article 5 of Appendix 9 is further amended by adding a new Section 5.8 to read as follows:

“ 5.8 Cessation of Benefit Accruals for Non-Grandfathered Members

Notwithstanding any provisions of the Plan to the contrary, in calculating the benefit payable to or on behalf of a Non-Grandfathered Member under the Plan after April 30, 2016, the following rules shall apply:

- (a) Benefit Service for benefit accrual purposes and the pension multiplier shall be frozen as of April 30, 2016; and
- (b) Vesting Service shall continue to be credited under the terms of this Appendix 9 for purpose of determining his eligibility for a pension under this Appendix 9 on and after April 30, 2016.”

[signatures on following page]

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Fourth Amendment to the Graphic Packaging Retirement Plan this 4th day of March, 2016.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE
MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Carla J. Chaney
Carla J. Chaney

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
Stephen Scherger

By: /s/ Brian A. Wilson
Brian A. Wilson

CERTIFICATION

I, Michael P. Doss certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael P. Doss

Michael P. Doss,
President and Chief Executive Officer
(Principal Executive Officer)

April 28, 2016

CERTIFICATION

I, Stephen R. Scherger certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ STEPHEN R. SCHERGER

Stephen R. Scherger Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

April 28, 2016

CERTIFICATION
Pursuant to 18 United States Code Section 1350,
As adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Quarterly Report on Form 10-Q for the period ended March 31, 2016 of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael P. Doss

Name: Michael P. Doss,
Title: President and Chief Executive Officer
April 28, 2016

CERTIFICATION
Pursuant to 18 United States Code Section 1350,
As adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Quarterly Report on Form 10-Q for the period ended March 31, 2016 of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ STEPHEN R. SCHERGER

Name: Stephen R. Scherger

Title: Senior Vice President and Chief Financial Officer

April 28, 2016