
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K/A
Amendment No.1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2017

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 of incorporation)

1500 Riveredge Parkway, Suite 100, Atlanta, Georgia

(Address of principal executive offices)

26-0405422

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

30328

(Zip Code)

(770) 240-7200

Registrant's telephone number, including area code:

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value per share	New York Stock Exchange
Series A Junior Participating Preferred Stock Purchase Rights Associated with the Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer Accelerated filer Smaller reporting company

Non-accelerated filer (Do not check if a smaller reporting company) Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The aggregate market value of voting and non-voting common equity held by non-affiliates at June 30, 2017 was approximately \$4 billion.

As of February 5, 2018 there were approximately 309,715,624 shares of the registrant's Common Stock, \$0.01 par value per share outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive Proxy Statement for the 2018 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

Explanatory Note

The sole purpose of this Amendment No. 1 on Form 10-K/A to Graphic Packaging Holding Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission on February 7, 2018 (the "Form 10-K"), is, at the request of Ernst & Young LLP, to update their opinion on internal control over financial reporting to include a previously omitted sentence (specifically, "We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB."), include paragraph headers and reorder the paragraphs in accordance with the standards of the Public Company Accounting Oversight Board (United States). *No change has been made to Ernst & Young LLP's opinion that Graphic Packaging Holding Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") criteria.*

No other changes have been made to any of the disclosures in the Form 10-K. This Form 10-K/A speaks as of the original filing date of the Form 10-K, does not reflect events that may have occurred subsequent to the original filing date, and does not modify or update in any way disclosures made in the Form 10-K, except as set forth above.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, currently-dated certifications from the Company's Chief Executive Officer and Chief Financial Officer have been included as exhibits to this Amendment No. 1.

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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 and the timing related to the Company's future U.S. federal income tax payments, the deductibility of goodwill related to the acquisitions of Carton Craft Corporation and Seydaco Packaging Corp., capital investment, contractual obligations, available cash and liquidity, depreciation and amortization, interest expense, reclassification of Accumulated Other Comprehensive Loss to earnings, pension plan contributions and postretirement health care benefit payments, 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, the Company's ability to successfully integrate acquisitions, including the North America Consumer Packaging business of International Paper Company, 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.

PART I

ITEM 1. BUSINESS

Overview

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, 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 (“CUK”) and coated-recycled paperboard (“CRB”).

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 quality and service.

In preparation for the combination of the Company's existing businesses with the North America Consumer Packaging business of International Paper Company (“IP”) as described in Note 19 in the Notes to Consolidated Financial Statements included herein under “Item 8. Financial Statements and Supplementary Data” (the “Consumer Packaging Combination”), on December 29, 2017, Graphic Packaging International, Inc., the primary operating subsidiary of GPHC, underwent a statutory conversion and became a Delaware limited liability company. As a result, Graphic Packaging International, Inc.'s name changed to Graphic Packaging International, LLC (“GPI”). When used herein, GPI refers to Graphic Packaging International, Inc. prior to December 29, 2017 and Graphic Packaging International, LLC after such date. As of December 29, 2017, GPI was wholly owned by Graphic Packaging International Partners, LLC, which was in turn wholly-owned by GPI Holding III, LLC, a limited liability company that is classified as a partnership for U.S. Federal income tax purposes. GPI Holding III, LLC is a wholly-owned indirect subsidiary of GPHC.

Acquisitions and Dispositions

2017

On December 1, 2017, the Company acquired the assets of Seydaco Packaging Corp. and its affiliates National Carton and Coating Co., and Groupe Ecco Boites Pliantes Ltée (collectively, “Seydaco”), a folding carton producer focused on the foodservice, food, personal care, and household goods markets. The acquisition includes three folding carton facilities located in Mississauga, Ontario, St.-Hyacinthe, Québec, and Xenia, Ohio.

On December 1, 2017, the Company closed its coated recycled paperboard mill in Santa Clara, California. This decision was made as a result of a thorough assessment of the facility's manufacturing capabilities and associated costs in the context of the Company's overall mill operating capabilities and cost structure.

On October 4, 2017, the Company acquired Norgraft Packaging, S.A. (“Norgraft”), a leading folding carton producer in Spain focused on the food and household goods markets. The acquisition includes two folding carton facilities located in Miliña and Requejada, Spain.

On July 10, 2017, the Company acquired substantially all the assets of Carton Craft Corporation and its affiliate Lithocraft, Inc. (collectively, “Carton Craft”). The acquisition includes two folding carton facilities located in New Albany, Indiana, focused on the production of paperboard-based air filter frames and folding cartons.

The Seydaco, Norgraft, and Carton Craft transactions are referred to collectively as the “2017 Acquisitions.” Seydaco and Carton Craft are included in the Americas Paperboard Packaging Segment. Norgraft is included in the Europe Paperboard Packaging Segment.

2016

On April 29, 2016, the Company acquired Colorpak Limited (“Colorpak”), 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 and Sydney, Australia and Auckland, New Zealand.

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

On February 16, 2016, the Company acquired Walter G. Anderson, Inc. ("WG Anderson"), a folding carton manufacturer with a focus on store branded food and consumer product markets. WG Anderson operates two sheet-fed folding carton 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 included two folding carton facilities located in Monterrey, Mexico and Tijuana, Mexico that service the food, beverage, and consumer product markets.

The Colorpak, Metro, WG Anderson and G-Box transactions are referred to collectively as the "2016 Acquisitions." Metro, WG Anderson and G-Box are included in the Americas Paperboard Packaging Segment. Colorpak is included in Corporate/Other/Eliminations.

2015

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

On February 4, 2015, the Company acquired certain assets of Cascades' Norampac Division ("Cascades") in Canada. Cascades primarily 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 ("TMP") mill located in Jonquière, Quebec and a coated-recycled board mill located in East Angus, Quebec. The Jonquière mill was closed in the third quarter of 2015.

On January 2, 2015, the Company acquired Rose City Printing and Packaging Inc. ("Rose City"). Rose City services food and beverage markets and operates two folding carton facilities located in Gresham, OR and Vancouver, WA.

The Carded, Cascades, and Rose City transactions are included in the Americas Paperboard Packaging Segment.

Capital Allocation Plan

On January 10, 2017, the Company's board of directors authorized an additional 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 "2017 share repurchase program"). The original \$250 million share repurchase program was authorized on February 4, 2015 (the "2015 share repurchase program").

During 2017, the Company repurchased 4.5 million shares, or approximately \$58 million, of its common stock at an average price of \$13.08, including 1.4 million shares repurchased under the 2015 share repurchase program thereby completing that program. During 2016, the Company repurchased 13.2 million shares, or approximately \$169 million, of its common stock at an average price of \$12.77. During 2015, the Company repurchased 4.6 million shares, or approximately \$63 million, at an average price of \$13.60.

At December 31, 2017, the Company had approximately \$210 million remaining under the 2017 share repurchase program.

During 2017 and 2016, the Company paid cash dividends of \$93.4 million and \$64.4 million, respectively.

Products

The Company reports its results in three segments:

Paperboard Mills includes the six North American paperboard mills which produce primarily CUK and 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.

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 also operates in three geographic areas: the Americas, Europe and Asia Pacific.

For reportable segment and geographic area information for each of the last three fiscal years, see Note 14 in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data."

Paperboard Packaging

The Company's paperboard packaging products deliver brand, marketing and performance benefits at a competitive cost. The Company supplies paperboard cartons and carriers designed to protect and contain products while providing:

- convenience through ease of carrying, storage, delivery, dispensing of product and food preparation for consumers;
- a smooth surface printed with high-resolution, multi-color graphic images that help improve brand awareness and visibility of products on store shelves; and
- durability, stiffness and wet and dry tear strength; leak, abrasion and heat resistance; barrier protection from moisture, oxygen, oils and greases, as well as enhanced microwave heating performance.

The Company provides a wide range of paperboard packaging solutions for the following end-use markets:

- beverage, including beer, soft drinks, energy drinks, teas, water and juices;
- food, including cereal, desserts, frozen, refrigerated and microwavable foods and pet foods;
- prepared foods, including snacks, quick-serve foods for restaurants and food service products;
- household products, including dishwasher and laundry detergent, health care and beauty aids, and tissues and papers; and
- air filter frames.

The Company's packaging applications meet the needs of its customers for:

Strength Packaging. The Company's products provide sturdiness to meet a variety of packaging needs, including tear and wet strength, puncture resistance, durability and compression strength (providing stacking strength to meet store display packaging requirements).

Promotional Packaging. The Company offers a broad range of promotional packaging options that help differentiate its customers' products in the marketplace. These promotional enhancements improve brand awareness and visibility on store shelves.

Convenience Packaging. These packaging solutions improve package usage and food preparation:

- beverage multiple-packaging — multi-packs for beer, soft drinks, energy drinks, teas, water and juices;
- active microwave technologies — substrates that improve the preparation of foods in the microwave; and
- easy opening and closing features — dispensing features, pour spouts and sealable liners.

Barrier Packaging. The Company provides packages that protect against moisture, grease, oil, oxygen, sunlight, insects and other potential product-damaging factors.

Paperboard Mills and Folding Carton Facilities

The Company produces paperboard at its mills; prints, cuts, folds, and glues ("converts") the paperboard into folding cartons at its converting plants; and designs and manufactures specialized, proprietary packaging machines that package bottles and cans and, to a lesser extent, non-beverage consumer products. The Company also installs its packaging machines at customer plants and provides support, service and advanced performance monitoring of the machines.

The Company offers a variety of laminated, coated and printed packaging structures that are produced from its CUK and CRB, as well as other grades of paperboard that are purchased from third-party suppliers.

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Below is the production at each of the Company's paperboard mills during 2017:

Location	Product	# of Machines	2017 Net Tons Produced
West Monroe, LA	CUK	2	827,147
Macon, GA	CUK	2	695,577
Kalamazoo, MI	CRB	2	483,848
Battle Creek, MI	CRB	2	210,307
Middletown, OH	CRB	1	172,686
Santa Clara, CA ^(a)	CRB	1	132,124
East Angus, Québec	CRB	1	93,012
West Monroe, LA	Corrugated Medium	1	124,322

^(a) Mill closed December 1, 2017 and is classified as an Asset Held for Sale.

The Company consumes most of its coated board output in its carton converting operations, which is an integral part of the customer value proposition. In 2017, approximately 86% of mill production of CUK and CRB was consumed internally.

CUK Production. The Company is the largest of four worldwide producers of CUK. CUK is manufactured from pine-based wood fiber and is a specialized high-quality grade of coated paperboard with excellent wet and dry tear strength characteristics and printability for high resolution graphics that make it particularly well-suited for a variety of packaging applications. Both wood and recycled fibers are pulped, formed on paper machines, and clay-coated to provide an excellent printing surface for superior quality graphics and appearance characteristics.

CRB Production. The Company is the largest North American producer of CRB. CRB is manufactured entirely from recycled fibers, primarily old corrugated containers ("OCC"), doubled-lined kraft cuttings from corrugated box plants ("DLK"), old newspapers ("ONP"), and box cuttings. The recycled fibers are re-pulped, formed on paper machines, and clay-coated to provide an excellent printing surface for superior quality graphics and appearance characteristics.

Corrugated Medium. The Company manufactures corrugated medium for internal use and sale in the open market. Corrugated medium is combined with linerboard to make corrugated containers.

The Company converts CUK and CRB, as well as other grades of paperboard, into cartons at converting plants the Company operates in various locations globally, including a converting plant associated with the Company's joint venture in Japan, contract converters and at licensees outside the U.S. The converting plants print, cut, fold and glue paperboard into cartons designed to meet customer specifications.

Joint Venture

The Company is a party to a joint venture, Rengo Riverwood Packaging, Ltd. (in Japan), in which it holds a 50% ownership interest. The joint venture agreement covers CUK supply, use of proprietary carton designs and marketing and distribution of packaging systems.

Marketing and Distribution

The Company markets its products principally to multinational beverage, food, and other well-recognized consumer product companies. The beverage companies include Anheuser-Busch, Inc., MillerCoors LLC, PepsiCo, Inc. and The Coca-Cola Company, among others. Consumer product customers include Kraft Heinz Company, General Mills, Inc., Nestlé USA, Inc., Kellogg Company, HAVI Global Solutions, LLC and Kimberly-Clark Corporation, among others. The Company also sells paperboard in the open market to independent and integrated paperboard converters.

Distribution of the Company's principal products is primarily accomplished through sales offices in the U.S., Australia, Brazil, China, France, Germany, Italy, Japan, Mexico, Spain, the Netherlands and the United Kingdom, and, to a lesser degree, through broker arrangements with third parties.

During 2017, the Company did not have any one customer that represented 10% or more of its net sales.

Competition

Although a relatively small number of large competitors hold a significant portion of the paperboard packaging market, the Company's business is subject to strong competition. The Company and WestRock Company ("WestRock") are the two major CUK producers in the U.S. Internationally, The Klabin Company in Brazil and Stora Enso in Sweden produce similar grades of paperboard.

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In beverage packaging, cartons made from CUK compete with substitutes such as plastics and corrugated packaging for packaging glass or plastic bottles, cans and other primary containers. Although plastics and corrugated packaging may be priced lower than CUK, the Company believes that cartons made from CUK offer advantages over these materials in areas such as distribution, brand awareness, carton designs, package performance, package line speed, environmental friendliness and design flexibility.

In non-beverage consumer packaging, the Company's paperboard competes with WestRock CUK, as well as CRB and solid bleach sulfate ("SBS") from numerous competitors, and internationally, folding boxboard and white-lined chip. There are a large number of producers in the paperboard markets. Suppliers of paperboard compete primarily on the basis of price, strength and printability of their paperboard, quality and service.

Raw Materials

The paperboard packaging produced by the Company comes from pine trees and recycled fibers. Pine pulpwood, paper and recycled fibers (including DLK, OCC and ONP) and energy used in the manufacture of paperboard, as well as poly sheeting, plastic resins and various chemicals used in the coating of paperboard, represent the largest components of the Company's variable costs of paperboard production.

For the West Monroe, LA and Macon, GA mills, the Company relies on private landowners and the open market for all of its pine pulpwood and recycled fiber requirements, supplemented by CUK clippings that are obtained from its converting operations. The Company believes that adequate supplies from both private landowners and open market fiber sellers currently are available in close proximity to meet its fiber needs at these mills.

The paperboard grades produced at the Kalamazoo, MI, Battle Creek, MI, Middletown, OH and East Angus, Quebec mills are made from 100% recycled fiber. The Company procures its recycled fiber from external suppliers and internal converting operations. The market price of each of the various recycled fiber grades fluctuates with supply and demand. The Company's internal recycled fiber procurement function enables the Company to pay lower prices for its recycled fiber needs given the Company's highly fragmented supplier base. The Company believes there are adequate supplies of recycled fiber to serve its mills.

In North America, the Company also converts a variety of other paperboard grades such as SBS, in addition to paperboard that is supplied to its converting operations from its own mills. The Company purchases such paperboard requirements, including additional CRB, from outside vendors. The majority of external paperboard purchases are acquired through long-term arrangements with other major industry suppliers. The Company's European converting plants consume CUK supplied from the Company's mills and also convert other paperboard grades such as white-lined chip and folding box board purchased from external suppliers.

Energy

Energy, including natural gas, fuel oil and electricity, represents a significant portion of the Company's manufacturing costs. The Company has entered into contracts designed to manage risks associated with future variability in cash flows and price risk related to future energy cost increases for a portion of its natural gas requirements at its U.S. mills. The Company's hedging program for natural gas is discussed in Note 9 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Backlog

Orders from the Company's principal customers are manufactured and shipped with minimal lead time. The Company did not have a material amount relating to backlog orders at December 31, 2017 or 2016.

Seasonality

The Company's net sales, income from operations and cash flows from operations are subject to moderate seasonality, with demand usually increasing in the late spring through early fall due to increases in demand for beverage and food products.

Research and Development

The Company's research and development team works directly with its sales, marketing and consumer insights personnel to understand long-term consumer and retailer trends and create relevant new packaging. These innovative solutions provide customers with differentiated packaging to meet customer needs. The Company's development efforts include, but are not limited to, extending the shelf life of customers' products; reducing production and waste costs; enhancing the heat-managing characteristics of food packaging; improving the sturdiness and compression strength of packaging to meet store display needs; and refining packaging appearance through new printing techniques and materials.

Sustainability represents one of the strongest trends in the packaging industry and the Company focuses on developing more sustainable and eco-friendly manufacturing processes and products. The Company's strategy is to combine sustainability with innovation to create new packaging solutions for its customers.

For more information on research and development expenses see Note 1 in the Notes to Consolidated Financial Statements included herein under “Item 8., Financial Statements and Supplementary Data.”

Patents and Trademarks

As of December 31, 2017, the Company had a large patent portfolio, presently owning, controlling or holding rights to more than 2,200 U.S. and foreign patents, with more than 600 U.S. and foreign patent applications currently pending. The Company’s patent portfolio consists primarily of patents relating to packaging machinery, manufacturing methods, structural carton designs, active microwave packaging technology and barrier protection packaging. These patents and processes are significant to the Company’s operations and are supported by trademarks such as Fridge Vendor™, IntegraPak™, MicroFlex-Q™, MicroRite™, Quilt Wave™, Qwik Crisp™, Tite-Pak™, and Z-Flute™. The Company takes significant steps to protect its intellectual property and proprietary rights.

Culture and Employees

The Company’s corporate vision — Inspired packaging. A world of difference. — and values of integrity, respect, accountability, relationships and teamwork guide employee behavior, expectations and relations. The Company’s ongoing efforts to build a high-performance culture and improve the manner in which work is done across the Company includes a significant focus on continuous improvement utilizing processes like Lean Sigma and Six Sigma.

As of December 31, 2017, the Company had approximately 13,000 employees worldwide, of which approximately 45% were represented by labor unions and covered by collective bargaining agreements or covered by works councils in Europe. As of December 31, 2017, 399 of the Company’s employees were working under expired contracts, which are currently being negotiated, and 1,602 were covered under collective bargaining agreements that expire within one year. The Company considers its employee relations to be satisfactory.

Environmental Matters

The Company is subject to a broad range of foreign, federal, state and local environmental and health and safety regulations and employs a team of professionals in order to maintain compliance at each of its facilities. For additional information on such regulation and compliance, see “Environmental Matters” in “Item 7., Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 13 in the Notes to Consolidated Financial Statements included herein under “Item 8., Financial Statements and Supplementary Data.”

The Company did not have material capital expenditures for environmental control or compliance in 2017.

Available Information

The Company’s website is located at <http://www.graphicpkg.com>. The Company makes available, free of charge through its website, its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after such materials are electronically filed or furnished to the Securities and Exchange Commission (the “SEC”). The Company also makes certain investor presentations and access to analyst conference calls available through its website. The information contained or incorporated into the Company’s website is not a part of this Annual Report on Form 10-K.

The SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers like the Company that file electronically with the SEC at <http://www.SEC.gov>.

**Item 1A. *RISK*
 *FACTORS***

The following risks could affect (and in some cases have affected) the Company's actual results and could cause such results to differ materially from estimates or expectations reflected in certain forward-looking statements:

The Company's financial results could be adversely impacted if there are significant increases in prices for raw materials, energy, transportation and other necessary supplies, and the Company is unable to raise prices, or improve productivity to reduce costs.

Limitations on the availability of, and increases in, the costs of raw materials, including secondary fiber, petroleum-based materials, energy, wood, transportation and other necessary goods and services, could have an adverse effect on the Company's financial results. Because 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.

The Company uses productivity improvements to reduce costs and offset inflation. These include global continuous improvement initiatives that use statistical process control to help design and manage many types of activities, including production and maintenance. The Company's ability to realize anticipated savings from these improvements is subject to significant operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement 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.

Changes in consumer buying habits and preferences for products could have an effect on our sales volumes.

Changing consumer dietary habits and preferences have slowed sales growth for many of the food and beverage products the Company packages. If these trends continue, the Company's financial results could be adversely affected.

Competition and product substitution could have an adverse effect on the Company's financial results.

The Company competes with other paperboard manufacturers and carton converters, both domestically and internationally. The Company's products compete with those made from other manufacturers' CUK board, as well as SBS and CRB, and other board substrates. Substitute products 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 such contracts on favorable terms or at all. The Company works to maintain market share through efficiency, product innovations and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

The Company's future growth and financial results could be adversely impacted if the Company is unable to identify strategic acquisitions and to successfully integrate the acquired businesses.

The Company has made a significant number of acquisitions in recent years. The Company's ability to continue to make strategic acquisitions and to integrate the acquired businesses successfully, including obtaining anticipated cost savings or synergies and expected operating results within a reasonable period of time, is an important factor in the Company's future growth. If the Company is unable to realize the expected revenue and cash flow growth and other benefits from its acquisitions, the Company may be required to spend additional time or money on integration efforts that would otherwise have been spent on the development and expansion of its business.

Integration of the Consumer Packaging Combination will be complex, costly and time-consuming, and the anticipated benefits from the combined business may take longer to realize than expected or may not be realized at all.

The Company's ability to realize the anticipated benefits from the Consumer Packaging Combination will depend, to a large extent, on its ability to integrate the businesses of legacy GPI and IP. The combination of two independent businesses is a complex, costly and time-consuming process and there can be no assurance that the Company will be able to successfully integrate the businesses, or if such integration is successfully accomplished, that such integration will not be more costly or take longer than presently contemplated. In addition, the Company's ability to realize the expected synergies and benefits from the

combined business is dependent upon the ability to complete the timely integration of operations and information technology systems, controls, procedures and policies and to preserve important customer and supplier relationships during the transition. If the Company cannot successfully integrate and manage the combined business and achieve the anticipated benefits from the combined business, the combination could have a material adverse effect on the Company's share price, business, cash flows, results of operations and financial position.

The Company is relying on IP to provide a wide range of services required to operate the combined business under a Transition Services Agreement ("TSA") and such reliance may continue for an extended period.

During the integration of the Consumer Packaging Combination, the Company will be dependent on IP to continue to perform elements of such critical functions as information technology, finance, logistics and operations for parts of the IP business under a TSA. Operating under a TSA exposes the Company to risks that the costs of operating the combined business may be greater than planned, that the services provided will not meet the requirements in an effective manner and that the Company may not be able to maintain appropriate controls while operating under the TSA. In addition, if the Company cannot integrate systems and operations, the Company may need to operate under the TSA for longer than expected.

The Company may not be able to develop and introduce new products and adequately protect its intellectual property and proprietary rights, which could harm its future success and competitive position.

The Company works to increase market share and profitability through product innovation and the introduction of new products. The inability to develop new or better products that satisfy customer and consumer preferences in a timely manner may impact the Company's competitive position.

The Company's future success and competitive position also depends, in part, upon its ability to obtain and maintain protection for certain proprietary carton and packaging machine technologies used in its value-added products, particularly those incorporating the Fridge Vendor, IntegraPak, MicroFlex-Q, MicroRite, Quilt Wave, Qwik Crisp, Tite-Pak, and Z-Flute technologies. Failure to protect the Company's existing intellectual property rights may result in the loss of valuable technologies or may require it to license other companies' intellectual property rights. It is possible that any of the patents owned by the Company may be invalidated, rendered unenforceable, circumvented, challenged or licensed to others or any of its pending or future patent applications may not be issued within the scope of the claims sought by the Company, if at all. Further, others may develop technologies that are similar or superior to the Company's technologies, duplicate its technologies or design around its patents, and steps taken by the Company to protect its technologies may not prevent misappropriation of such technologies.

The Company could experience material disruptions at our facilities.

Although the Company takes appropriate measures to minimize the risk and effect of material disruptions to the business conducted at our facilities, natural disasters such as hurricanes, tornadoes, floods and fires, as well as other unexpected disruptions such as the unavailability of critical raw materials, power outages and equipment failures can reduce production and increase manufacturing costs. These types of disruptions could materially adversely affect our earnings, depending upon the duration of the disruption and our ability to shift business to other facilities or find other sources of materials or energy. Any losses due to these events may not be covered by our existing insurance policies or may be subject to certain deductibles.

The Company is subject to the risks of doing business in foreign countries.

The Company has converting plants in 11 countries outside of the U.S. and sells its products worldwide. For 2017, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 17% of the Company's net sales. The Company's revenues from foreign sales fluctuate with changes in foreign currency exchange rates. The Company pursues a currency hedging program in order to reduce the impact of foreign currency exchange fluctuations on financial results. At December 31, 2017, approximately 22% of its total assets were denominated in currencies other than the U.S. dollar.

The Company is also subject to the following significant risks associated with operating in foreign countries:

- Compliance with and enforcement of environmental, health and safety and labor laws and other regulations of the foreign countries in which the Company operates;
- Export compliance;
- Imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and

- Imposition of new or increases in capital investment requirements and other financing requirements by foreign governments.

The Company's information technology systems could suffer interruptions, failures or breaches and our business operations could be disrupted adversely affecting results of operations and the Company's reputation.

The Company's information technology systems, some of which are dependent on services provided by third parties, serve an important role in the operation of the business. These systems could be damaged or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, computer viruses or cyber-based attacks. The Company has contingency plans in place to prevent or mitigate the impact of these events, however, if they are not effective on a timely basis, business interruptions could occur which may adversely impact results of operations.

Increased cyber-security threats also pose a potential risk to the security of the Company's information technology systems, as well as the confidentiality, integrity and availability of data stored on those systems. Any breach could result in disclosure or misuse of confidential or proprietary information, including sensitive customer, vendor, employee or financial information. Such events could cause damage to the Company's reputation and result in significant recovery or remediation costs, which may adversely impact results of operations.

The Company is subject to environmental, health and safety laws and regulations, and costs to comply with such laws and regulations, or any liability or obligation imposed under new laws or regulations, could negatively impact its financial condition and results of operations.

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, the investigation and remediation of contamination resulting from releases of hazardous substances, and the health and safety of employees. The Company cannot currently assess the impact that future emission standards, climate control initiatives and enforcement practices will have on the Company's operations and capital expenditure requirements. Environmental liabilities and obligations may result in significant costs, which could negatively impact the Company's financial position, results of operations or cash flows. See Note 13 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

The Company's indebtedness may adversely affect its financial condition and its ability to react to changes in its business.

As of December 31, 2017, the Company had an aggregate principal amount of \$2,287.0 million of outstanding debt. Subsequent to December 31, 2017, in connection with the consummation of the Consumer Packaging Combination, GPI entered into a Third Amended and Restated Credit Agreement dated as of January 1, 2018 (the "Amended and Restated Credit Agreement"). There were no additional borrowings under the Amended and Restated Credit Agreement in connection with the consummation of the Consumer Packaging Combination. However, GPI entered into an Amended and Restated Credit Agreement dated as of January 1, 2018 and effective as of January 8, 2018 (the "Term Loan Credit Agreement") by which GPI assumed a \$660.0 million term loan previously incurred by IP. See Note 19 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Because of the Company's debt level, a portion of its cash flows from operations are dedicated to payments on indebtedness and the Company's ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be restricted in the future.

Additionally, the Company's Amended and Restated Credit Agreement, Term Loan Credit Agreement and the indentures governing the 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022, and 4.125% Senior Notes due 2024 (the "Indentures") may prohibit or restrict, among other things, the disposal of assets, the incurrence of additional indebtedness (including guarantees), the incurrence of liens, payment of dividends, share repurchases, the making of acquisitions and other investments and certain other types of transactions. These restrictions could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The debt obligations and 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.

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As of December 31, 2017, approximately 45% of the Company's debt is subject to variable rates of interest and exposes the Company to increased debt service obligations in the event of increased interest rates.

The Company's pension plans are currently underfunded, and the Company may be required to make cash payments to the plans, reducing the cash available for its business.

The Company's cash flows may be adversely impacted by the Company's pension funding obligations. The Company's pension funding obligations are dependent upon multiple factors resulting from actual plan experience and assumptions of future experience. The Company has unfunded obligations of \$26.4 million under its domestic and foreign defined benefit pension plans. The funded status of these plans is dependent upon various factors, including returns on invested assets, the level of certain market interest rates and the discount rate used to determine the pension obligations. Unfavorable returns on the plan assets or unfavorable changes in applicable laws or regulations could materially change the timing and amount of required plan funding, which would reduce the cash available to the Company for other purposes.

**ITEM 1B. *UNRESOLVED STAFF
COMMENTS***

None.

ITEM 2. PROPERTIES

Headquarters

The Company leases its principal executive offices in Atlanta, GA.

Operating Facilities

A listing of the principal properties owned or leased and operated by the Company is set forth below. The Company's buildings are adequate and suitable for the business of the Company and have sufficient capacity to meet current requirements. The Company also leases certain smaller facilities, warehouses and office space throughout the U.S. and in foreign countries from time to time.

Location	Related Products or Use of Facility
Mills:	
Battle Creek, MI	CRB
East Angus, Québec	CRB
Kalamazoo, MI	CRB
Macon, GA	CUK
Middletown, OH	CRB
Santa Clara, CA ^(a)	CRB
West Monroe, LA	CUK; Corrugated Medium; Research and Development
Other:	
Atlanta, GA ^(b)	Headquarters, Research and Development, Packaging Machinery and Design
Concord, NH ^(b)	Research and Development, Design Center
Crosby, MN	Packaging Machinery Engineering, Design and Manufacturing
Louisville, CO ^(b)	Research and Development

North American Converting Plants:

Atlanta, GA ^(b)	New Albany, IN ^(c)
Carol Stream, IL	Newton, IA
Centralia, IL	North Portland, OR
Charlotte, NC	Oroville, CA ^(b)
Cobourg, Ontario ^(b)	Pacific, MO
Elk Grove, IL ^{(b)(c)}	Perry, GA
Fort Smith, AR ^(c)	Queretaro, Mexico ^(b)
Gordonsville, TN ^(b)	Solon, OH
Gresham, OR ^(b)	Staunton, VA
Hamel, MN	St.-Hyacinthe, Québec ^(b)
Irvine, CA	Tijuana, Mexico ^(b)
Kalamazoo, MI	Tuscaloosa, AL
Kendallville, IN	Vancouver, WA ^(b)
Lawrenceburg, TN	Valley Forge, PA
Lumberton, NC	Wayne, NJ
Marion, OH	Wausau, WI
Menasha, WI ^(d)	West Monroe, LA ^(c)
Mississauga, Ontario ^{(b)(c)}	Xenia, OH ^(b)
Mitchell, SD	Winnipeg, Manitoba
Monterrey, Mexico ^(b)	

International Converting Plants:

Auckland, New Zealand^(b)
Bremen, Germany^(b)
Bristol, United Kingdom
Coalville, United Kingdom^(b)
Gateshead, United Kingdom^(b)
Hoogerheide, Netherlands
Newcastle Upon Tyne, United Kingdom^(b)
Igalada, Spain
Jundiai, Sao Paulo, Brazil
Leeds, United Kingdom
Masnieres, France^(b)
Melbourne, Australia^(b)
Miliaño, Spain

Portlaoise, Ireland^(b)
Requejada, Spain

Sneek, Netherlands
Sydney, Australia^(b)

Note:

- ^(a) Mill closed December 1, 2017 and is classified as an Asset Held for Sale.
- ^(b) Leased facility.
- ^(c) Multiple facilities in this location.
- ^(d) Facility closed during 2016 and is classified as an Asset Held for Sale.

**ITEM 3. *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. See Note 13 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

**ITEM 4. *MINE SAFETY
DISCLOSURES***

Not Applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instruction G.(3) of Form 10-K, the following list is included as an unnumbered item in Part I of this Report in lieu of being included in the definitive proxy statement that will be filed within 120 days after December 31, 2017.

Michael P. Doss, 51, is the President and Chief Executive Officer of Graphic Packaging Holding Company. Prior to January 1, 2016, Mr. Doss held the position of President and Chief Operating Officer from May 20, 2015 through December 31, 2015 and Chief Operating Officer from January 1, 2014 until May 19, 2015. Prior to these positions he served as the Executive Vice President, Commercial Operations of Graphic Packaging Holding Company. Prior to this Mr. Doss held the position of Senior Vice President, Consumer Packaging Division. Prior to March 10, 2008, he had served as Senior Vice President, Consumer Products Packaging of Graphic Packaging Corporation since September 2006. From July 2000 until September 2006, he was the Vice President of Operations, Universal Packaging Division. Mr. Doss was Director of Web Systems for the Universal Packaging Division prior to his promotion to Vice President of Operations. Since joining Graphic Packaging International Corporation in 1990, Mr. Doss has held positions of increasing management responsibility, including Plant Manager at the Gordonsville, TN and Wausau, WI plants.

Stephen R. Scherger, 53, is the Senior Vice President and Chief Financial Officer of Graphic Packaging Holding Company. From October 1, 2014 through December 31, 2014, Mr. Scherger was the Senior Vice President - Finance. From April 2012 through September 2014, Mr. Scherger served as Senior Vice President, Consumer Packaging Division. Mr. Scherger joined Graphic Packaging Holding Company in April of 2012 from MeadWestvaco Corporation, where he served as President, Beverage and Consumer Electronics. Mr. Scherger was with MeadWestvaco Corporation from 1986 to 2012 and held positions including Vice President, Corporate Strategy; Vice President and General Manager, Beverage Packaging; Vice President and CFO, Papers Group, Vice President Asia Pacific and Latin America, Beverage Packaging, CFO Beverage Packaging and other executive-level positions.

Carla J. Chaney, 47, is the Senior Vice President, Human Resources of Graphic Packaging Holding Company, a position she has held since July 15, 2013. Ms. Chaney joined Graphic Packaging Holding Company from Exide Technologies. Ms. Chaney was with Exide Technologies from February 2012 to July 2013 and served most recently as Executive Vice President, Human Resources and Communications. Prior to Exide Technologies, Ms. Chaney held a variety of leadership roles with Newell Rubbermaid, Inc. from 2004 to 2011, including Group Vice President, Human Resources for the Home & Family business segment, Regional Vice President, Human Resources, EMEA; Corporate Vice President, Global Organization and People Development; and Vice President, Human Resources, Culinary Lifestyles Business. Ms. Chaney also worked for Georgia-Pacific from 1992 to 2004.

Alan R. Nichols, 55, is the Senior Vice President, Mills Division of Graphic Packaging Holding Company. He served as Vice President, Mills from August 2008 until March 2009. From March 2008 until August 2008, Mr. Nichols was Vice President, CRB Mills. Prior to the Altivity Transaction, Mr. Nichols served as Vice President, CRB Mills for Altivity Packaging, LLC from February 2007 until March 2008 and was the Division Manufacturing Manager, Mills for Altivity Packaging and the Consumer Products Division of Smurfit-Stone Container Corporation from August 2005 to February 2007. From February 2001 until August 2005, Mr. Nichols was the General Manager of the Wabash Mill for Smurfit-Stone.

Spencer H. Maurer, 48, is the Senior Vice President, Americas Foodservice of Graphic Packaging Holding Company. Prior to December 8, 2017, Mr. Maurer served as Senior Vice President, Supply Chain of Graphic Packaging Holding Company. Prior to January 1, 2017, Mr. Maurer had served as Vice President, Supply Chain of GPI since January 1, 2013. From December 1, 2009 until December 31, 2012, Mr. Maurer was the Vice President, Procurement of GPI. Prior to December 2009, Mr. Maurer held numerous positions with increasing responsibility including: Plant Manager, Golden, CO from 2006 until 2009; Production Manager, Kalamazoo, MI in 2005; Director of Environmental Services for Commercial Operations from 2003 until 2004; Director of Environmental, Health and Safety from 1998 until 2002; and numerous positions in the Environmental, Health and Safety area with James River Corporation and Fort James Corporation (predecessors of GPI) from 1992 until 1998.

Lauren S. Tashma, 51, is the Senior Vice President, General Counsel and Secretary of Graphic Packaging Holding Company, serving in this position since February 2014. Previously, Ms. Tashma served as Senior Vice President, General Counsel and Secretary of Fortune Brands Home & Security, Inc., where she led the legal, compliance and EHS functions. Prior to that, Ms. Tashma had various roles with Fortune Brands, Inc., including Vice President and Associate General Counsel.

Hilde Van Moeseke, 47, is the Senior Vice President & President, Europe, Middle East and Africa of Graphic Packaging Holding Company. From January 2017 to July 1, 2017, Ms. Van Moeseke served as Vice President, Finance Europe and Interim EMEA Leader of GPI. From July 2015 until January 2017, Ms. Van Moeseke was the Vice President, Finance Europe of GPI. Ms. Van Moeseke joined the Company in January 2014 as Director Controlling and was promoted to Director, Finance Europe in July 2014. Prior to January 2014, Ms. Van Moeseke held the position of Group Controller, Project Management, Shared Service Center and Accounting at Azelis Corporate Services S.A. for two years. She has also worked for the Walt Disney Company in Europe for six years in the positions of Director Finance and Controllership, Director Regional Studio Controllership, Regional Studio Controllership and Senior Manager.

Joseph P. Yost, 50, is the Senior Vice President, and President, Americas of Graphic Packaging Holding Company. Prior to January 5, 2017, Mr. Yost served as Senior Vice President, Global Beverage and Europe from September 1, 2015 to January 4, 2017, Senior Vice President, Europe from March 1, 2014 to August 31, 2015 and Senior Vice President, European Chief Integration Officer/Chief Financial Officer from February 2013 until February 2014. From 2009 until February 2013, Mr. Yost was the Senior Vice President, Supply Chain of Graphic Packaging Holding Company. From 2006 to 2009, he served as Vice President, Operations Support, Consumer Packaging for GPI. Mr. Yost has also served in the following positions: Director, Finance and Centralized Services from 2003 to 2006 with GPI and from 2000 to 2003 with Graphic Packaging Corporation; Manager, Operations Planning and Analysis, Consumer Products Division from 1999 to 2000 with Graphic Packaging Corporation; and other management positions from 1997 to 1999 with Fort James Corporation.

PART II

ITEM 5. **MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

GPHC's common stock (together with the associated stock purchase rights) is traded on the New York Stock Exchange under the symbol "GPK." The historical range of the high and low sales price per share and dividend per share declared in each quarter of 2017 and 2016 are as follows:

	Common Stock Market Price		Dividends Declared
	High	Low	
2017			
First Quarter	\$ 13.85	\$ 12.00	\$ 0.075
Second Quarter	14.18	12.68	0.075
Third Quarter	13.98	12.65	0.075
Fourth Quarter	15.85	13.94	0.075
2016			
First Quarter	\$ 13.36	\$ 10.71	\$ 0.050
Second Quarter	13.71	11.95	0.050
Third Quarter	14.70	12.19	0.050
Fourth Quarter	14.09	12.24	0.075

During 2017 and 2016, the Company paid cash dividends of \$93.4 million and \$64.4 million, respectively.

GPHC depends on GPI for cash to pay dividends. Unless GPHC receives dividends, distributions or transfers from its subsidiaries, it cannot pay cash dividends on its common stock, because it has no independent operations. Such dividends, distributions or transfers from GPHC's subsidiaries may be restricted because the terms of the GPI's debt agreements and indentures limit its ability to make such payments to the Company. See "Item 1A-Risk Factors" and Note - 5 in the Notes to Consolidated Financial Statements in "Item 8-Financial Statements and Supplementary Data."

On January 10, 2017, the Company's board of directors authorized an additional 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 "2017 share repurchase program"). The original \$250

million share repurchase program was authorized on February 4, 2015 (the "2015 share repurchase program"). During 2017, the Company repurchased approximately 4.5 million shares, at a price of approximately \$58 million, at an average price of \$13.08, including 1.4 million shares repurchased under the 2015 share repurchase program, which completed that program. During 2016, the Company repurchased approximately 13.2 million shares, or approximately \$169 million, under the 2015 share repurchase program at an average price of \$12.77.

On February 5, 2018, there were 1,328 stockholders of record and approximately 26,400 beneficial holders of GPHC's common stock.

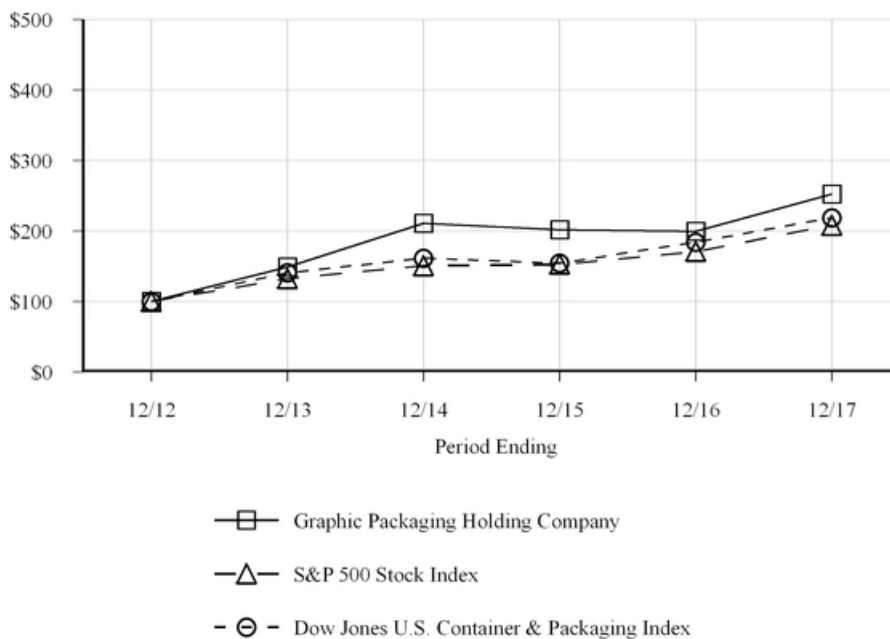
During the fourth quarter of 2017, the Company did not repurchase any shares of its common stock. As of December 31, 2017, 22.3 million shares had been repurchased as part of the share repurchase programs described above. The maximum number of shares that may be purchased under the 2017 share repurchase program in the future is 13.6 million based on the closing price of the Company's common stock as of December 29, 2017.

There were no sales of unregistered securities of the Company during 2017.

Total Return to Stockholders

The following graph compares the total returns (assuming reinvestment of dividends) of the common stock of the Company, the Standard & Poor's ("S&P") 500 Stock Index and the Dow Jones ("DJ") U.S. Container & Packaging Index. The graph assumes \$100 invested on December 31, 2012 in GPHC's common stock and each of the indices. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN



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	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Graphic Packaging Holding Company	\$ 100.00	\$ 148.61	\$ 210.84	\$ 201.51	\$ 199.40	\$ 252.40
S&P 500 Stock Index	100.00	132.39	150.51	152.59	170.84	208.14
Dow Jones U.S. Container & Packaging Index	100.00	140.71	161.42	154.47	183.90	218.88

**ITEM 6. *SELECTED FINANCIAL
DATA***

The selected consolidated financial data set forth below should be read in conjunction with “Item 7., Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements of the Company and the Notes to Consolidated Financial Statements included herein under “Item 8., Financial Statements and Supplementary Data.”

<i>In millions, except per share amounts</i>	Year Ended December 31,				
	2017	2016	2015	2014	2013
Statement of Operations Data:					
Net Sales	\$ 4,403.7	\$ 4,298.1	\$ 4,160.2	\$ 4,240.5	\$ 4,478.1
Income from Operations	342.7	396.0	427.1	227.8	341.6
Net Income	300.2	228.0	230.1	89.0	146.7
Net Income (Loss) Attributable to Noncontrolling Interests	—	—	—	0.7	(0.1)
Net Income Attributable Graphic Packaging Holding Company	300.2	228.0	230.1	89.7	146.6
Net Income Attributable to Graphic Packaging Holding Company Per Share Basis:					
Basic	\$ 0.97	\$ 0.71	\$ 0.70	\$ 0.27	\$ 0.42
Diluted	\$ 0.96	\$ 0.71	\$ 0.70	\$ 0.27	\$ 0.42
Balance Sheet Data:					
<i>(as of period end)</i>					
Cash and Cash Equivalents	\$ 67.4	\$ 59.1	\$ 54.9	\$ 81.6	\$ 52.2
Total Assets	4,863.0	4,603.4	4,256.1	4,137.6	4,373.1
Total Debt	2,274.5	2,151.9	1,875.5	1,957.7	2,238.3
Total Equity	1,291.9	1,056.5	1,101.7	1,012.3	1,062.3
Additional Data:					
Depreciation and Amortization	\$ 330.3	\$ 299.3	\$ 280.5	\$ 270.0	\$ 277.4
Capital Spending, including Packaging Machinery	260.1	294.6	244.1	201.4	209.2
Dividends Declared per Share	0.30	0.225	0.20	—	—

ITEM 7. 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 2017 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 paper-based 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 folding carton 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 and Results of Operations

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 increased year over year by \$95.8 million in 2017 and increased year over year by \$25.0 million in 2016. The higher costs in 2017 were primarily due to secondary fiber (\$40.1 million), labor and benefits (\$22.5 million), freight (\$15.6 million), chemicals (\$14.3 million) and other costs, net (\$3.3 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 2018. 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 has 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, CRB and other paper substrates such as solid bleached sulfate ("SBS") 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 an aggregate principal amount of \$2,287.0 million of outstanding debt obligations as of December 31, 2017. 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 may restrict the Company's ability to obtain additional financing. Covenants in the Company's Amended and Restated Credit Agreement, the Term Loan Credit Agreement and Indentures may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends, make other restricted payments and make acquisitions or other investments. The Credit Agreement and the Term Loan Credit Agreement also require 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 "Covenant Restrictions" in "Financial Condition, Liquidity and Capital Resources" for additional information regarding the Company's debt obligations.

The debt and the restrictions under the Amended and Restated Credit Agreement, the Term Loan 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 RESULTS

This management's discussion and analysis contains an analysis of Net Sales, Income from Operations and other information relevant to an understanding of the Company's results of operations.

- Net Sales in 2017 increased by \$105.6 million or 2.5%, to \$4,403.7 million from \$4,298.1 million in 2016 primarily due to the acquisitions discussed below and increased volume, partially offset by lower selling prices and unfavorable foreign currency exchange rates.
- Income from Operations in 2017 decreased by \$53.3 million or 13.5%, to \$342.7 million from \$396.0 million in 2016 due to higher inflation including secondary fiber, the lower selling prices and the unfavorable foreign currency exchange rates. These decreases were partially offset by the acquisitions and cost savings through continuous improvement and other programs.

Acquisitions and Dispositions

- On December 1, 2017, the Company acquired the assets of Seydaco Packaging Corp. and its affiliates National Carton and Coating Co., and Groupe Ecco Boites Pliantes Ltée (collectively, "Seydaco"), a folding carton producer focused on the foodservice, food, personal care, and household goods markets. The acquisition includes three folding carton facilities located in Mississauga, Ontario, St.-Hyacinthe, Québec, and Xenia, Ohio.
- On December 1, 2017, the Company closed its coated recycled paperboard mill in Santa Clara, California. This decision was made as a result of a thorough assessment of the facility's manufacturing capabilities and associated costs in the context of the Company's overall mill operating capabilities and cost structure.
- On October 24, 2017, the Company announced that it would combine its business with IP's North American Consumer Packaging business. The Company will own 79.5% of the subsidiary that owns GPI and will be the sole operator of such subsidiary and the business of GPI. See Note 19 in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data."
- On October 4, 2017, the Company acquired Norgraft Packaging, S.A. ("Norgraft"), a leading folding carton producer in Spain focused on the food and household goods markets. The acquisition includes two folding carton facilities located in Miliña and Requejada, Spain.
- On July 10, 2017, the Company acquired substantially all the assets of Carton Craft Corporation and its affiliate Lithocraft, Inc (collectively, "Carton Craft"). The acquisition includes two folding carton facilities located in New Albany, Indiana, focused on the production of paperboard based air filter frames and folding cartons.

The Seydaco, Norgraft, and Carton Craft transactions are referred to collectively as the "2017 Acquisitions."

- During 2016, the Company acquired G-Box, S.A. de C.V., ("G-Box"), Walter G. Anderson, Inc., ("WG Anderson"), Metro Packaging & Imaging, Inc. ("Metro"), and Colorpak Limited ("Colorpak"). These transactions are referred to collectively as the "2016 Acquisitions."

Capital Allocations

- On January 10, 2017, the Company's board of directors authorized an additional 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 "2017 share repurchase program"). The original \$250 million share repurchase program was authorized on February 4, 2015 (the "2015 share repurchase program"). During 2017, the Company repurchased 4.5 million shares, or approximately \$58 million, at an aggregate average price of \$13.08, including 1.4 million shares repurchased under the 2015 share repurchase program thereby completing that plan. At December 31, 2017, the Company had approximately \$210 million remaining under the 2017 share repurchase program.
- During 2017, the Company declared and paid cash dividends of \$93.1 million and \$93.4 million, respectively.

RESULTS OF OPERATIONS

<i>In millions</i>	Year Ended December 31,		
	2017	2016	2015
Net Sales	\$ 4,403.7	\$ 4,298.1	\$ 4,160.2
Income from Operations	\$ 342.7	\$ 396.0	\$ 427.1
Interest Expense, Net	(89.7)	(76.6)	(67.8)
Income before Income Taxes and Equity Income of Unconsolidated Entity	\$ 253.0	\$ 319.4	\$ 359.3
Income Tax Benefit (Expense)	45.5	(93.2)	(130.4)
Income before Equity Income of Unconsolidated Entity	\$ 298.5	\$ 226.2	\$ 228.9
Equity Income of Unconsolidated Entity	1.7	1.8	1.2
Net Income	\$ 300.2	\$ 228.0	\$ 230.1

2017 COMPARED WITH 2016

Net Sales

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

<i>In millions</i>	Year Ended December 31,						
	2016	Variances			2017	Increase	Percent Change
		Price	Volume/Mix	Foreign Exchange			
Consolidated	\$ 4,298.1	\$ (27.1)	\$ 135.6	\$ (2.9)	\$ 4,403.7	\$ 105.6	2.5%

The Company's Net Sales in 2017 increased by \$105.6 million or 2.5%, to \$4,403.7 million from \$4,298.1 million for the same period in 2016, due to Net Sales of \$106.9 million from the 2017 Acquisitions and the 2016 Acquisitions and increased converting volume, including new product introductions. These increases were partially offset by lower selling prices and unfavorable currency exchange rates, primarily the British pound. Global beverage volume increased, while softness continued in certain consumer product markets (cereal and dry foods).

Income from Operations

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

<i>In millions</i>	Year Ended December 31,								
	2016	Variances					2017	Decrease	Percent Change
		Price	Volume/Mix	Inflation	Foreign Exchange	Other ^(a)			
Consolidated	\$ 396.0	\$ (27.1)	\$ (0.8)	\$ (95.8)	\$ (3.0)	\$ 73.4	\$ 342.7	\$ (53.3)	(13.5)%

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

The Company's Income from Operations for 2017 decreased \$53.3 million or 13.5%, to \$342.7 million from \$396.0 million for the same period in 2016 due to higher inflation, including the impact of the hurricanes, the lower selling prices, and higher depreciation and amortization expense related to the acquisitions and the shutdown of Santa Clara. These decreases were partially offset by cost savings through continuous improvement and other programs, lower restricted stock unit expense and lower costs

associated with acquisitions and integration. Inflation for 2017 increased primarily due to secondary fiber (\$40.1 million), labor and benefits (\$22.5 million), freight (\$15.6 million), chemicals (\$14.3 million) and other costs, net (\$3.3 million).

Interest Expense, Net

Interest Expense, Net increased by \$13.1 million to \$89.7 million in 2017 from \$76.6 million in 2016. Interest Expense, Net increased due primarily to higher average interest rates as compared to the same period in the prior year. As of December 31, 2017, approximately 45% of the Company's total debt was subject to floating interest rates.

Income Tax Expense

During 2017, the Company recognized Income Tax Benefit of \$45.5 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of \$253.0 million. During 2016, the Company recognized Income Tax Expense of \$93.2 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of \$319.4 million. The effective tax rate for 2017 is significantly different than the statutory rate primarily due to the effect of the enactment of the Tax Cuts and Jobs Act (the "Act") on December 22, 2017. The Act significantly reduced U.S. federal corporate income tax rates which resulted in an income tax benefit in the current year of \$156.3 million as a result of the remeasurement of the Company's domestic net Deferred Tax Liabilities. In addition, the Act requires companies to record a one-time transition tax impact based on foreign earnings and profits which resulted in additional tax expense in the current year of \$20.5 million.

The Company has available net operating losses ("NOLs") of approximately \$327 million for U.S. federal income tax purposes which may be used to offset future taxable income. Based on these NOLs and other tax benefits as well as the impact of U.S. tax reform on projections of future taxable income, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2021.

Equity Income of Unconsolidated Entity

Equity Income of Unconsolidated Entity was \$1.7 million in 2017 and \$1.8 million in 2016 and is related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd.

2016 COMPARED WITH 2015

Net Sales

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

<i>In millions</i>	Year Ended December 31,							
	2015				2016			
		Variances						
	2015	Price	Volume/Mix	Foreign Exchange	2016	Increase	Percent Change	
Consolidated	\$ 4,160.2	\$ (33.8)	\$ 219.2	\$ (47.5)	\$ 4,298.1	\$ 137.9	3.3%	

The Company's Net Sales in 2016 increased by \$137.9 million, or 3.3% to \$4,298.1 million from \$4,160.2 million in 2015, primarily due to Net Sales of \$280.7 million for the 2016 Acquisitions as well as the acquisition of Carded Graphics, LLC ("Carded") on October 1, 2015 and Cascades' Norampac Division ("Cascades") on February 5, 2015. Net sales were \$74.5 million lower due to the closure or shutdown of certain assets in the latter part of 2015. Global beverage volumes were up modestly while softness continued for certain consumer products, including dry foods, frozen foods and cereal. Unfavorable exchange rates, primarily the British pound, and lower pricing also negatively impacted Net Sales.

Income from Operations

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

<i>In millions</i>	Year Ended December 31,									
	Variances							2016	Decrease	Percent Change
	2015	Price	Volume/Mix	Inflation	Foreign Exchange	Other ^(a)				
Consolidated	\$ 427.1	\$ (33.8)	\$ (18.7)	\$ (25.0)	\$ (19.1)	\$ 65.5	\$ 396.0	\$ (31.1)	(7.3)%	

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

The Company's Income from Operations for 2016 decreased \$31.1 million or 7.3%, to \$396.0 million from \$427.1 million for the same period in 2015 due to the lower pricing, higher inflation, unfavorable foreign exchange rates, higher depreciation and amortization related to purchase accounting for the 2016 and Carded Acquisitions, costs and operational issues related to the onboarding of new or transferred business related to the closed or announced closure of facilities, and the approximate \$15 million impact related to the downtime taken to upgrade a paper machine at West Monroe. Inflation in 2016 was primarily due to higher labor and benefit costs (\$20.6 million) secondary fiber (\$10.7 million), net energy related costs (\$9.8 million), and other costs (\$0.8 million), partially offset by lower costs for wood (\$4.8 million), chemicals (\$3.6 million), freight (\$3.5 million), corrugate (\$3.3 million), and resin and film (\$1.7 million).

Interest Expense, Net

Interest Expense, Net increased by \$8.8 million to \$76.6 million in 2016 from \$67.8 million in 2015. Interest Expense, Net increased due primarily to higher average debt balances and higher average interest rates as compared to prior year. As of December 31, 2016, approximately 33% of the Company's total debt was subject to floating interest rates.

Income Tax Expense

During 2016, the Company recognized Income Tax Expense of \$93.2 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of \$319.4 million. During 2015, the Company recognized Income Tax Expense of \$130.4 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of \$359.3 million. The effective tax rate for 2016 was different than the statutory rate primarily due to an agreement executed with the Internal Revenue Service. As a result of the agreement, the Company has amended its 2011 and 2012 U.S. federal and state income tax returns resulting in the utilization of previously expired net operating loss carryforwards. The Company recorded a discrete benefit during the second quarter of 2016 of \$22.4 million to reflect the changes as a reduction in its net long-term deferred tax liability. The effective tax rate was also different than the statutory tax rate due to the mix and levels between foreign and domestic earnings, including losses in jurisdictions with full valuation allowances.

Equity Income of Unconsolidated Entity

Equity Income of Unconsolidated Entity was \$1.8 million in 2016 and \$1.2 million in 2015 and is related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd.

Segment Reporting

Effective January 5, 2017, the consumer product and beverage operating segments (previously aggregated into the Americas Paperboard Packaging reportable segment) were reorganized and combined into an Americas Converting operating segment (Americas Paperboard Packaging reportable segment). As part of this reorganization, Australia, which was previously included as part of the Americas Paperboard Packaging reportable segment, is now an operating segment and included in Corporate/Other/Elimination. Prior periods have been recast.

The Company has three reportable segments as follows:

Paperboard Mills includes the six North American paperboard mills which produce primarily CUK and 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 represents 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 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 and Australia operating segments 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 in Note 1 in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data."

<i>In millions</i>	Year Ended December 31,		
	2017	2016	2015
NET SALES:			
Paperboard Mills	\$ 399.7	\$ 394.7	\$ 480.5
Americas Paperboard Packaging	3,243.6	3,193.1	3,012.1
Europe Paperboard Packaging	593.1	569.9	603.9
Corporate/Other/Eliminations	167.3	140.4	63.7
Total	\$ 4,403.7	\$ 4,298.1	\$ 4,160.2
INCOME (LOSS) FROM OPERATIONS:			
Paperboard Mills	\$ (35.0)	\$ (3.7)	\$ 17.1
Americas Paperboard Packaging	358.2	409.0	395.2
Europe Paperboard Packaging	37.3	25.4	40.8
Corporate and Other ^(a)	(17.8)	(34.7)	(26.0)
Total	\$ 342.7	\$ 396.0	\$ 427.1

^(a) Includes expenses related to acquisitions, integration activities and shutdown costs (excluding accelerated depreciation).

2017 COMPARED WITH 2016

Paperboard Mills - Net sales increased due to higher selling prices and favorable foreign currency exchange rates. Volume was flat for the year as increased CRB tons were offset by decreased CUK tons, due to internalization of tons related to the acquisitions.

Loss from Operations increased due to higher inflation, primarily secondary fiber (\$46.5 million) and the accelerated depreciation of \$16.3 million related to the shutdown of Santa Clara, partially offset by productivity improvements and the higher selling prices. During 2017 in West Monroe, LA, there was an approximate \$14 million impact related to the second quarter maintenance cold outage and an approximate \$18 million impact related to the first quarter planned downtime taken to upgrade a paper machine. During 2016, there was an approximate \$15 million impact related to downtime taken in the second quarter to upgrade a paper machine in West Monroe, LA.

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Americas Paperboard Packaging - Sales increased primarily due to the 2017 and 2016 Acquisitions, higher beverage volumes and new product introductions, partially offset by lower selling prices and lower volume for certain consumer products.

Income from Operations decreased due to higher inflation and the lower selling prices, partially offset by the acquisitions and cost savings through continuous improvement programs.

Europe Paperboard Packaging - Sales increased primarily due to the Norgraft acquisition and higher volume, primarily for convenience and beverage products, partially offset by unfavorable foreign currency exchange rates and lower pricing.

Income from Operations increased as a result of improved operating performance due to capital investments, other cost savings programs, and the higher volume, partially offset by the lower selling prices, higher inflation and unfavorable foreign currency exchange rates.

2016 COMPARED WITH 2015

Paperboard Mills - Net sales decreased \$85.8 million primarily due to the third quarter of 2015 shutdown of the Jonquière, Quebec mill (part of the February 4, 2015 Cascades acquisition) and the October 2015 shut down of the kraft paper machine in West Monroe, LA of \$74.5 million, as well as lower open market sales across all substrates. In addition, more tons were internalized due to the acquisitions.

Income from Operations decreased due to downtime taken to upgrade a paper machine at West Monroe, LA and higher inflation, partially offset by productivity improvements.

Americas Paperboard Packaging - Sales increased primarily due to Net Sales of \$205.5 million for the 2016, Carded and Cascades acquisitions, higher global beverage volumes and new product introductions. These increases were partially offset by lower volume for certain consumer products and lower pricing.

Income from Operations increased due to cost savings through continuous improvement programs, partially offset by the lower pricing, higher depreciation and amortization related to purchase accounting for the acquisitions, and operational issues related to the onboarding of new or transferred business.

Europe Paperboard Packaging - Sales decreased primarily due to unfavorable foreign currency exchange rates and lower pricing, partially offset by higher volume due to new product introductions.

Income from Operations decreased due to unfavorable foreign currency exchange rates and lower pricing, partially offset by improved operating performance and cost savings.

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>	Years Ended December 31,	
	2017	2016
Net Cash Provided by Operating Activities	\$ 516.2	\$ 641.4
Net Cash Used in Investing Activities	\$ (440.6)	\$ (632.5)
Net Cash Used In Financing Activities	\$ (69.8)	\$ (3.1)

Net cash provided by operating activities in 2017 totaled \$516.2 million, compared to \$641.4 million in 2016. The decrease was due primarily to lower operating results as discussed above. Pension contributions in 2017 were \$119.1 million including an additional \$75 million contribution made in the fourth quarter to the Company's U.S. defined benefit plan. This additional contribution will allow the Company to begin the process of settling pension liabilities through lump sum payments or the purchase of annuities. Pension contributions in 2016 were \$51.4 million.

Net cash used in investing activities in 2017 totaled \$440.6 million, compared to \$632.5 million in 2016. Current year activities consisted primarily of capital spending of \$260.1 million and \$189.4 million for the 2017 Acquisitions, net of cash acquired. In the prior year, capital spending was \$294.6 million and the Company paid \$332.7 million, net of cash acquired, for the 2016 Acquisitions.

Net cash used in financing activities in 2017 totaled \$69.8 million, compared to \$3.1 million used in financing activities in 2016. Current year activities include net borrowings under revolving credit facilities of \$112.1 million, primarily for the 2017 Acquisitions, additional pension contributions of \$81.8 million, and payments on debt of \$25.0 million. The Company also paid dividends of \$93.4 million, repurchased \$62.1 million of its common stock, and withheld \$10.2 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units. In the prior year, the Company completed its debt offering of \$300 million aggregate principal amount of 4.125% senior notes due 2024 in a registered public offering and used the net proceeds to repay a portion of its outstanding borrowings under its senior secured revolving credit facility. The Company also made net payments under revolving credit facilities of \$35.8 million and payments on debt of \$25.0 million. Additionally, the Company paid dividends of \$64.4 million, repurchased \$164.9 million of its common stock, and withheld \$11.3 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, working capital, share repurchases and dividend payments. Principal and interest payments under the term loan facilities and the revolving credit facilities, together with principal and interest payments on the Company's 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022 and 4.125% Senior Notes due 2024 (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.

As of December 31, 2017, the Company had approximately \$327 million of NOLs for U.S. federal income tax purposes. These NOLs generally may be used by the Company to offset taxable income earned in subsequent taxable years.

Accounts receivable are stated at the amount owed by the customer, net of an allowance for estimated uncollectible accounts, returns and allowances, and cash discounts. The allowance for doubtful accounts is estimated based on historical experience, current economic conditions and the creditworthiness of customers. Receivables are charged to the allowance when determined to be no longer collectible.

In addition to existing receivable sale programs from prior years, the Company entered into a receivable securitization agreement in the fourth quarter of 2017 to sell, on a revolving basis, certain trade accounts receivable to a third party financial institution (the "2017 Agreement"). The 2017 Agreement and existing agreements are referred to collectively as the "Agreements" and meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the FASB Codification. During 2017, under these Agreements, the Company sold and derecognized \$1.8 billion of receivables, collected \$1.6 billion on behalf of the financial institutions, and received funding of approximately \$134 million by the financial institutions, resulting in deferred proceeds of approximately \$102 million as of December 31, 2017. During 2016 under the Agreements, the Company sold and derecognized \$1.3 billion of receivables, collected approximately \$1.2 billion on behalf of the financial institutions, and received funding of approximately \$116 million by the financial institutions, resulting in deferred proceeds of

approximately \$31 million as of December 31, 2016. Cash proceeds related to the sales are included in cash from operating activities on the 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 Consolidated Statement of Operations.

The Company has also entered into various factoring and supply chain financing arrangements which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the years ended December 31, 2017 and 2016, the Company sold receivables of approximately \$64 million and \$66 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, were approximately \$583 million and \$376 million as of December 31, 2017 and 2016, respectively.

Covenant Restrictions

Covenants contained in the Amended and Restated Credit Agreement, the Term Loan Credit Agreement and the Indentures may, among other things, limit the ability to incur additional indebtedness, 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 Amended and Restated Credit Agreement, the Company must comply with a maximum Consolidated Total Leverage Ratio covenant and a minimum Consolidated Interest Expense Ratio covenant. The Third 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 January 2, 2018.

The Company must maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At December 31, 2017, the Company was in compliance with the Consolidated Total Leverage Ratio covenant in the Credit Agreement and the ratio was 3.01 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At December 31, 2017, the Company was in compliance with the minimum Consolidated Interest Expense Ratio covenant in the Credit Agreement and the ratio was 8.66 to 1.00.

As of December 31, 2017, the Company's credit was rated 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 2017 was \$264.5 million (\$260.1 million was paid), compared to \$280.0 million (\$294.6 million was paid) in 2016. During 2017, the Company had capital spending of \$213.1 million for improving process capabilities, \$32.2 million for capital spares and \$19.2 million for manufacturing packaging machinery.

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, closures or sales of facilities may necessitate further investigation and may result in 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 13 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

Contractual Obligations and Commitments

A summary of our contractual obligations and commitments as of December 31, 2017 is as follows:

<i>In millions</i>	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Debt Obligations	\$ 2,257.0	\$ 59.1	\$ 1,215.5	\$ 676.0	\$ 306.4
Operating Leases	171.4	42.9	60.5	41.7	26.3
Capital Leases	41.1	3.7	6.8	6.1	24.5
Interest Payable	322.7	102.4	134.1	60.4	25.8
Purchase Obligations ^(a)	667.7	151.8	129.4	75.9	310.6
Total Contractual Obligations ^(b)	\$ 3,459.9	\$ 359.9	\$ 1,546.3	\$ 860.1	\$ 693.6

^(a) Purchase obligations primarily consist of commitments related to pine pulpwood, wood chips, and wood processing and handling.

^(b) Certain amounts included in this table are based on management's estimates and assumptions about these obligations. Because these estimates and assumptions are necessarily subjective, the obligations the Company will actually pay in the future periods may vary from those reflected in the table.

International Operations

For 2017, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 17% of the Company's net sales. The Company's revenues from export sales fluctuate with changes in foreign currency exchange rates. At December 31, 2017, approximately 22% of the Company's total assets were denominated in currencies other than the U.S. dollar. The Company has significant operations in countries that use the euro, British pound sterling, the Australian dollar, the Canadian dollar, the Mexico peso or the Japanese yen as their functional currencies. The effect of changes in the U.S. dollar exchange rate against these currencies produced a net currency translation adjustment loss of \$44.9 million, which was recorded in Other Comprehensive (Loss) Income for the year ended December 31, 2017. The magnitude and direction of this adjustment in the future depends on the relationship of the U.S. dollar to other currencies. The Company pursues a currency hedging program in order to reduce the impact of foreign currency exchange fluctuations on financial results. See "Financial Instruments" below.

The functional currency of the Company's international subsidiaries is the local currency for the country in which the subsidiaries own their primary assets. The translation of the applicable currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using a weighted average exchange rate during the period. Any related translation adjustments are recorded directly to Shareholders' Equity. Gains and losses on foreign currency transactions are included in Other Expense (Income), Net for the period in which the exchange rate changes.

Financial Instruments

The Company pursues a currency hedging program which utilizes derivatives to reduce the impact of foreign currency exchange fluctuations on its consolidated financial results. Under this program, the Company has entered into forward exchange contracts in the normal course of business to hedge certain foreign currency denominated transactions. Realized and unrealized gains and losses on these forward contracts are included in the measurement of the basis of the related foreign currency transaction when recorded. The Company also pursues a hedging program that utilizes derivatives designed to manage risks associated with future variability in cash flows and price risk related to future energy cost increases. Under this program, the Company has entered into natural gas swap contracts to hedge a portion of its forecasted natural gas usage for 2018. Realized gains and losses on these contracts are included in the financial results concurrently with the recognition of the commodity consumed. 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 facility. The Company does not hold or issue financial instruments for trading purposes. See "Item 7A., Quantitative and Qualitative Disclosure About Market Risk."

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 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 critical judgments by management relate to pension benefits, retained insurable risks, future cash flows associated with impairment testing for goodwill and long-lived assets, and deferred income taxes.

• Pension Benefits

The Company sponsors defined benefit pension plans (the "Plans") for eligible employees in North America and certain international locations. The funding policy for the qualified defined benefit plans is to, at a minimum, contribute assets as required by the Internal Revenue Code Section 412. Nonqualified defined benefit U.S. plans providing benefits in excess of limitations imposed by the U.S. income tax code are not funded.

The Company's pension income for defined benefit pension plans was \$5.5 million in 2017 compared with pension expense of \$22.4 million in 2016. Pension expense is calculated based upon a number of actuarial assumptions applied to each of the defined benefit plans. The weighted average expected long-term rate of return on pension fund assets used to calculate pension expense was 5.79% and 5.90% in 2017 and 2016, respectively. The expected long-term rate of return on pension assets was determined based on several factors, including historical rates of return, input from our pension investment consultants and projected long-term returns of broad equity and bond indices. The Company evaluates its long-term rate of return assumptions annually and adjusts them as necessary.

The Company determined pension expense using both the fair value of assets and a calculated value that averages gains and losses over a period of years. Investment gains or losses represent the difference between the expected and actual return on assets. As of December 31, 2017, the net actuarial loss was \$267.1 million. These net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, or (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations, or (iii) other actuarial gains, including whether such accumulated actuarial losses at each measurement date exceed the "corridor" determined under the *Compensation — Retirement Benefits* topic of the FASB Codification. For the largest plan, the actuarial loss is amortized over the average remaining life expectancy period of employees expected to receive benefits.

The discount rate used to determine the present value of future pension obligations at December 31, 2017 was based on a yield curve constructed from a portfolio of high-quality corporate debt securities with maturities ranging from 1 year to 30 years. Each year's expected future benefit payments were discounted to their present value at the spot yield curve rate thereby generating the overall discount rate for the Company's pension obligations. The weighted average discount rate used to determine the pension obligations was 3.49% and 4.01% in 2017 and 2016, respectively.

The Company's pension expense is estimated to be approximately \$3 million in 2018. The estimate is based on a weighted average expected long-term rate of return of 4.86%, a weighted average discount rate of 3.49% and other assumptions. Pension expense beyond 2018 will depend on future investment performance, the Company's contribution to the plans, changes in discount rates and other factors related to covered employees in the plans. Beginning in 2016, the Company changed its methodology of calculating the service and interest cost components of pension expense from using a yield curve aggregate approach to using individual spot rates along the yield curve.

If the discount rate assumptions for the Company's U.S. plans were reduced by 0.25%, pension expense would increase by approximately \$41 thousand and the December 31, 2017 projected benefit obligation would increase approximately \$33 million.

The fair value of assets in the Company's plans was \$1,340.7 million at December 31, 2017 and \$1,115.6 million at December 31, 2016. The projected benefit obligations exceed the fair value of plan assets by \$26.4 million and \$163.4 million as of December 31,

2017 and 2016, respectively. The accumulated benefit obligation (“ABO”) exceeded plan assets by \$18.7 million at the end of 2017. At the end of 2016, the ABO exceeded the fair value of plan assets by \$154.4 million.

• ***Retained Insurable Risks***

The Company is self-insured for certain losses relating to workers’ compensation claims and employee medical and dental benefits. Provisions for expected losses are recorded based on the Company’s estimates, on an undiscounted basis, of the aggregate liabilities for known claims and estimated claims incurred but not reported. The Company has purchased stop-loss coverage or insurance with deductibles in order to limit its exposure to significant claims. The Company also has an extensive safety program in place to minimize its exposure to workers’ compensation claims. Self-insured losses are accrued based upon estimates of the aggregate uninsured claims incurred using certain actuarial assumptions, loss development factors followed in the insurance industry and historical experience.

• ***Goodwill***

The Company evaluates goodwill for potential impairment annually as of October 1, as well as whenever events or changes in circumstances suggest that the fair value of a reporting unit may no longer exceed its carrying amount. Potential impairment of goodwill is measured at the reporting unit level by comparing the reporting unit’s carrying amount, including goodwill, to the estimated fair value of the reporting unit. As of October 1, 2017, the Company had six reporting units, four of which had goodwill.

Periodically, the Company may perform a qualitative impairment analysis of goodwill associated with each of its reporting units to determine if it is more likely than not that the carrying value of a reporting unit exceeded its fair value. If the results of the qualitative analysis of any of the reporting units is inconclusive or other facts or circumstances necessitate further analysis, the Company will perform a quantitative analysis for those reporting units.

The quantitative analysis involves calculating the fair value of each reporting unit by utilizing a discounted cash flow analysis based on the Company’s forecasts, discounted using a weighted average cost of capital and market indicators of terminal year cash flows based upon a multiple of earnings before interest, taxes, depreciation and amortization (“EBITDA”).

In determining fair value, management relies on and considers a number of factors, including but not limited to, operating results, business plans, economic projections, forecasts including anticipated future cash flows, and market data and analysis, including market capitalization. Fair value determinations are sensitive to changes in the factors described above. There are inherent uncertainties related to these factors and judgments in applying them to the analysis of potential goodwill impairment.

The variability of the assumptions that management uses to perform the goodwill impairment test depends on a number of conditions, including uncertainty about future events and cash flows. Accordingly, the Company’s accounting estimates may materially change from period to period due to changing market factors. If the Company had used other assumptions and estimates or if different conditions occur in future periods, future operating results could be materially impacted.

The assumptions used in the goodwill impairment testing process could be adversely impacted by certain of the risks discussed in “Item 1A., Risk Factors” and thus could result in future goodwill impairment charges.

The Company performed its annual goodwill impairment tests as of October 1, 2017 and concluded that goodwill was not impaired.

• ***Recovery of Long-Lived Assets***

The Company reviews long-lived assets (including property, plant and equipment and intangible assets) for impairment whenever events or changes in circumstances indicate that the carrying amount of such long-lived assets may not be fully recoverable by undiscounted cash flows. Measurement of the impairment loss, if any, is based on the fair value of the asset, which is determined by an income, cost or market approach. The Company evaluates the recovery of its long-lived assets by analyzing operating results and considering significant events or changes in the business environment that may have triggered impairment.

• *Deferred Income Taxes and Potential Assessments*

According to the *Income Taxes* topic of the FASB Codification, a valuation allowance is required to be established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of a deferred tax asset will not be realized. The FASB Codification provides important factors in determining whether a deferred tax asset will be realized, including whether there has been sufficient taxable income in recent years and whether sufficient income can reasonably be expected in future years in order to utilize the deferred tax asset. The Company has evaluated the need to maintain a valuation allowance for deferred tax assets based on its assessment of whether it is more likely than not that deferred tax benefits would be realized through the generation of future taxable income. Appropriate consideration was given to all available evidence, both positive and negative, in assessing the need for a valuation allowance. In determining whether a valuation allowance is required, many factors are considered, including the specific taxing jurisdiction, the carryforward period, reversals of existing taxable temporary differences, cumulative pretax book earnings, income tax strategies and forecasted earnings for the entities in each jurisdiction.

As of December 31, 2017, the Company has recorded a valuation allowance of \$51.5 million against its net deferred tax assets in certain foreign jurisdictions and against domestic deferred tax assets related to certain state net operating loss carryforwards and federal capital loss carryforwards. As of December 31, 2016, a total valuation allowance of \$45.5 million was recorded.

As of December 31, 2017, the Company has only provided for deferred U.S. income taxes attributable to future withholding tax expense related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd. The Company has not provided for deferred U.S. income taxes on any of its undistributed earnings in international subsidiaries because of the deemed taxation of all post-1986 earnings and profits required by the Act. In addition, the Company's intention to indefinitely reinvest these earnings outside the U.S. remains unchanged, despite the effect of the Act. The determination of the amount of the unrecognized deferred U.S. income tax liability on the unremitted earnings or any other associated outside basis difference is not practicable because of the complexities associated with the calculation.

The Company records liabilities for potential assessments. The accruals relate to uncertain tax positions in a variety of taxing jurisdictions and are based on what management believes will be the most likely outcome of these positions. These liabilities may be affected by changing interpretations of laws, rulings by tax authorities, or the expiration of the statute of limitations.

NEW ACCOUNTING STANDARDS

For a discussion of recent accounting pronouncements impacting the Company, see Note 1 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

BUSINESS OUTLOOK

Total capital investment for 2018 is expected to be approximately \$380 million and is expected to relate principally to the Company's process capability improvements (approximately \$320 million), acquiring capital spares (approximately \$50 million), and producing packaging machinery (approximately \$10 million).

The Company also expects the following in 2018, subject to finalization of purchase accounting for the 2017 acquisitions and the Consumer Packaging Combination:

- Depreciation and amortization expense between \$430 million and \$450 million, excluding approximately \$6 million of pension amortization.
- Interest expense of \$125 million to \$135 million, including approximately \$6 million to \$7 million of non-cash interest expense associated with amortization of debt issuance costs.
- Pension plan contributions of \$5 million to \$10 million.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company does not trade or use derivative instruments with the objective of earning financial gains on interest or currency rates, nor does it use leveraged instruments or instruments where there are no underlying exposures identified.

Interest Rates

The Company is exposed to changes in interest rates, primarily as a result of its short-term and long-term debt, which include both fixed and floating rate debt. The Company uses interest rate swap agreements effectively to fix the LIBOR rate on certain variable rate borrowings. At December 31, 2017, the Company had active interest rate swap agreements with a notional amount of \$250 million which will mature on October 1, 2018.

The table below sets forth interest rate sensitivity information related to the Company's debt.

Long-Term Debt Principal Amount by Maturity-Average Interest Rate

<i>In millions</i>	Expected Maturity Date						Total	Fair Value
	2018	2019	2020	2021	2022	Thereafter		
Total Debt								
Fixed Rate	\$ 50.0	\$ 200.8	\$ 1.6	\$ 425.4	\$ 250.6	\$ 306.4	\$ 1,234.8	\$ 1,284.0
Average Interest Rate	2.66%	2.65%	1.08%	4.75%	4.87%	4.06%		
Variable Rate	\$ —	\$ 994.0	\$ 19.1	\$ —	\$ —	\$ —	\$ 1,013.1	\$ 1,015.1
Average Swap Rate is .8% — 1.4%	—	LIBOR + Spread	LIBOR + Spread	—	—	—		

Total Interest Rate Swaps-Notional Amount by Expiration-Average Swap Rate

<i>In millions</i>	Expected Maturity Date						Total
	2018	2019	2020	2021	2022	Thereafter	
Notional	\$ 250.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 250.0
Average Pay Rate	1.16%	—	—	—	—	—	—
Average Receive Rate	1-Month LIBOR	—	—	—	—	—	—

Foreign Exchange Rates

The Company enters into forward exchange contracts to effectively hedge substantially all accounts receivable resulting from transactions denominated in foreign currencies. The purpose of these forward exchange contracts is to protect the Company from the risk that the eventual functional currency cash flows resulting from the collection of these accounts receivable will be adversely affected by changes in exchange rates. At December 31, 2017, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those forward currency exchange contracts outstanding at December 31, 2017, when aggregated and measured in U.S. dollars at December 31, 2017 exchange rates, had net notional amounts totaling \$90.1 million. The Company continuously monitors these forward exchange contracts and adjusts accordingly to minimize the exposure.

The Company also enters into forward exchange contracts to hedge certain other anticipated foreign currency transactions. The purpose of these contracts is to protect the Company from the risk that the eventual functional currency cash flows resulting from anticipated foreign currency transactions will be adversely affected by changes in exchange rates.

During the years ended December 31, 2017 and 2016, there were no amounts reclassified to earnings in connection with forecasted transactions that were no longer considered probable of 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 during the years ended December 31, 2017 and 2016.

**Foreign Exchange Rates Contractual Amount by Expected
Maturity-Average Contractual Exchange Rate**

<i>In millions</i>	December 31, 2017	
	Contract Amount	Fair Value
FORWARD EXCHANGE AGREEMENTS:		
Receive \$US/Pay Yen	\$ 16.0	\$ 0.2
Weighted average contractual exchange rate	110.19	
Receive \$US/Pay Euro	\$ 30.7	\$ (0.4)
Weighted average contractual exchange rate	1.20	
Receive \$US/Pay GBP	\$ 19.4	\$ (0.3)
Weighted average contractual exchange rate	1.34	

Natural Gas Contracts

The Company has hedged a portion of its expected natural gas usage for 2018. The carrying amount and fair value of the natural gas swap contracts is a net liability of \$0.5 million as of December 31, 2017. Such contracts are designated as cash flow hedges and are accounted for by deferring the quarterly change in fair value of the outstanding contracts in Accumulated Other Comprehensive (Loss), Income in Shareholders' Equity. The resulting gain or loss is reclassified into Cost of Sales concurrently with the recognition of the commodity consumed. The ineffective portion of the swap contracts change in fair value, if any, would be recognized immediately in earnings.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY
DATA*

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GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>In millions, except per share amounts</i>	Year Ended December 31,		
	2017	2016	2015
Net Sales	\$ 4,403.7	\$ 4,298.1	\$ 4,160.2
Cost of Sales	3,684.2	3,506.2	3,371.1
Selling, General and Administrative	342.7	355.7	347.7
Other Expense (Income), Net	3.0	3.1	(7.7)
Business Combinations and Shutdown and Other Special Charges, Net	31.1	37.1	22.0
Income from Operations	342.7	396.0	427.1
Interest Expense, Net	(89.7)	(76.6)	(67.8)
Income before Income Taxes and Equity Income of Unconsolidated Entity	253.0	319.4	359.3
Income Tax Benefit (Expense)	45.5	(93.2)	(130.4)
Income before Equity Income of Unconsolidated Entity	298.5	226.2	228.9
Equity Income of Unconsolidated Entity	1.7	1.8	1.2
Net Income	\$ 300.2	\$ 228.0	\$ 230.1
Net Income Per Share — Basic	\$ 0.97	\$ 0.71	\$ 0.70
Net Income Per Share — Diluted	\$ 0.96	\$ 0.71	\$ 0.70

The accompanying notes are an integral part of the consolidated financial statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

<i>In millions</i>	Year Ended December 31,		
	2017	2016	2015
Net Income	\$ 300.2	\$ 228.0	\$ 230.1
Other Comprehensive Income (Loss), Net of Tax:			
Derivative Instruments	(4.9)	13.0	(0.7)
Pension and Postretirement Benefit Plans	8.8	4.0	26.8
Currency Translation Adjustment	44.9	(58.9)	(37.2)
Total Other Comprehensive Income (Loss), Net of Tax	48.8	(41.9)	(11.1)
Total Comprehensive Income	\$ 349.0	\$ 186.1	\$ 219.0

The accompanying notes are an integral part of the consolidated financial statements.

**GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS**

<i>In millions, except share and per share amounts</i>	December 31,	
	2017	2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 67.4	\$ 59.1
Receivables, Net	422.8	426.8
Inventories, Net	634.0	582.9
Other Current Assets	45.7	46.1
Total Current Assets	1,169.9	1,114.9
Property, Plant and Equipment, Net	1,867.2	1,751.9
Goodwill	1,323.0	1,260.3
Intangible Assets, Net	436.5	445.3
Other Assets	66.4	31.0
Total Assets	\$ 4,863.0	\$ 4,603.4
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	\$ 61.3	\$ 63.4
Accounts Payable	516.5	466.5
Compensation and Employee Benefits	113.4	107.3
Interest Payable	14.9	15.4
Other Accrued Liabilities	145.3	127.2
Total Current Liabilities	851.4	779.8
Long-Term Debt	2,213.2	2,088.5
Deferred Income Tax Liabilities	321.8	408.0
Accrued Pension and Postretirement Benefits	80.0	202.5
Other Noncurrent Liabilities	104.7	68.1
Commitments and Contingencies (Note 12)		
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; 309,715,624 and 313,533,785 shares issued and outstanding at December 31, 2017 and December 31, 2016, respectively	3.1	3.1
Capital in Excess of Par Value	1,683.6	1,709.0
Accumulated Deficit	(56.0)	(268.0)
Accumulated Other Comprehensive Loss	(338.8)	(387.6)
Total Shareholders' Equity	1,291.9	1,056.5
Total Liabilities and Shareholders' Equity	\$ 4,863.0	\$ 4,603.4

The accompanying notes are an integral part of the consolidated financial statements.

**GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

<i>In millions, except share amounts</i>	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
	Shares	Amount				
Balances at December 31, 2014	327,044,500	\$ 3.3	\$ 1,796.5	\$ (452.9)	\$ (334.6)	\$ 1,012.3
Net Income	—	—	—	230.1	—	230.1
Other Comprehensive Income (Loss), Net of Tax:						
Derivative Instruments	—	—	—	—	(0.7)	(0.7)
Pension and Postretirement Benefit Plans	—	—	—	—	26.8	26.8
Currency Translation Adjustment	—	—	—	—	(37.2)	(37.2)
Repurchase of Common Stock	(4,625,211)	(0.1)	(24.4)	(38.5)	—	(63.0)
Dividends Declared	—	—	—	(65.5)	—	(65.5)
Recognition of Stock-Based Compensation	—	—	(1.1)	—	—	(1.1)
Issuance of Shares for Stock-Based Awards	2,269,428	—	—	—	—	—
Balances at December 31, 2015	324,688,717	\$ 3.2	\$ 1,771.0	\$ (326.8)	\$ (345.7)	\$ 1,101.7
Net Income	—	—	—	228.0	—	228.0
Other Comprehensive Income (Loss), Net of Tax:						
Derivative Instruments	—	—	—	—	13.0	13.0
Pension and Postretirement Benefit Plans	—	—	—	—	4.0	4.0
Currency Translation Adjustment	—	—	—	—	(58.9)	(58.9)
Repurchase of Common Stock ^(a)	(13,202,425)	(0.1)	(71.2)	(97.5)	—	(168.8)
Dividends Declared	—	—	—	(71.7)	—	(71.7)
Recognition of Stock-Based Compensation	—	—	9.2	—	—	9.2
Issuance of Shares for Stock-Based Awards	1,659,493	—	—	—	—	—
Balances at December 31, 2016	313,145,785	\$ 3.1	\$ 1,709.0	\$ (268.0)	\$ (387.6)	\$ 1,056.5
Net Income	—	—	—	300.2	—	300.2
Other Comprehensive Income (Loss), Net of Tax:						
Derivative Instruments	—	—	—	—	(4.9)	(4.9)
Pension and Postretirement Benefit Plans	—	—	—	—	8.8	8.8
Currency Translation Adjustment	—	—	—	—	44.9	44.9
Repurchase of Common Stock	(4,462,263)	—	(24.2)	(34.2)	—	(58.4)
Dividends Declared	—	—	—	(93.1)	—	(93.1)
Pre-2017 Excess Tax Benefit related to Share-Based Payments	—	—	—	39.1	—	39.1
Recognition of Stock-Based Compensation	—	—	(1.2)	—	—	(1.2)
Issuance of Shares for Stock-Based Awards	1,032,102	—	—	—	—	—
Balances at December 31, 2017	309,715,624	\$ 3.1	\$ 1,683.6	\$ (56.0)	\$ (338.8)	\$ 1,291.9

^(a) Includes 388,000 shares repurchased but not settled as of December 31, 2016.

The accompanying notes are an integral part of the consolidated financial statements.

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In millions</i>	Year Ended December 31,		
	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 300.2	\$ 228.0	\$ 230.1
Non-cash Items Included in Net Income:			
Depreciation and Amortization	330.3	299.3	280.5
Amortization of Deferred Debt Issuance Costs	5.1	4.8	4.1
Deferred Income Taxes	(54.0)	76.7	110.0
Amount of Postretirement Expense Less Than Funding	(127.1)	(31.3)	(39.4)
(Gain) Loss on the Sale of Assets, net	(3.7)	—	1.9
Other, Net	2.0	25.4	21.0
Changes in Operating Assets and Liabilities, Net of Acquisitions (See Note 3)	63.4	38.5	(19.0)
Net Cash Provided by Operating Activities	516.2	641.4	589.2
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Spending	(240.9)	(278.6)	(228.9)
Packaging Machinery Spending	(19.2)	(16.0)	(15.2)
Acquisition of Businesses, Net of Cash Acquired	(189.4)	(332.7)	(163.2)
Proceeds Received from Sale of Assets, Net of Selling Costs	7.9	—	—
Other, Net	1.0	(5.2)	7.5
Net Cash Used in Investing Activities	(440.6)	(632.5)	(399.8)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repurchase of Common Stock	(62.1)	(164.9)	(63.0)
Payments on Debt	(25.0)	(25.0)	(25.0)
Proceeds from Issuance of Debt	—	300.0	—
Borrowings under Revolving Credit Facilities	1,202.9	1,200.0	903.0
Payments on Revolving Credit Facilities	(1,090.8)	(1,235.8)	(953.8)
Debt Issuance Costs	—	(5.3)	—
Repurchase of Common Stock related to Share-Based Payments	(10.2)	(11.3)	(21.5)
Dividends Paid	(93.4)	(64.4)	(49.3)
Other, Net	8.8	3.6	(1.3)
Net Cash Used In Financing Activities	(69.8)	(3.1)	(210.9)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2.5	(1.6)	(5.2)
Net (Decrease) Increase in Cash and Cash Equivalents	8.3	4.2	(26.7)
Cash and Cash Equivalents at Beginning of Year	59.1	54.9	81.6
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 67.4	\$ 59.1	\$ 54.9

The accompanying notes are an integral part of the consolidated financial statements.

**GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

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 (“CUK”) and coated-recycled paperboard (“CRB”).

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 quality and service.

In preparation for the combination of the Company's existing businesses with the North America Consumer Packaging business of International Paper Company (“IP”) as described in Note 19 - Subsequent Events, on December 29, 2017, Graphic Packaging International, Inc., the primary operating subsidiary of GPHC, underwent a statutory conversion and became a Delaware limited liability company. As a result, Graphic Packaging International, Inc.'s name changed to Graphic Packaging International, LLC (“GPI”). When used herein, GPI refers to Graphic Packaging International, Inc. prior to December 29, 2017 and Graphic Packaging International, LLC after such date. As of December 29, 2017, GPI was wholly owned by Graphic Packaging International Partners, LLC, which was in turn wholly-owned by GPI Holding III, LLC, a limited liability company that is classified as a partnership for U.S. Federal income tax purposes. GPI Holding III, LLC is a wholly-owned indirect subsidiary of GPHC.

GPHC conducts no significant business and has no independent assets or operations other than its ownership of all of GPI's membership interest.

Basis of Presentation and Principles of Consolidation

The Company’s 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. Certain reclassifications have been made to prior year amounts to conform to current year presentation.

The Company holds a 50% ownership interest in a joint venture called Rengo Riverwood Packaging, Ltd. (in Japan) which is accounted for using the equity method.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“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 periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, pension benefits, retained insurable risks, slow-moving and obsolete inventory, allowance for doubtful accounts, useful lives for depreciation and amortization, impairment testing of goodwill and long-term assets, fair values related to acquisition accounting, fair value of derivative financial instruments, deferred income tax assets and potential income tax assessments, and loss contingencies.

Cash and Cash Equivalents

Cash and cash equivalents include time deposits, certificates of deposit and other marketable securities with original maturities of three months or less.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Accounts Receivable and Allowances

Accounts receivable are stated at the amount owed by the customer, net of an allowance for estimated uncollectible accounts, returns and allowances, and cash discounts. The allowance for doubtful accounts is estimated based on historical experience, current economic conditions and the credit worthiness of customers. Receivables are charged to the allowance when determined to be no longer collectible.

The Company has entered into agreements for the purchasing and servicing of receivables to sell, on a revolving basis, certain trade accounts receivable to third party financial institutions. 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" or "ASC"). During 2017, the Company sold and derecognized \$1.8 billion of receivables, collected \$1.6 billion on behalf of the financial institutions, and received funding of approximately \$134 million by the financial institutions, resulting in deferred proceeds of approximately \$102 million as of December 31, 2017. During 2016, the Company sold and derecognized \$1.3 billion of receivables, collected approximately \$1.2 billion on behalf of the financial institutions, and received funding of approximately \$116 million by the financial institutions, resulting in deferred proceeds of approximately \$31 million as of December 31, 2016. Cash proceeds related to the sales are included in cash from operating activities on the 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 Consolidated Statement of Operations.

The Company has also entered into various factoring and supply chain financing arrangements which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the years ended December 31, 2017 and 2016, the Company sold receivables of approximately \$64 million and \$66 million respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, were approximately \$583 million and \$376 million as of December 31, 2017 and 2016, respectively.

Concentration of Credit Risk

The Company's cash, cash equivalents, and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are placed with financial institutions that management believes are of high credit quality. Accounts receivable are derived from revenue earned from customers located in the U.S. and internationally and generally do not require collateral. As of and for the years ended December 31, 2017 and 2016, no customer accounted for more than 10% of net sales.

Inventories

Inventories are stated at the lower of cost and net realizable value with cost determined principally by the first-in, first-out ("FIFO") basis. Average cost basis is used to determine the cost of supply inventories and certain raw materials. Raw materials and consumables used in the production process such as wood chips and chemicals are valued at purchase cost on a FIFO basis upon receipt. Work in progress and finished goods inventories are valued at the cost of raw material consumed plus direct manufacturing costs (such as labor, utilities and supplies) as incurred and an applicable portion of manufacturing overhead. Inventories are stated net of an allowance for slow-moving and obsolete inventory.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Betterments, renewals and extraordinary repairs that extend the life of the asset are capitalized; other repairs and maintenance charges are expensed as incurred. The Company's cost and related accumulated depreciation applicable to assets retired or sold are removed from the accounts and the gain or loss on disposition is included in income from operations.

Interest is capitalized on assets under construction for one year or longer with an estimated spending of \$1.0 million or more. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Capitalized interest was \$1.2 million, \$1.3 million and \$0.8 million for the years ended December 31, 2017, 2016 and 2015, respectively.

The Company assesses its long-lived assets, including certain identifiable intangibles, for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. To analyze recoverability, the Company

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

projects future cash flows, undiscounted and before interest, over the remaining life of such assets. If these projected cash flows are less than the carrying amount, an impairment would be recognized, resulting in a write-down of assets with a corresponding charge to earnings. The impairment loss is measured based upon the difference between the carrying amount and the fair value of the assets. The Company assesses the appropriateness of the useful life of its long-lived assets periodically.

Depreciation and Amortization

Depreciation is computed using the straight-line method based on the following estimated useful lives of the related assets:

Buildings	40 years
Land improvements	15 years
Machinery and equipment	3 to 40 years
Furniture and fixtures	10 years
Automobiles, trucks and tractors	3 to 5 years

Depreciation expense, including the depreciation expense of assets under capital leases, for 2017, 2016 and 2015 was \$268.5 million, \$240.0 million and \$227.6 million, respectively.

Intangible assets with a determinable life are amortized on a straight-line or accelerated basis over their useful lives. The amortization expense for each intangible asset is recorded in the Consolidated Statements of Operations according to the nature of that asset.

Goodwill is the Company's only intangible asset not subject to amortization. The following table displays the intangible assets that continue to be subject to amortization and accumulated amortization expense as of December 31, 2017 and 2016:

<i>In millions</i>	December 31, 2017			December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable Intangible Assets:						
Customer Relationships	\$ 786.9	\$ (377.2)	\$ 409.7	\$ 736.0	\$ (321.0)	\$ 415.0
Patents, Trademarks, Licenses, and Leases	130.2	(103.4)	26.8	125.1	(94.8)	30.3
Total	\$ 917.1	\$ (480.6)	\$ 436.5	\$ 861.1	\$ (415.8)	\$ 445.3

The Company recorded amortization expense for the years ended December 31, 2017, 2016 and 2015 of \$61.8 million, \$59.3 million and \$52.9 million, respectively. The Company expects amortization expense for the next five consecutive years to be as follows: \$62 million, \$60 million, \$54 million, \$50 million, and \$45 million.

Goodwill

The Company tests goodwill for impairment annually as of October 1, as well as whenever events or changes in circumstances suggest that the estimated fair value of a reporting unit may no longer exceed its carrying amount.

The Company tests goodwill for impairment at the reporting unit level, which is an operating segment or a level below an operating segment, which is referred to as a component. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and management regularly reviews the operating results of that component. However, two or more components of an operating segment are aggregated and deemed a single reporting unit if the components have similar economic characteristics.

Potential goodwill impairment is measured at the reporting unit level by comparing the reporting unit's carrying amount (including goodwill), to the fair value of the reporting unit. When performing the quantitative analysis, the estimated fair value of each reporting unit is determined by utilizing a discounted cash flow analysis based on the Company's forecasts, discounted using a weighted average cost of capital and market indicators of terminal year cash flows based upon a multiple of EBITDA.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

If the carrying amount of a reporting unit exceeds its estimated fair value, goodwill is considered potentially impaired. In determining fair value, management relies on and considers a number of factors, including but not limited to, operating results, business plans, economic projections, forecasts including future cash flows, and market data and analysis, including market capitalization. The assumptions used are based on what a hypothetical market participant would use in estimating fair value. Fair value determinations are sensitive to changes in the factors described above. There are inherent uncertainties related to these factors and judgments in applying them to the analysis of goodwill impairment.

Periodically, the Company may perform a qualitative impairment analysis of goodwill associated with each of its reporting units to determine if it is more likely than not that the carrying value of a reporting unit exceeded its fair value. As a result of its testing of goodwill as of October 1, 2017, the Company concluded goodwill was not impaired.

The following is a rollforward of goodwill by reportable segment:

<i>In millions</i>	Paperboard Mills	Americas Paperboard Packaging	Europe Paperboard Packaging	Corporate/Other ^(a)	Total
Balance at December 31, 2015	\$ 408.5	\$ 698.3	\$ 61.0	\$ —	\$ 1,167.8
Acquisition of Businesses	—	98.8	—	14.1	112.9
Foreign Currency Effects	—	(7.7)	(12.0)	(0.7)	(20.4)
Balance at December 31, 2016	\$ 408.5	\$ 789.4	\$ 49.0	\$ 13.4	\$ 1,260.3
Acquisition of Businesses	—	51.4	6.3	(2.3)	55.4
Reallocation of Goodwill	—	(4.0)	—	4.0	—
Foreign Currency Effects	—	2.2	4.2	0.9	7.3
Balance at December 31, 2017	\$ 408.5	\$ 839.0	\$ 59.5	\$ 16.0	\$ 1,323.0

^(a) Includes Australia operating segment.

Retained Insurable Risks

It is the Company's policy to self-insure or fund a portion of certain expected losses related to group health benefits and workers' compensation claims. Provisions for expected losses are recorded based on the Company's estimates, on an undiscounted basis, of the aggregate liabilities for known claims and estimated claims incurred but not reported.

Asset Retirement Obligations

Asset retirement obligations are accounted for in accordance with the provisions of the *Asset Retirement and Environmental Obligations* topic of the FASB Codification. A liability and asset are recorded equal to the present value of the estimated costs associated with the retirement of long-lived assets where a legal or contractual obligation exists and the liability can be reasonably estimated. The liability is accreted over time and the asset is depreciated over the remaining life of the asset. Upon settlement of the liability, the Company will recognize a gain or loss for any difference between the settlement amount and the liability recorded. Asset retirement obligations with indeterminate settlement dates are not recorded until such time that a reasonable estimate may be made.

International Currency

The functional currency of the international subsidiaries is the local currency for the country in which the subsidiaries own their primary assets. The translation of the applicable currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using an average exchange rate during the period. Any related translation adjustments are recorded directly to a separate component of Shareholders' Equity, unless there is a sale or substantially complete liquidation of the underlying foreign investments.

The Company pursues a currency hedging program which utilizes derivatives to reduce the impact of foreign currency exchange fluctuations on its consolidated financial results. Under this program, the Company has entered into forward exchange contracts in the normal course of business to hedge certain foreign currency denominated transactions. Realized and unrealized

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

gains and losses on these forward contracts are included in the measurement of the basis of the related foreign currency transaction when recorded.

Revenue Recognition

The Company recognizes revenue when all of the following criteria are met: persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the Company's price to the buyer is fixed or determinable and collectability is reasonably assured. Delivery is not considered to have occurred until the customer takes title and assumes the risks and rewards of ownership.

The timing of revenue recognition is largely dependent on the location of title transfer which is normally either at our plant (shipping point) or upon arrival at our customer's plant (destination). The Company recognizes revenues on its annual and multi-year carton supply contracts as the shipment occurs in accordance with the title transfer discussed above.

Discounts and allowances are comprised of trade allowances and rebates, cash discounts and sales returns. Cash discounts and sales returns are estimated using historical experience. Trade allowances are based on the estimated obligations and historical experience. Customer rebates are determined based on contract terms and are recorded at the time of sale.

Shipping and Handling

The Company includes shipping and handling costs in Cost of Sales.

Research and Development

Research and development costs, which relate primarily to the development and design of new packaging machines and products and are recorded as a component of Selling, General and Administrative expenses, are expensed as incurred. Expenses for the years ended December 31, 2017, 2016 and 2015 were \$14.4 million, \$14.9 million and \$13.8 million, respectively.

Business Combinations and Shutdown and Other Special Charges, Net

The following table summarizes the transactions recorded in Business Combinations and Shutdown and Other Special Charges, Net in the Consolidated Statements of Operations as of December 31:

<i>In millions</i>	2017	2016	2015
Net Charges Associated with Business Combinations	\$ 16.2	\$ 21.2	\$ 14.0
Shutdown and Other Special Charges	18.6	15.9	6.1
(Gain) Loss on Sale of Assets	(3.7)	—	1.9
Total	\$ 31.1	\$ 37.1	\$ 22.0

2017

On December 1, 2017, the Company acquired the assets of Seydaco Packaging Corp. and its affiliates National Carton and Coating Co., and Groupe Ecco Boites Pliantes Ltée (collectively, "Seydaco"), a folding carton producer focused on the foodservice, food, personal care, and household goods markets. The acquisition includes three folding carton facilities located in Mississauga, Ontario, St.-Hyacinthe, Québec, and Xenia, Ohio.

On December 1, 2017, the Company closed its coated recycled paperboard mill in Santa Clara, California. This decision was made as a result of a thorough assessment of the facility's manufacturing capabilities and associated costs in the context of the Company's overall mill operating capabilities and cost structure. The financial impact is reflected in Shutdown and Other Special Charges in the table above.

On October 4, 2017, the Company acquired Norgraft Packaging, S.A., ("Norgraft"), a leading folding carton producer in Spain focused on the food and household goods markets. The acquisition includes two folding carton facilities located in Miliãno and Requejada, Spain.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

On July 10, 2017, the Company acquired substantially all the assets of Carton Craft Corporation and its affiliate Lithocraft, Inc (collectively, "Carton Craft"). The acquisition includes two folding carton facilities located in New Albany, Indiana, focused on the production of paperboard based air filter frames and folding cartons.

The Seydaco, Norgraft, and Carton Craft transactions are referred to collectively as the "2017 Acquisitions." Seydaco and Carton Craft are included in the Americas Paperboard Packaging Segment. Norgraft is included in the Europe Paperboard Packaging Segment.

The Company completed the sale of its Renton, WA facility which was classified as Asset Held for Sale on December 31, 2016. The financial impact is reflected in (Gain) Loss on Sale of Assets in the table above.

2016

On April 29, 2016, the Company acquired Colorpak Limited ("Colorpak"), 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.

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

On February 16, 2016, the Company acquired Walter G. Anderson, Inc., ("WG Anderson") a folding carton manufacturer with a focus on store branded food and consumer product markets. WG Anderson operates two sheet-fed folding carton 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 facilities located in Monterrey, Mexico and Tijuana, Mexico that service the food, beverage and consumer product markets.

2015

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

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

On January 2, 2015, the Company acquired Rose City Printing and Packaging Inc. ("Rose City"). Rose City services food and beverage markets and operates two folding carton facilities located in Gresham, OR and Vancouver, WA.

As also disclosed in Note 1 - Nature of Business and Summary of Significant Accounting Policies, the Company acquired Rose City, Cascades and Carded and are included in the Americas Paperboard Packaging Segment.

Charges associated with all acquisitions are included in Net Charges Associated with Business Combinations in the table above. For more information regarding these acquisitions see Note 4 - Acquisitions.

Capital Allocation Plan

On January 10, 2017, the Company's board of directors authorized an additional share repurchase program to allow the Company to repurchase 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 "2017 share repurchase program"). The original \$250 million share repurchase program was authorized on February 4, 2015 (the "2015 share repurchase program").

During 2017, the Company repurchased 4.5 million shares, or approximately \$58 million, of its common stock at an average price of \$13.08, including 1.4 million shares repurchased under the 2015 share repurchase program thereby completing that program. During 2016, the Company repurchased 13.2 million shares, or approximately \$169 million, of its common stock at

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

an average price of \$12.77. During 2015, the Company repurchased 4.6 million shares, or approximately \$63 million at an average price of \$13.60.

At December 31, 2017, the Company had approximately \$210 million remaining under the 2017 share repurchase program.

During 2017 and 2016, the Company paid cash dividends of \$93.4 million and \$64.4 million, respectively.

Adoption of New Accounting Standards

Effective January 1, 2017 the Company adopted Accounting Standards Update ("ASU") No. 2016-09, *Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, which simplifies the accounting for income taxes, among other changes, related to stock-based compensation. In the first quarter of 2017, the Company recorded a discrete benefit of approximately \$2 million related to the excess benefit associated with share based payments to employees. The remaining \$39 million of previously unrecognized excess tax benefits, which were prohibited from recognition due to net operating loss carryforwards, were recognized in accumulated deficit. The Company is continuing its practice of estimating forfeitures and recording cash paid for withholding taxes as a financing activity.

Effective January 1, 2017 the Company adopted ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. This amendment replaced the method of measuring inventories at lower of cost or market with a lower of cost and net realizable value method. The adoption had no impact on the Company's financial position, results of operations and cash flows.

Accounting Standards Not Yet Adopted

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments in this ASU better align the risk management activities and financial reporting for these hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and presentation of hedge results. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Company does not expect the adoption of this standard to have a material impact on the Company's financial position, results of operations and cash flows.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting*. The amendments in this ASU provide guidance that clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. If the value, vesting conditions or classification of the award changes, modification accounting will apply. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company does not expect the adoption of this standard to have a material impact on the Company's financial position, results of operations and cash flows.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The amendments to this ASU require the service cost component of net periodic benefit cost be reported in the same income statement line or lines as other compensation costs for employees. The other components of net periodic benefit cost are required to be reported separately from service costs and outside a subtotal of income from operations. Only the service cost component is eligible for capitalization. The guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendments should be applied retrospectively for the income statement presentations and prospectively for the capitalization of service costs. The Company does not expect the adoption of this standard to have a material impact on the Company's financial position, results of operations and cash flows.

In January 2017, the FASB issued ASU No. 2017-04 *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* which simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 of the goodwill impairment model. Step 2 measures a goodwill impairment loss by comparing the implied value of a reporting unit's goodwill with the carrying amount of that goodwill. An entity would recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value; however, the loss recognized is limited to the amount of goodwill allocated to that reporting unit. The guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for any impairment tests performed after January 1, 2017.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805); Clarifying the Definition of a Business*. The amendments in this ASU provide guidance in evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill and consolidation. The amendments are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, and will be applied prospectively.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. This ASU provides guidance to clarify how certain cash receipts and payments should be presented in the statement of cash flows. The guidance is effective for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. Early adoption is permitted. The updated guidance requires a retrospective adoption method. The Company is evaluating the impact of adoption of this standard on the Company's statement of cash flows.

In February 2016, the FASB issued ASU No. 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, including interim periods within those fiscal 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 May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. 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, and can be applied using a full retrospective or modified retrospective approach. The Company is adopting this standard in the first quarter of fiscal 2018 and will use the modified retrospective approach. The Company formed an implementation team including representatives from finance, sales, and legal to assist in the assessment and implementation of this standard. The Company considered whether the adoption may require acceleration of revenue for products produced by the Company without an alternative use and when the Company would have a legally enforceable right of payment. Based on the Company's contract review, relevant laws, and other procedures, the Company concluded an enforceable right of payment does not exist because the Company is only entitled to cost for unclaimed cartons should a customer terminate without cause; therefore acceleration of revenue is not required. The Company is continuing its evaluation of all other aspects of the standard, and currently does not believe the adoption of the standard will have a material impact on the Company's financial position, results of operations and cash flows.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 2. SUPPLEMENTAL BALANCE SHEET DATA

The following tables provide disclosure related to the components of certain line items included in our consolidated balance sheets.

Receivables, Net:

<i>In millions</i>	2017	2016
Trade	\$ 279.2	\$ 370.0
Less: Allowance	(7.2)	(6.7)
	272.0	363.3
Other ^(a)	150.8	63.5
Total	\$ 422.8	\$ 426.8

^(a) Includes a receivable of approximately \$102 million and \$31 million for 2017 and 2016, respectively, from the financial institution under the purchasing and servicing of receivables agreements, which is a Level 3 fair value measurement.

Inventories, Net by major class:

<i>In millions</i>	2017	2016
Finished Goods	\$ 240.5	\$ 238.3
Work in Progress	74.1	73.5
Raw Materials	229.4	187.2
Supplies	90.0	83.9
Total	\$ 634.0	\$ 582.9

Other Current Assets:

<i>In millions</i>	2017	2016
Prepaid Assets	\$ 34.3	\$ 34.1
Assets Held for Sale	10.2	5.0
Fair Value of Derivatives, current portion	1.2	7.0
Total	\$ 45.7	\$ 46.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Property, Plant and Equipment, Net:

<i>In millions</i>	2017	2016
Property, Plant and Equipment, at Cost:		
Land and Improvements	\$ 106.2	\$ 105.9
Buildings	431.9	404.1
Machinery and Equipment ^(a)	4,384.5	4,137.0
Construction-in-Progress	151.0	106.4
	5,073.6	4,753.4
Less: Accumulated Depreciation ^(a)	(3,206.4)	(3,001.5)
Total	\$ 1,867.2	\$ 1,751.9

^(a) Includes gross assets under capital lease of \$39.7 million and related accumulated depreciation of \$7.4 million as of December 31, 2017 and gross assets under capital lease of \$25.6 million and related accumulated depreciation of \$5.0 million as of December 31, 2016.

Other Assets:

<i>In millions</i>	2017	2016
Deferred Debt Issuance Costs, Net of Amortization of \$10.9 million and \$9.3 million for 2017 and 2016, respectively	\$ 2.9	\$ 4.5
Deferred Income Tax Assets	6.8	3.2
Pension Assets	20.4	3.0
Fair Value of Derivatives, noncurrent portion	—	0.7
Other	36.3	19.6
Total	\$ 66.4	\$ 31.0

Other Accrued Liabilities:

<i>In millions</i>	2017	2016
Dividends Payable	\$ 23.3	\$ 23.6
Deferred Revenue	11.6	11.4
Accrued Customer Rebates	15.5	8.0
Fair Value of Derivatives, current portion	1.2	0.8
Other Accrued Taxes	29.8	22.3
Accrued Payables	25.7	10.8
Other	38.2	50.3
Total	\$ 145.3	\$ 127.2

Other Noncurrent Liabilities:

<i>In millions</i>	2017	2016
Deferred Revenue	\$ 6.6	\$ 6.7
Multi-employer Plans	29.0	30.4
Workers Compensation Reserve	10.9	10.7
Accrued Build-to-Suit Obligation	35.8	—
Other	22.4	20.3
Total	\$ 104.7	\$ 68.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 3. SUPPLEMENTAL CASH FLOW INFORMATION

Cash Flow Provided by (Used In) Operations Due to Changes in Operating Assets and Liabilities, net of acquisitions:

<i>In millions</i>	2017	2016	2015
Receivables, Net	\$ 49.9	\$ 25.5	\$ (1.5)
Inventories, Net	(6.5)	10.5	(19.7)
Prepaid Expenses	0.8	(1.2)	0.1
Other Assets	(32.8)	8.5	(12.4)
Accounts Payable	27.0	4.3	12.7
Compensation and Employee Benefits	3.5	(21.7)	(1.9)
Income Taxes	2.3	1.7	0.9
Interest Payable	(1.7)	5.0	(1.1)
Other Accrued Liabilities	6.7	12.8	(3.9)
Other Noncurrent Liabilities	14.2	(6.9)	7.8
Total	\$ 63.4	\$ 38.5	\$ (19.0)

Cash paid for interest and cash paid, net of refunds, for income taxes was as follows:

<i>In millions</i>	2017	2016	2015
Interest	\$ 81.8	\$ 64.9	\$ 60.9
Income Taxes	\$ 15.9	\$ 14.5	\$ 11.2

NOTE 4. ACQUISITIONS

As disclosed in Note 1 - Nature of Business and Summary of Significant Accounting Policies, the Company acquired Seydaco, Norgraft and Carton Craft which are referred to collectively as the "2017 Acquisitions." Seydaco and Carton Craft are included in the Americas Paperboard Packaging segment. Norgraft is included in the Europe Paperboard Packaging Segment.

The Company paid approximately \$189 million, net of cash acquired, for the 2017 Acquisitions using existing cash and borrowings under its revolving line of credit, and assumed debt of approximately \$14 million. The acquisition accounting for the 2017 Acquisitions is preliminarily 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 expand its product offering, integrate paperboard from the Company's mills and to further optimize the Company's supply chain footprint.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company expects that the goodwill related to Seydaco and Carton Craft will be deductible for tax purposes. The preliminary acquisition accounting for the 2017 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	\$	191.0	\$	1.5	\$	192.5
Assumed Debt		14.0		—		14.0
Total Purchase Consideration	\$	205.0	\$	1.5	\$	206.5
Cash and Cash Equivalents	\$	3.1	\$	—	\$	3.1
Receivables, Net		25.9		—		25.9
Inventories, Net		29.9		1.1		31.0
Property, Plant and Equipment, Net		32.6		21.9		54.5
Intangible Assets, Net ^(a)		—		43.3		43.3
Other Assets		0.5		—		0.5
Total Assets Acquired		92.0		66.3		158.3
Current Liabilities		3.7		—		3.7
Pension and Postretirement Benefits		0.5		—		0.5
Deferred Tax Liabilities		—		4.6		4.6
Other Noncurrent Liabilities		0.7		—		0.7
Total Liabilities Assumed		4.9		4.6		9.5
Net Assets Acquired		87.1		61.7		148.8
Goodwill		117.9		(60.2)		57.7
Total Estimated Fair Value of Net Assets Acquired	\$	205.0	\$	1.5	\$	206.5

^(a) The weighted average life of Intangibles, Net, is 18 years. The Intangible Assets, Net were valued using the income approach and are a Level 3 fair value measurement.

During 2017, Net Sales and Income from Operations for the 2017 Acquisitions were \$44.5 million and \$1.5 million, respectively.

As also disclosed in Note 1 - Nature of Business and Summary of Significant Accounting Policies, during 2016, the Company acquired Colorpak, Metro, WG Anderson and G-Box for approximately \$333 million. The acquisitions are referred to collectively as the "2016 Acquisitions" and the acquisition accounting has been finalized.

NOTE 5. DEBT

Short-Term Debt is comprised of the following:

<i>In millions</i>	2017		2016	
Short Term Borrowings	\$	9.1	\$	37.1
Current Portion of Capital Lease Obligations		2.2		1.3
Current Portion of Long-Term Debt		50.0		25.0
Total	\$	61.3	\$	63.4

Short-term borrowings are principally at the Company's international subsidiaries. The weighted average interest rate on short-term borrowings as of December 31, 2017 and 2016 was 6.1% and 3.2%, respectively.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Long-Term Debt is comprised of the following:

<i>In millions</i>	2017	2016
Senior Notes with interest payable semi-annually at 4.125%, effective rate of 4.19%, payable in 2024	\$ 300.0	\$ 300.0
Senior Notes with interest payable semi-annually at 4.875%, effective rate of 4.93%, payable in 2022	250.0	250.0
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.78%, payable in 2021	425.0	425.0
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (2.84% at December 31, 2017) payable through 2019	925.0	950.0
Senior Secured Revolving Credit Facilities with interest payable at floating rates (2.55% at December 31, 2017) payable in 2019	319.0	184.8
Capital Lease Obligations	30.0	17.9
Other	28.9	3.0
Total Long-Term Debt	2,277.9	2,130.7
Less: Current Portion	52.2	26.3
	2,225.7	2,104.4
Less: Unamortized Deferred Debt Issuance Costs	12.5	15.9
Total	\$ 2,213.2	\$ 2,088.5

Long-Term Debt maturities (excluding capital leases) are as follows:

<i>In millions</i>	
2018	\$ 50.0
2019	1,194.8
2020	20.7
2021	425.4
2022	250.6
After 2022	306.4
Total	\$ 2,247.9

Senior Notes

During August 2016, the Company completed the issuance and sale of \$300 million aggregate principal amount of 4.125% Notes due 2024. In connection with the new notes, the Company recorded deferred financing cost of approximately \$5.4 million.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Credit Facilities

The following describes the Senior Secured Term Loan and Revolving Credit Facilities:

Date	Document ^{(a)(b)}	Provision	Expiration
March 2012	Amended and Restated Credit Agreement	•\$1.0 billion revolving credit facility •\$1.0 billion amortizing term loan facility •LIBOR plus variable spread(between 175 basis points and 275 basis points) depending on consolidated total leverage ratio	March 2017
December 2012	Amendment No. 1 to Credit Agreement	•\$300 million incremental term loan	March 2017
September 2013	Amendment No. 2 to Credit Agreement	•Added €75 million (approximately \$100 million) revolving credit facility for borrowings in Euro and Pound Sterling and a ¥2.5 billion (approximately \$25 million) revolving credit facility for borrowings in Yen. LIBOR plus variable spread (between 150 basis points and 250 basis points) depending on consolidated total leverage ratio	September 2018
June 2014	Amendment No. 3 to Credit Agreement	•Increased revolving credit facility under which borrowings can be made in Euros or Sterling by €63 million (approximately \$86 million)	September 2018
October 2014	Second Amended and Restated Credit Agreement	•Increased the domestic revolving credit facility by \$250 million and reduced the term loan by approximately \$169 million. LIBOR plus variable spread (between 125 basis points and 225 basis points) depending on consolidated total leverage ratio	October 2019

^(a) The Company's obligations under the Credit Agreement are secured by substantially all of the Company's domestic assets.

^(b) On January 1, 2018, the Company entered into a Third Amended and Restated Credit Agreement that increased the commitment and drawn balance of the domestic revolving credit facility by \$200 million and reduced the term loan by \$125 million. The rate is LIBOR plus variable spread (between 125 basis points and 200 basis points) depending on consolidated total leverage ratio. The maturity date has been extended to January 2023. The Third Amended and Restated Credit Agreement was filed as an exhibit to the Company's Form 8-K filed on January 2, 2018. In addition to the Amended and Restated Credit Agreement, the Company assumed debt of \$660.0 million as described in Note 19 - Subsequent Events.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

At December 31, 2017, 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	\$ 218.8	\$ 1,010.6
Senior Secured International Revolving Credit Facilities	188.1	100.2	87.9
Other International Facilities	67.5	38.0	29.5
Total	\$ 1,505.6	\$ 357.0	\$ 1,128.0

^(a) In accordance with its debt agreements, the Company's availability under its Revolving Credit Facility has been reduced by the amount of standby letters of credit issued of \$20.6 million as of December 31, 2017. These letters of credit are primarily used as security against its self-insurance obligations and workers' compensation obligations. These letters of credit expire throughout 2018 unless extended.

The Amended and Restated Credit Agreement, the Term Loan Credit Agreement and the indentures governing the 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022 and 4.125% Senior Notes due 2024, (the "Indentures") limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Credit Agreement and the Indentures may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends and make 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.

As of December 31, 2017, the Company was in compliance with the covenants in the Amended and Restated Credit Agreement, the Term Loan Credit Agreement and the Indentures.

NOTE 6. 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 or 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.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Data concerning RSUs and stock awards granted in the years ended December 31:

	2017		2016		2015
RSUs — Employees	1,547,049		1,891,335		1,751,823
Weighted-average grant date fair value	\$ 13.35	\$	11.20	\$	13.28
Stock Awards — Board of Directors	65,520		59,880		54,120
Weighted-average grant date fair value	\$ 13.43	\$	13.36	\$	14.78

A summary of the changes in the number of unvested RSUs from December 31, 2014 to December 31, 2017 is presented below:

	Shares	Weighted Average Grant Date Fair Value
Outstanding — December 31, 2014	7,613,698	\$ 7.20
Granted	1,751,823	13.28
Released	(3,657,373)	5.45
Forfeited	(268,560)	9.32
Outstanding — December 31, 2015	5,439,588	\$ 10.22
Granted	1,891,335	11.20
Released	(2,596,292)	7.29
Forfeited	(66,956)	12.74
Outstanding — December 31, 2016	4,667,675	\$ 12.21
Granted	1,547,049	13.35
Released	(1,720,327)	10.05
Forfeited	(622,463)	13.13
Outstanding — December 31, 2017	3,871,934	\$ 13.10

The initial value of the RSUs is based on the market value of the Company's common stock on the date of grant. RSUs are recorded in Stockholders' Equity. The unrecognized expense at December 31, 2017 is approximately \$22 million and is expected to be recognized over a weighted average period of 2 years.

The value of stock awards granted to the Company's directors are based on the market value of the Company's common stock on the date of grant. These awards are unrestricted on the date of grant.

During 2017, 2016, and 2015, \$8.9 million, \$20.2 million and \$20.4 million, respectively, were charged to compensation expense for stock incentive plans.

During 2017, 2016, and 2015, RSUs with an aggregate fair value of \$23.2 million, \$32.0 million and \$56.1 million, respectively, vested and were paid out. The RSUs vested and paid out in 2017 were granted primarily during 2014.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 7. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

DEFINED BENEFIT PLANS

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 both noncontributory and contributory and are funded in accordance with applicable local laws. Pension or termination benefits are based primarily on years of service and the employees' compensation.

Currently, the North American plans are closed to newly-hired employees. Effective July 1, 2011, the North American plans were frozen for most salaried and non-union hourly employees and replaced with a defined contribution plan. During 2015, the remaining union plans were closed to newly-hired employees. Also in 2015, the Company assumed defined benefit pension and postretirement benefit plans in the Cascades acquisition. These plans are closed to newly-hired employees. In 2016, the Company assumed a defined benefit plan in the WG Anderson acquisition, which was frozen for all participants on December 31, 2016.

During the fourth quarter of 2017, the Company made an additional \$75 million contribution to its U.S. defined benefit plan. Since this plan is closed and mostly frozen, the Company has hedged a significant portion of the liabilities. This additional contribution will allow the Company to begin the process of settling these liabilities through lump sum payments or the purchase of annuities.

The Company, also in the fourth quarter of 2017, made an additional contribution of \$6.8 million to its U.K. defined benefit plan and will continue de-risking that plan.

During the fourth quarter of 2015, the Company partially settled obligations of certain of its defined benefit pension plans through lump sum payments to certain term-vested employees who were not currently receiving a monthly benefit. Term-vested employees whose future pension benefits were above an established threshold had the option to either accept the lump sum offer or continue to be entitled to their future monthly benefit. The impact of acceptance reduced the projected benefit obligation by \$34.7 million and required cash payments from existing plan assets of \$34.6 million.

During 2015, the Company settled obligations of a defined benefit plan associated with the Brampton, Ontario facility which was closed. The settlements resulted from lump sum payments to plan participants or the purchase of annuities.

Pension and Postretirement Expense

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

<i>In millions</i>	Pension Benefits			Postretirement Benefits		
	Year Ended December 31,					
	2017	2016	2015	2017	2016	2015
Components of Net Periodic Cost:						
Service Cost	\$ 8.2	\$ 10.0	\$ 12.8	\$ 0.8	\$ 0.8	\$ 1.0
Interest Cost	42.6	43.8	54.8	1.3	1.3	1.7
Expected Return on Plan Assets	(64.1)	(61.3)	(74.4)	—	—	—
Amortization:						
Prior Service Cost (Credit)	0.5	0.8	0.7	(0.3)	(0.2)	(0.3)
Actuarial Loss (Gain)	6.5	27.3	19.7	(2.1)	(2.1)	(1.6)
Net Curtailment/Settlement Loss	—	1.0	1.5	—	—	—
Other	0.8	0.8	0.9	—	—	—
Net Periodic (Benefit) Cost	\$ (5.5)	\$ 22.4	\$ 16.0	\$ (0.3)	\$ (0.2)	\$ 0.8

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Certain assumptions used in determining the pension and postretirement expenses were as follows:

	Pension Benefits			Postretirement Benefits		
	Year Ended December 31,					
	2017	2016	2015	2017	2016	2015
Weighted Average Assumptions:						
Discount Rate	4.01%	4.41%	4.02%	4.10%	4.29%	3.95%
Rate of Increase in Future Compensation Levels	1.45%	1.49%	1.45%	—	—	—
Expected Long-Term Rate of Return on Plan Assets	5.79%	5.90%	6.81%	—	—	—
Initial Health Care Cost Trend Rate	—	—	—	7.45 %	7.80%	7.38%
Ultimate Health Care Cost Trend Rate	—	—	—	4.50%	4.50%	4.96%
Ultimate Year	—	—	—	2024	2024	2036

For the largest plan, the actuarial loss is amortized over the average remaining life expectancy period of employees expected to receive benefits.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Funded Status

The following table sets forth the funded status of the Company's pension and postretirement plans as of December 31:

<i>In millions</i>	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
Change in Benefit Obligation:				
Benefit Obligation at Beginning of Year	\$ 1,279.0	\$ 1,239.0	\$ 40.6	\$ 40.8
Service Cost	8.2	10.0	0.8	0.8
Interest Cost	42.6	43.8	1.3	1.3
Actuarial Loss (Gain)	76.4	79.3	(3.4)	(0.7)
Foreign Currency Exchange	22.9	(36.0)	0.1	0.1
Settlement/Curtailment (Gain)	(0.2)	(3.8)	—	0.3
Benefits Paid	(62.7)	(58.4)	(2.2)	(2.1)
Acquisition	—	4.1	—	—
Other	0.9	1.0	0.1	0.1
Benefit Obligation at End of Year	\$ 1,367.1	\$ 1,279.0	\$ 37.3	\$ 40.6
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	\$ 1,115.6	\$ 1,038.9	\$ —	\$ —
Actual Return on Plan Assets	147.1	116.3	—	—
Employer Contributions	119.1	51.4	2.2	2.1
Foreign Currency Exchange	21.6	(34.6)	—	—
Benefits Paid	(62.7)	(58.4)	(2.2)	(2.1)
Acquisition	—	4.8	—	—
Settlements	—	(2.9)	—	—
Other	—	0.1	—	—
Fair Value of Plan Assets at End of Year	\$ 1,340.7	\$ 1,115.6	\$ —	\$ —
Plan Assets Less than Projected Benefit Obligation	\$ (26.4)	\$ (163.4)	\$ (37.3)	\$ (40.6)
Amounts Recognized in the Consolidated Balance Sheets Consist of:				
Pension Assets	\$ 20.4	\$ 3.0	\$ —	\$ —
Accrued Pension and Postretirement Benefits Liability — Current	\$ (1.7)	\$ (1.7)	\$ (2.4)	\$ (2.8)
Accrued Pension and Postretirement Benefits Liability — Noncurrent	\$ (45.1)	\$ (164.7)	\$ (34.9)	\$ (37.8)
Accumulated Other Comprehensive Income:				
Net Actuarial Loss (Gain)	\$ 267.1	\$ 277.8	\$ (20.1)	\$ (18.7)
Prior Service Cost (Credit)	\$ 0.7	\$ 1.3	\$ (0.8)	\$ (1.1)
Weighted Average Calculations:				
Discount Rate	3.49%	4.01%	3.64%	4.10%
Rates of Increase in Future Compensation Levels	2.09%	1.45%	—	—
Initial Health Care Cost Trend Rate	—	—	9.00%	7.45%
Ultimate Health Care Cost Trend Rate	—	—	4.50%	4.50%
Ultimate Year	—	—	2027	2024

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Accumulated Benefit Obligation

The accumulated benefit obligation, (“ABO”), for all defined benefit pension plans was \$1,359.4 million and \$1,270.0 million at December 31, 2017 and 2016, respectively. There are two plans where the ABO and projected benefit obligation (“PBO”) exceed plan assets. The aggregate ABO, PBO and fair value of plan assets for these plans are \$37.4 million, \$38.2 million and \$25.9 million, respectively.

Employer Contributions

The Company made contributions of \$119.1 million and \$51.4 million to its pension plans during 2017 and 2016, respectively. The Company also made postretirement health care benefit payments of \$2.2 million and \$2.1 million during 2017 and 2016, respectively. For 2018, the Company expects to make contributions of \$10 to \$15 million to its pension plans and approximately \$3 million to its postretirement health care plans.

Pension Assets

The Company’s overall investment strategy is to achieve a mix of investments for long-term growth and near-term benefit payments through diversification of asset types, fund strategies and fund managers. Investment risk is measured on an on-going basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews. The plans invest in the following major asset categories: cash, equity securities, fixed income securities, real estate and diversified growth funds. At December 31, 2017 and 2016, pension investments did not include any direct investments in the Company’s stock or the Company’s debt.

The weighted average allocation of plan assets and the target allocation by asset category is as follows:

	Target	2017	2016
Cash	—%	2.4%	1.3%
Equity Securities	46.6	11.2	40.0
Fixed Income Securities	53.4	82.7	53.9
Other Investments	—	3.7	4.8
Total	100.0%	100.0%	100.0%

The plans’ investment in equity securities primarily includes investments in U.S. and international companies of varying sizes and industries. The strategy of these investments is to 1) exceed the return of an appropriate benchmark for such equity classes and 2) through diversification, reduce volatility while enhancing long term real growth.

The plans’ investment in fixed income securities includes government bonds, investment grade bonds and non-investment grade bonds across a broad and diverse issuer base. The strategy of these investments is to provide income and stability and to diversify the fixed income exposure of the plan assets, thereby reducing volatility.

The Company’s approach to developing the expected long-term rate of return on pension plan assets is based on fair values and combines an analysis of historical investment performance by asset class, the Company’s investment guidelines and current and expected economic fundamentals.

In 2016, the Company implemented a de-risking or liability driven investment strategy for its U.S. pension plans. This strategy moved assets from return seeking (equities) to investments that mirror the underlying benefit obligations (fixed income). The allocation of equities and fixed income changed from 45% and 55% at December 31, 2016, to 10% and 90% at December 31, 2017.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following tables set forth, by category and within the fair value hierarchy, the fair value of the Company's pension assets at December 31, 2017 and 2016:

Fair Value Measurements at December 31, 2017				
<i>In millions</i>	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset Category:				
Cash ^(a)	\$ 32.2	\$ 0.3	\$ 31.9	\$ —
Equity Securities:				
Domestic ^(a)	140.5	4.1	136.4	—
Foreign ^(a)	9.1	5.8	3.3	—
Fixed Income Securities ^(a)	1,108.6	16.1	1,092.5	—
Other Investments:				
Real estate	10.4	9.6	—	0.8
Diversified growth fund ^(b)	39.9	—	39.9	—
Total	\$ 1,340.7	\$ 35.9	\$ 1,304.0	\$ 0.8

Fair Value Measurements at December 31, 2016				
<i>In millions</i>	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset Category:				
Cash ^(a)	\$ 14.5	\$ 0.3	\$ 14.2	\$ —
Equity Securities:				
Domestic ^(a)	340.2	68.7	271.5	—
Foreign ^(a)	107.0	55.5	51.5	—
Fixed Income Securities ^(a)	600.8	194.6	406.2	—
Other Investments:				
Real estate	14.8	14.8	—	—
Diversified growth fund ^(b)	38.3	—	38.3	—
Total	\$ 1,115.6	\$ 333.9	\$ 781.7	\$ —

^(a) The Level 2 investments are held in pooled funds and fair value is determined by net asset value, based on the underlying investments, as reported on the valuation date.

^(b) The fund invests in a combination of traditional investments (equities, bonds, and foreign exchange), seeking to achieve returns through active asset allocation over three to five year horizon.

A reconciliation of fair value measurements of plan assets using significant unobservable inputs (Level 3) is as follows:

<i>In millions</i>	2017	2016
Balance at January 1,	\$ —	\$ 35.9
Transfers (Out) In	0.8	(35.9)
Return on Assets Held at December 31	—	—
Balance at December 31,	\$ 0.8	\$ —

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Postretirement Health Care Trend Rate Sensitivity

Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects on 2017 data:

<i>In millions</i>	One Percentage Point	
	Increase	Decrease
Health Care Cost Trend Rate Sensitivity:		
Effect on Total Interest and Service Cost Components	\$ 0.1	\$ (0.1)
Effect on Year-End Postretirement Benefit Obligation	\$ 1.9	\$ (1.6)

Estimated Future Benefit Payments

The following represents the Company's estimated future pension and postretirement health care benefit payments through the year 2027:

<i>In millions</i>	Pension Plans	Postretirement Health Care Benefits
2018	\$ 67.1	\$ 2.4
2019	69.1	2.4
2020	71.7	2.7
2021	74.4	2.7
2022	76.7	2.9
2023— 2027	405.2	13.4

Amounts in Accumulated Other Comprehensive Loss Expected to Be Recognized in Net Periodic Benefit Costs in 2018

During 2018, amounts recorded in Accumulated Other Comprehensive Loss expected to be recognized in Net Periodic Benefit Costs are as follows:

<i>In millions</i>	Pension Benefits	Postretirement Health Care Benefits
Recognition of Prior Service Cost	\$ 0.4	\$ (0.3)
Recognition of Actuarial Loss (Gain)	5.6	(1.8)

Multi-Employer Plans

Certain of the Company's employees participate in multi-employer plans that provide both pension and other postretirement health care benefits to employees under union-employer organization agreements. Expense related to ongoing participation in these plans for the years ended December 31, 2017 and 2016 was \$2.3 million and \$2.7 million, respectively.

Estimated liabilities have been established related to the partial or complete withdrawal from certain multi-employment benefit plans for facilities which have been closed. At December 31, 2017, and December 31, 2016, the Company has \$29.0 million and \$30.4 million, respectively, recorded in Other Noncurrent Liabilities for these withdrawal liabilities which represents the Company's best estimate of the expected withdrawal liability.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company's remaining participation in multi-employer pension plans consists of contributions to three plans under the terms contained in collective bargaining agreements. The risks of participating in these multi-employer plans are different from single-employer plans in the following ways:

- a. Assets contributed to the multi-employers plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligation of the plan may be borne by the remaining participating employers.
- c. If a company chooses to stop participating in a multi-employer plan, a company may be required to pay that plan an amount based on the underfunded status of the plan, referred to as the withdrawal liability.

The Company's participation in these plans for the year ended December 31, 2017, 2016 and 2015 is shown in the table below:

Multi-employer Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Implemented	Company Contributions (in millions)			Surcharge Imposed	Expiration Date of Bargaining Agreement
		2017	2016		2017	2016	2015		
Central States Southeast and Southwest Areas Pension Fund	36-6044243/001	Red	Red	Yes	\$ 0.1	\$ 0.1	\$ 0.1	Yes	7/31/2018
PACE Industry Union - Management Pension Fund ^(a)	11-6166763/001	Red	Red	Yes	0.1	0.1	—	Yes	6/15/2018
Western Conference of Teamsters Pension Trust - Northwest Area ^(b)	91-6145047/001	Green	Green	No	—	—	0.1	No	4/30/2017
Graphic Communications Conference of International Brotherhood of Teamster Pension Fund ^(a)	52-6118568/001	Red	Red	Yes	0.3	0.2	—	Yes	5/01/2019
Total					<u>\$ 0.5</u>	<u>\$ 0.4</u>	<u>\$ 0.2</u>		

^(a) In 2016, the WG Anderson acquisition included facilities with these plans.

^(b) The facility associated with this plan was closed in 2016.

The EIN Number column provides the Employer Identification Number (EIN). Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2017 and 2016 is for the plan's year-end at December 31, 2016 and December 31, 2015, respectively. The zone status is based on information that the Company receives from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Implemented" column indicates plans for which a Financial Improvement Plan (FIP) or Rehabilitation Plan (RP) has been implemented. The Company's share of the contributions to these plans did not exceed 5% of total plan contributions for the most recent plan year.

DEFINED CONTRIBUTION PLANS

The Company provides defined contribution plans for certain eligible employees. The Company's contributions to the plans are based upon employee contributions, a percentage of eligible compensation, and the Company's annual operating results. Contributions to these plans for the years ended December 31, 2017, 2016 and 2015 were \$37.7 million, \$34.7 million and \$29.0 million, respectively.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 8. INCOME TAXES

The U.S. and international components of Income before Income Taxes and Equity Income of Unconsolidated Entity consisted of the following:

<i>In millions</i>	Year Ended December 31,		
	2017	2016	2015
U.S.	\$ 227.5	\$ 290.0	\$ 307.6
International	25.5	29.4	51.7
Income before Income Taxes and Equity Income of Unconsolidated Entity	\$ 253.0	\$ 319.4	\$ 359.3

The provisions for Income Tax Benefit (Expense) on Income before Income Taxes and Equity Income of Unconsolidated Entity consisted of the following:

<i>In millions</i>	Year Ended December 31,		
	2017	2016	2015
Current Benefit (Expense):			
U.S.	\$ 0.7	\$ (5.1)	\$ (7.9)
International	(9.2)	(11.4)	(12.5)
Total Current	\$ (8.5)	\$ (16.5)	\$ (20.4)
Deferred Benefit (Expense):			
U.S.	51.0	(78.8)	(110.6)
International	3.0	2.1	0.6
Total Deferred	\$ 54.0	\$ (76.7)	\$ (110.0)
Income Tax Benefit (Expense)	\$ 45.5	\$ (93.2)	\$ (130.4)

A reconciliation of Income Tax (Expense) Benefit on Income before Income Taxes and Equity Income of Unconsolidated Entity at the federal statutory rate of 35% compared with the Company's actual Income Tax (Expense) Benefit is as follows:

<i>In millions</i>	Year Ended December 31,					
	2017	Percent	2016	Percent	2015	Percent
Income Tax Expense at U.S. Statutory Rate	\$ (88.5)	35.0 %	\$ (111.8)	35.0 %	\$ (125.8)	35.0 %
U.S. State and Local Tax Expense	(8.7)	3.4	(10.0)	3.2	(11.4)	3.2
IRS Agreement	—	—	22.8	(7.2)	—	—
Permanent Items	(2.7)	1.0	(1.3)	0.5	1.7	(0.5)
U.S. Tax Reform	138.0	(54.5)	—	—	—	—
Change in Valuation Allowance due to Tax Reform	(2.0)	0.8	—	—	—	—
Change in Valuation Allowance	(3.5)	1.4	0.5	(0.2)	1.8	(0.5)
International Tax Rate Differences	3.2	(1.3)	1.8	(0.6)	2.4	(0.7)
Foreign Withholding Tax	(0.4)	0.2	(0.2)	0.1	(0.2)	0.1
Change in Tax Rates	(3.0)	1.2	0.2	(0.1)	1.0	(0.3)
U.S. Federal & State Tax Credits	10.2	(4.0)	3.5	(1.1)	5.5	(1.5)
Uncertain Tax Positions	(0.3)	0.1	1.2	(0.4)	(3.7)	1.0
Other	3.2	(1.3)	0.1	—	(1.7)	0.5
Income Tax Benefit (Expense)	\$ 45.5	(18.0)%	\$ (93.2)	29.2 %	\$ (130.4)	36.3 %

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

U.S. Tax Reform

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act reduces the U.S. federal corporate tax rate from 35% to 21%, requires companies to record/pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign sourced earnings. At December 31, 2017, the Company has not completed its accounting for the tax effects of enactment of the Act; however, in certain cases, as described below, the Company has made a reasonable estimate of the effects on its existing deferred tax balances and the one-time transition tax. The Company recognized a provisional net tax benefit of \$136.0 million, which is included as a component of income tax expense from continuing operations.

Provisional Amounts

Deferred tax assets and liabilities: The Company remeasured certain deferred tax assets and liabilities based on the federal rate at which they are expected to reverse in the future, which is generally 21%. The Company also remeasured the state rate at which certain deferred tax assets and liabilities are expected to reverse in the future associated with the reduction in the future federal benefit from state deferred tax assets and liabilities from 35% to 21%. However, the Company is still analyzing certain aspects of the Act and refining its calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts. The provisional amount recorded related to the remeasurement of the Company's deferred tax balance was a tax benefit of \$156.3 million, including the remeasurement of its federal valuation allowance.

Foreign tax effects: The one-time transition tax is based on the Company's total post-1986 earnings and profits ("E&P") that were previously deferred from U.S. income taxes. The Company recorded a provisional amount for the one-time transition tax liability for all of its foreign subsidiaries resulting in an increase in income tax expense of \$20.5 million. The Company has not yet completed its calculation of the total post-1986 E&P for these foreign subsidiaries. Further, the transition tax is based, in part, on the amount of those earnings held in cash and other specified assets. This amount may change when the Company finalizes the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxation and finalize the amounts held in cash or other specified assets.

The Company has not provided for any additional outside basis difference inherent in its foreign subsidiaries, as these amounts continue to be indefinitely reinvested in foreign operations. Determining the amount of unrecognized deferred tax liability related to any additional outside basis difference in these entities is not practicable. In addition, the Company is still evaluating the impact of the one-time transition tax on the outside basis differences and cumulative temporary differences inherent in these subsidiaries as of December 31, 2017 and as a result, it is not practicable to provide the amount of any cumulative temporary differences related to unrecorded differences. The Company has adjusted the existing deferred tax liability it previously recorded associated with the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd. resulting in a provisional income tax benefit of \$1.7 million. The remaining deferred tax liability recorded relates to future withholding tax expense attributable to the remaining outside basis difference.

The Company has not yet made a policy election with respect to its treatment of potential global intangible low-taxed income ("GILTI"). Companies can either account for taxes on GILTI as incurred or recognize deferred taxes when basis differences exist that are expected to affect the amount of the GILTI inclusion upon reversal. The Company is still in the process of analyzing the provisions of the Act associated with GILTI and the expected impact of GILTI on the Company in the future.

State tax effects: As noted above, the Company remeasured certain deferred tax assets and liabilities to account for the reduction in the future federal benefit from state deferred tax assets and liabilities. In addition, the Company reassessed its previous determination of the realizability of certain state deferred tax assets based on whether or not the state's currently enacted legislation adopts the changes made by the Act. As a result of a reduction in projected future taxable income associated with certain state's adoption of federal tax reform, the Company has increased its valuation allowance against certain state deferred tax assets resulting in expense of \$0.9 million.

Other Federal effects: As a result of the Act, the corporate alternative minimum tax ("AMT") was repealed. In addition, taxpayers with AMT credit carryovers in excess of their regular tax liability may have the credits refunded over multiple years from 2018 to 2022. However, AMT transactions, including refunds, are subject to sequestration by the Office of Management Budget. As a result, the Company has reclassified its AMT credit carryforward to a non-current federal income tax receivable and reduced the estimated refund to account for the effects of the sequester. This provisional adjustment resulted in additional tax expense of \$0.6 million.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Other Effective Tax Rate Differences

During 2017, the Company claimed U.S. federal and state tax credits associated with various investments made by the Company in previous years, in addition to claiming U.S. federal and state research and development ("R&D") tax credits. The Company claimed U.S. federal R&D and investment tax credits of \$5.2 million, excluding reductions for uncertain tax positions, and U.S. state R&D and investment tax credits of \$5.0 million. Of the total state tax credits claimed in 2017, \$4.3 million was reduced for uncertain tax positions or by a valuation allowance.

During the second quarter of 2016, the Company executed an agreement with the Internal Revenue Service related to certain elections made on its 2011 and 2012 tax returns. As a result of the agreement, the Company has amended its 2011 and 2012 U.S. federal and state income tax returns resulting in the utilization of previously expired net operating loss carryforwards. The Company recorded a discrete benefit during the second quarter of 2016 of \$22.4 million to reflect the federal and state impact of the amended returns as a reduction in its net long-term deferred tax liability.

The tax effects of differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities as of December 31 were as follows:

<i>In millions</i>	2017	2016
Deferred Income Tax Assets:		
Compensation Based Accruals	\$ 16.5	\$ 20.1
Net Operating Loss Carryforwards	114.9	165.3
Postretirement Benefits	25.6	88.0
Tax Credits	17.6	35.3
Other	45.9	55.4
Valuation Allowance	(51.5)	(45.5)
Total Deferred Income Tax Assets	\$ 169.0	\$ 318.6
Deferred Income Tax Liabilities:		
Property, Plant and Equipment	(219.8)	(334.6)
Goodwill	(192.0)	(284.5)
Other Intangibles	(68.7)	(99.6)
Other	(3.5)	(4.7)
Net Noncurrent Deferred Income Tax Liabilities	\$ (484.0)	\$ (723.4)
Net Deferred Income Tax Liability	\$ (315.0)	\$ (404.8)

The Company has total deferred income tax assets, excluding valuation allowance, of \$220.5 million and \$364.1 million as of December 31, 2017 and 2016, respectively. The Company has total deferred income tax liabilities of \$484.0 million and \$723.4 million as of December 31, 2017 and 2016, respectively.

According to the *Income Taxes* topic of the FASB Codification, a valuation allowance is required to be established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of a deferred tax asset will not be realized. The FASB Codification provides important factors in determining whether a deferred tax asset will be realized, including whether there has been sufficient pretax income in recent years and whether sufficient income can reasonably be expected in future years in order to utilize the deferred tax asset. The Company has evaluated the need to maintain a valuation allowance for deferred tax assets based on its assessment of whether it is more likely than not that deferred tax assets will be realized through the generation of future taxable income. Appropriate consideration was given to all available evidence, both positive and negative, in assessing the need for a valuation allowance.

The Company reviewed its deferred income tax assets as of December 31, 2017 and 2016, respectively, and determined that it is more likely than not that a portion will not be realized. A valuation allowance of \$51.5 million and \$45.5 million at December 31, 2017 and 2016, respectively, is maintained on the deferred income tax assets for which the Company has determined that realization is not more likely than not. Of the total valuation allowance at December 31, 2017, \$31.3 million relates to net deferred tax assets in certain foreign jurisdictions, \$3.3 million relates to a deferred tax asset related to a U.S. federal capital loss carryforward, \$11.9 million relates to tax credit carryforwards in certain states, and the remaining \$5.0 million relates to net operating losses and other deferred tax assets in certain U.S. states. The need for a valuation allowance is made on a jurisdiction-

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

by-jurisdiction basis. As of December 31, 2017, the Company concluded that due to cumulative pretax losses and the lack of sufficient future taxable income of the appropriate character, realization is less than more likely than not on the net deferred income tax assets related primarily to the Company's Brazil, China, France and Germany operations as well as the Company's previously discontinued Canadian operations.

The following table represents a summary of the valuation allowances against deferred tax assets as of and for the three years ended December 31, 2017, 2016, and 2015, respectively:

<i>In millions</i>	December 31,		
	2017	2016	2015
Balance Beginning of Period	\$ 45.5	\$ 44.8	\$ 53.6
Charges to Costs and Expenses	5.5	1.2	—
Additions (Deductions)	0.5	(0.5)	(8.8)
Balance at End of Period	\$ 51.5	\$ 45.5	\$ 44.8

The U.S. federal net operating loss carryforwards expire as follows:

<i>In millions</i>	
2024	\$ 84.0
2026	22.9
2027	93.0
2028	12.1
2029	114.6
Total	\$ 326.6

The Company adopted ASU No. 2016-09, *Compensation-Stock Compensation (Topic 718)* during the first quarter of 2017 and recorded additional federal and state net operating losses of approximately \$107 million that were generated through excess tax benefit deductions claimed on the Company's 2011-2016 U.S. federal income tax returns and were previously prohibited from being recognized. The Company recognized the cumulative federal and state income tax effects of these previously unrecognized net operating losses in accumulated deficit in accordance with ASU 2016-09.

U.S. state net operating loss carryforward amounts total \$243.9 million and expire in various years through 2037.

International net operating loss carryforward amounts total \$117.8 million, of which substantially all have no expiration date.

Tax Credit carryforwards total \$17.6 million which expire in various years from 2019 through 2037.

Uncertain Tax Positions

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

<i>In millions</i>	2017	2016
Balance at January 1,	\$ 10.1	\$ 9.1
Additions for Tax Positions of Current Year	0.6	1.5
Additions for Tax Positions of Prior Years	0.7	1.1
Reductions for Tax Positions of Prior Years	(0.9)	(1.6)
Balance at December 31,	\$ 10.5	\$ 10.1

At December 31, 2017, \$10.5 million of the total gross unrecognized tax benefits, if recognized, would affect the annual effective income tax rate.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits within its global operations in Income Tax Expense. The Company had an accrual for the payment of interest and penalties of \$0.1 million and \$0.1 million at December 31, 2017 and 2016, respectively.

The Company anticipates that \$0.1 million of the total unrecognized tax benefits at December 31, 2017 could change within the next 12 months.

The Company files income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local tax examinations for years before 2014 or non-U.S. income tax examinations for years before 2008.

NOTE 9. FINANCIAL INSTRUMENTS, DERIVATIVES AND HEDGING ACTIVITIES

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 swaps, and forward foreign 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 Loss. These changes in fair value will subsequently be reclassified to earnings, contemporaneously with and offsetting changes in the related hedged exposure.

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 facility. These 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.

The following table summarizes the Company's current interest rate swap positions for each period presented as of December 31, 2017:

Start	End	(In Millions) Notional Amount	Weighted Average Interest Rate
12/01/2017	10/01/2018	\$250.0	1.16%

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 (Loss). Ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs. During 2017 and 2016, there were no amounts of ineffectiveness. During 2017 and 2016, 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 swaps to hedge prices for a designated percentage of its expected natural gas usage. The Company has hedged a portion of its expected usage for 2018. 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 Income (Loss), and the resulting gain or loss is reclassified into Cost of Sales concurrently with the recognition of the commodity purchased. The ineffective portion of the swap contract's change in fair value, if any, would be recognized immediately in earnings.

During 2017 and 2016, 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 foreign exchange contracts, designated as cash flow hedges, 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 December 31, 2017 and 2016, multiple forward exchange contracts existed that expire on various dates throughout the following year. Those purchased forward exchange contracts outstanding at December 31, 2017 and 2016, when aggregated and measured in U.S. dollars at contractual rates at December 31, 2017 and 2016, had notional amounts totaling \$66.1 million and \$55.9 million, respectively.

No amounts were reclassified to earnings during 2017 and 2016 in connection with forecasted transactions that were no longer considered probable of 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 during 2017 and 2016.

Derivatives not Designated as Hedges

The Company enters into forward foreign exchange contracts to effectively hedge substantially all of accounts receivable resulting from transactions denominated in foreign currencies in order to manage risks associated with foreign currency transactions adversely affected by changes in exchange rates. At December 31, 2017 and 2016, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those foreign currency exchange contracts outstanding at December 31, 2017 and 2016, when aggregated and measured in U.S. dollars at exchange rates at December 31, 2017 and 2016, respectively, had net notional amounts totaling \$90.1 million and \$68.1 million. 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 these accounts receivable.

Foreign Currency Movement Effect

For the year ended December 31, 2017 and 2016, net currency exchange losses included in determining Income from Operations were \$3.1 million and \$4.8 million, respectively. For the year ended December 31, 2015, net currency exchange gains included in determining Income from Operations was \$1.7 million.

**NOTE 10. FAIR VALUE
MEASUREMENT**

The Company follows the fair value guidance integrated into the *Fair Value Measurements and Disclosures* topic of the FASB Codification in regards to financial and nonfinancial assets and liabilities. Nonfinancial assets and nonfinancial liabilities include those measured at fair value in goodwill impairment testing, asset retirement obligations initially measured at fair value, and those assets and liabilities initially measured at fair value in a business combination.

The FASB's guidance defines fair value, establishes a framework for measuring fair value and expands the fair value disclosure requirements. The accounting guidance applies to accounting pronouncements that require or permit fair value measurements. It indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The guidance defines fair value based upon an exit price model, whereby fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance clarifies that fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Valuation Hierarchy

The *Fair Value Measurements and Disclosures* topic establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1 inputs — quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs — 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.

Level 3 inputs — unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value.

An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The Company has determined that its financial assets and financial liabilities include derivative instruments which are carried at fair value and are valued using Level 2 inputs in the fair value hierarchy. The Company uses valuation techniques based on discounted cash flow analyses, which reflects the terms of the derivatives and uses 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.

Fair Value of Financial Instruments

As of December 31, 2017 and 2016, the Company had a gross derivative liability of \$1.2 million and \$0.8 million respectively, and a gross derivative asset of \$1.2 million and \$7.7 million respectively, related to interest rate, foreign currency and commodity contracts.

As of December 31, 2017, 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 December 31, 2017 and 2016 approximately equal the carrying values reported on the 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 \$2,299.1 million and \$2,132.7 million, as compared to the carrying amounts of \$2,247.9 million and \$2,112.8 million. The fair value of the Company's Long-Term Debt, including the Senior Notes, are based on quoted market prices (Level 2 inputs). Level 2 valuation techniques for Long-Term Debt are based on quotations obtained from independent pricing service providers.

Effect of Derivative Instruments

The pre-tax effect of derivative instruments in cash flow hedging relationships on the Company's Consolidated Statements of Operations for the year ended December 31, 2017 and 2016 is as follows:

<i>In millions</i>	Amount of Loss (Gain) Recognized in Accumulated Other Comprehensive Loss		Location in Statement of Operations (Effective Portion)	Amount of Loss (Gain) Recognized in Statement of Operations (Effective Portion)		Location in Statement of Operations (Ineffective Portion)	Amount of Loss (Gain) Recognized in Statement of Operations (Effective Portion)	
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,	
	2017	2016		2017	2016		2017	2016
Commodity Contracts	\$ 3.6	\$ (5.0)	Cost of Sales	\$ (1.2)	\$ 12.5	Cost of Sales	\$ (0.1)	\$ (0.1)
Foreign Currency Contracts	3.1	(1.4)	Other Income, Net	(0.3)	0.5	Other Income, Net	—	—
Interest Rate Swap Agreements	(1.0)	0.4	Interest Expense, Net	(0.6)	2.0	Interest Expense, Net	—	—
Total	\$ 5.7	\$ (6.0)		\$ (2.1)	\$ 15.0		\$ (0.1)	\$ (0.1)

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The effect of derivative instruments not designated as hedging instruments on the Company's Consolidated Statements of Operations for the years ended December 31, 2017 and 2016 is as follows:

<i>In millions</i>		2017	2016
Foreign Currency Contracts	Other Expense, Net	\$ 9.7	\$ 3.3

Accumulated Derivative Instruments Income (Loss)

The following is a rollforward of pre-tax Accumulated Derivative Instruments Income (Loss) which is included in the Company's Consolidated Balance Sheets and Consolidated Statements of Shareholders' Equity as of December 31:

<i>In millions</i>	2017	2016	2015
Balance at January 1	\$ 7.5	\$ (13.5)	\$ (12.5)
Reclassification to earnings	(2.1)	15.0	11.7
Current period change in fair value	(5.7)	6.0	(12.7)
Balance at December 31	\$ (0.3)	\$ 7.5	\$ (13.5)

At December 31, 2017, the Company expects to reclassify \$0.2 million of pre-tax gains in the next twelve months from Accumulated Other Comprehensive (Loss) Income 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.

NOTE 11. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The components of Accumulated Other Comprehensive (Loss) Income are as follows:

<i>In millions</i>	Year Ended December 31,								
	2017			2016			2015		
	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount
Derivative Instruments (Loss) Gain	\$ (7.8)	\$ 2.9	\$ (4.9)	\$ 21.0	\$ (8.0)	\$ 13.0	\$ (1.0)	\$ 0.3	\$ (0.7)
Pension and Postretirement Benefit Plans	12.3	(3.5)	8.8	7.9	(3.9)	4.0	40.0	(13.2)	26.8
Currency Translation Adjustment	44.9	—	44.9	(58.9)	—	(58.9)	(37.2)	—	(37.2)
Other Comprehensive Income (Loss)	\$ 49.4	\$ (0.6)	\$ 48.8	\$ (30.0)	\$ (11.9)	\$ (41.9)	\$ 1.8	\$ (12.9)	\$ (11.1)

The balances of Accumulated Other Comprehensive Loss, net of applicable taxes are as follows:

<i>In millions</i>	December 31,	
	2017	2016
Accumulated Derivative Instruments Loss	\$ (10.3)	\$ (5.4)
Pension and Postretirement Benefit Plans	(226.7)	(235.5)
Currency Translation Adjustment	(101.8)	(146.7)
Accumulated Other Comprehensive Loss	\$ (338.8)	\$ (387.6)

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Company leases certain warehouses, operating facilities, office space, data processing equipment and plant equipment under long-term, non-cancelable contracts that expire at various dates (some of these leases are subject to renewal options and contain escalation clauses). Future minimum lease payments under non-cancelable capital and operating leases (with initial or remaining lease terms in excess of one year) and the future minimum lease payments at December 31, 2017, are as follows:

<i>In millions</i>	Capital Leases		Operating Leases		Total
2018	\$	3.7	\$	42.9	\$ 46.6
2019		3.4		32.8	36.2
2020		3.4		27.7	31.1
2021		3.3		22.5	25.8
2022		2.8		19.2	22.0
Thereafter		24.5		26.3	50.8
Total Minimum Lease Payments		41.1		171.4	212.5
Less: Amount Representing Interest		(11.1)		—	(11.1)
Present Value of Net Minimum Leases	\$	30.0	\$	171.4	\$ 201.4

Total rental expense was approximately \$38 million, \$35 million, and \$29 million for the years ended December 31, 2017, 2016 and 2015, respectively.

The Company has entered into other long-term contracts principally for the purchase of fiber and chip processing. The minimum purchase commitments extend beyond 2022. At December 31, 2017, total commitments under these contracts were as follows:

<i>In millions</i>		
2018	\$	151.8
2019		86.4
2020		43.0
2021		37.9
2022		38.0
Thereafter		310.6
Total	\$	667.7

NOTE 13. ENVIRONMENTAL AND LEGAL 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, closures or sales of facilities may necessitate investigation and may result in remediation activities at those facilities.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

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 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 14. BUSINESS SEGMENT AND GEOGRAPHIC AREA INFORMATION

Effective January 5, 2017, the consumer product and beverage operating segments (previously aggregated into the Americas Paperboard Packaging reportable segment) were reorganized and combined into an Americas Converting operating segment (Americas Paperboard Packaging reportable segment). As part of this reorganization, Australia, which was previously included as part of the Americas Paperboard Packaging reportable segment, is now an operating segment and included in Corporate/Other/Elimination. Prior periods have been recast.

The Company has three reportable segments as follows:

Paperboard Mills includes the six North American paperboard mills which produce primarily CUK and 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 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 and Australia operating segments 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.

The Company did not have any one customer who accounted for 10% or more of the Company's net sales during 2017, 2016 or 2015.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Business segment information is as follows:

<i>In millions</i>	Year Ended December 31,		
	2017	2016	2015
NET SALES:			
Paperboard Mills	\$ 399.7	\$ 394.7	\$ 480.5
Americas Paperboard Packaging	3,243.6	3,193.1	3,012.1
Europe Paperboard Packaging	593.1	569.9	603.9
Corporate/Other/Eliminations	167.3	140.4	63.7
Total	\$ 4,403.7	\$ 4,298.1	\$ 4,160.2
INCOME (LOSS) FROM OPERATIONS:			
Paperboard Mills ^(a)	\$ (35.0)	\$ (3.7)	\$ 17.1
Americas Paperboard Packaging	358.2	409.0	395.2
Europe Paperboard Packaging	37.3	25.4	40.8
Corporate and Other ^(b)	(17.8)	(34.7)	(26.0)
Total	\$ 342.7	\$ 396.0	\$ 427.1
CAPITAL EXPENDITURES:			
Paperboard Mills	\$ 111.4	\$ 184.2	\$ 145.0
Americas Paperboard Packaging	98.8	45.9	49.7
Europe Paperboard Packaging	17.3	37.1	39.9
Corporate and Other	32.6	27.4	9.5
Total	\$ 260.1	\$ 294.6	\$ 244.1
DEPRECIATION AND AMORTIZATION:			
Paperboard Mills	\$ 143.7	\$ 120.3	\$ 124.7
Americas Paperboard Packaging	125.3	124.7	107.3
Europe Paperboard Packaging	42.1	41.1	40.1
Corporate and Other	19.2	13.2	8.4
Total	\$ 330.3	\$ 299.3	\$ 280.5

^(a) Includes accelerated depreciation related to shutdown of Santa Clara in 2017.

^(b) Includes expenses related to acquisitions, integration activities and shutdown costs (excluding accelerated depreciation).

<i>In millions</i>	December 31,		
	2017	2016	2015
ASSETS AT DECEMBER 31:			
Paperboard Mills	\$ 1,487.0	\$ 1,496.1	\$ 1,445.0
Americas Paperboard Packaging	2,478.7	2,419.8	2,157.1
Europe Paperboard Packaging	607.1	491.9	574.0
Corporate and Other	290.2	195.6	80.0
Total	\$ 4,863.0	\$ 4,603.4	\$ 4,256.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Business geographic area information is as follows:

<i>In millions</i>	Year Ended December 31,		
	2017	2016	2015
NET SALES:			
Americas ^(a)	\$ 3,643.3	\$ 3,601.7	\$ 3,492.6
Europe	593.1	569.9	603.9
Asia Pacific	215.7	198.1	117.4
Corporate and Other	(48.4)	(71.6)	(53.7)
Total	\$ 4,403.7	\$ 4,298.1	\$ 4,160.2

<i>In millions</i>	2017	2016	2015
	ASSETS AT DECEMBER 31:		
Americas ^(a)	\$ 4,046.4	\$ 3,923.2	\$ 3,590.4
Europe	607.1	491.9	574.0
Asia Pacific	209.5	188.3	91.7
Total	\$ 4,863.0	\$ 4,603.4	\$ 4,256.1

^(a) Includes North America and Brazil.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 15. QUARTERLY FINANCIAL INFORMATION
(UNAUDITED)

Results of operations for the four quarters of 2017 and 2016 are shown below.

<i>In millions, except per share amounts</i>	2017				
	First	Second	Third	Fourth	Total
Statement of Operations Data:					
Net Sales	\$ 1,061.5	\$ 1,094.7	\$ 1,137.6	\$ 1,109.9	\$ 4,403.7
Gross Profit	175.0	176.9	191.6	176.0	719.5
Business Combinations and Shutdown and Other Special Charges, Net	8.6	6.1	3.6	12.8	31.1
Income from Operations	75.5	87.6	95.4	84.2	342.7
Net Income	37.0	42.0	47.3	173.9	300.2
Net Income Per Share — Basic	\$ 0.12	\$ 0.14	\$ 0.15	\$ 0.56	\$ 0.97
Net Income Per Share — Diluted ^(a)	\$ 0.12	\$ 0.14	\$ 0.15	\$ 0.56	\$ 0.96

^(a) Does not cross foot due to rounding

<i>In millions, except per share amounts</i>	2016				
	First	Second	Third	Fourth	Total
Statement of Operations Data:					
Net Sales	\$ 1,034.0	\$ 1,103.2	\$ 1,103.7	\$ 1,057.2	\$ 4,298.1
Gross Profit	207.7	204.8	191.3	188.1	791.9
Business Combinations and Shutdown and Other Special Charges, Net	10.5	5.3	7.4	13.9	37.1
Income from Operations	107.2	105.6	105.1	78.1	396.0
Net Income	57.5	77.8	57.8	34.9	228.0
Net Income Per Share — Basic	\$ 0.18	\$ 0.24	\$ 0.18	\$ 0.11	\$ 0.71
Net Income Per Share — Diluted	\$ 0.18	\$ 0.24	\$ 0.18	\$ 0.11	\$ 0.71

NOTE 16. EARNINGS PER SHARE

<i>In millions, except per share data</i>	Year Ended December 31,		
	2017	2016	2015
Net Income	\$ 300.2	\$ 228.0	\$ 230.1
Weighted Average Shares:			
Basic	311.1	320.9	329.5
Dilutive effect of RSUs	0.8	0.6	1.2
Diluted	311.9	321.5	330.7
Earnings Per Share — Basic	\$ 0.97	\$ 0.71	\$ 0.70
Earnings Per Share — Diluted	\$ 0.96	\$ 0.71	\$ 0.70

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 17. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following represents changes in Accumulated Other Comprehensive (Loss) Income by component for the year ended December 31, 2017 ^(a):

<i>In millions</i>	Derivatives Instruments	Pension Benefit Plans	Postretirement Benefit Plans	Currency Translation Adjustments	Total
Balance at December 31, 2016	\$ (5.4)	\$ (250.2)	\$ 14.7	\$ (146.7)	\$ (387.6)
Other Comprehensive (Loss) Income before Reclassifications	(3.6)	3.3	2.6	44.9	47.2
Amounts Reclassified from Accumulated Other Comprehensive (Loss) Income ^(b)	(1.3)	4.4	(1.5)	—	1.6
Net Current-period Other Comprehensive (Loss) Income	(4.9)	7.7	1.1	44.9	48.8
Balance at December 31, 2017	\$ (10.3)	\$ (242.5)	\$ 15.8	\$ (101.8)	\$ (338.8)

^(a) All amounts are net-of-tax.

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

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following represents reclassifications out of Accumulated Other Comprehensive Income for the year ended December 31, 2017:

<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	\$ (1.2)		Cost of Sales
Foreign Currency Contracts	(0.3)		Other Expense, Net
Interest Rate Swap Agreements	(0.6)		Interest Expense, Net
	(2.1)		Total before Tax
	0.8		Tax Expense
	<u>\$ (1.3)</u>		Net of Tax
Amortization of Defined Benefit Pension Plans:			
Prior Service Costs	\$ 0.5 ^(c)		
Actuarial Losses	6.5 ^(c)		
	7.0		Total before Tax
	(2.6)		Tax Benefit
	<u>\$ 4.4</u>		Net of Tax
Amortization of Postretirement Benefit Plans:			
Prior Service Credits	\$ (0.3) ^(c)		
Actuarial Gains	(2.1) ^(c)		
	(2.4)		Total before Tax
	0.9		Tax Expense
	<u>\$ (1.5)</u>		Net of Tax
Total Reclassifications for the Period	<u>\$ 1.6</u>		

^(c) These accumulated other comprehensive income components are included in the computation of net periodic pension cost (see Note 7 — Pensions and Other Postretirement Benefits).

NOTE 18. GUARANTOR CONSOLIDATING FINANCIAL STATEMENTS

This disclosure is required because certain subsidiaries are guarantors of GPI debt securities.

These consolidating financial statements reflect GPHC (“the Parent”); GPI (the “Subsidiary Issuer”); and the Subsidiary Guarantors, which consist of all material 100% owned subsidiaries of GPI other than its foreign subsidiaries; and the nonguarantor subsidiaries (herein referred to as “Nonguarantor Subsidiaries”). The Nonguarantor Subsidiaries include all of GPI’s foreign subsidiaries and the immaterial domestic 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.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Year Ended December 31, 2017					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	\$ —	\$ 3,509.0	\$ 50.6	\$ 1,166.6	\$ (322.5)	\$ 4,403.7
Cost of Sales	—	2,934.0	40.7	1,032.0	(322.5)	3,684.2
Selling, General and Administrative	—	257.4	3.5	81.8	—	342.7
Other (Income) Expense, Net	—	(6.1)	0.1	9.0	—	3.0
Business Combinations and Shutdown and Other Special Charges, Net	—	19.4	—	11.7	—	31.1
Income from Operations	—	304.3	6.3	32.1	—	342.7
Interest Expense, Net	—	(84.9)	—	(4.8)	—	(89.7)
Income before Income Taxes and Equity Income of Unconsolidated Entity	—	219.4	6.3	27.3	—	253.0
Income Tax Benefit (Expense)	—	54.9	(3.5)	(5.9)	—	45.5
Income before Equity Income of Unconsolidated Entity	—	274.3	2.8	21.4	—	298.5
Equity Income of Unconsolidated Entity	—	—	—	1.7	—	1.7
Equity in Net Earnings of Subsidiaries	300.2	25.9	(6.1)	—	(320.0)	—
Net Income (Loss)	300.2	300.2	(3.3)	23.1	(320.0)	300.2
Comprehensive Income (Loss)	\$ 349.0	\$ 349.0	\$ (26.0)	\$ 78.5	\$ (401.5)	\$ 349.0

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Year Ended December 31, 2016					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	\$ —	\$ 3,462.5	\$ 106.2	\$ 1,051.3	\$ (321.9)	\$ 4,298.1
Cost of Sales	—	2,812.2	88.6	927.3	(321.9)	3,506.2
Selling, General and Administrative	—	264.4	11.2	80.1	—	355.7
Other (Income) Expense, Net	—	(3.8)	—	6.9	—	3.1
Business Combinations and Shutdown and Other Special Charges, Net	—	32.9	—	4.2	—	37.1
Income from Operations	—	356.8	6.4	32.8	—	396.0
Interest (Expense) Income, Net	—	(72.3)	—	(4.3)	—	(76.6)
Income before Income Taxes and Equity Income of Unconsolidated Entity	—	284.5	6.4	28.5	—	319.4
Income Tax Expense	—	(81.5)	(2.6)	(9.1)	—	(93.2)
Income before Equity Income of Unconsolidated Entity	—	203.0	3.8	19.4	—	226.2
Equity Income of Unconsolidated Entity	—	—	—	1.8	—	1.8
Equity in Net Earnings of Subsidiaries	228.0	25.0	(6.1)	—	(246.9)	—
Net Income (Loss)	228.0	228.0	(2.3)	21.2	(246.9)	228.0
Comprehensive Income (Loss)	\$ 186.1	\$ 186.1	\$ 16.8	\$ (65.7)	\$ (137.2)	\$ 186.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Year Ended December 31, 2015					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	\$ —	\$ 3,363.6	\$ 1.6	\$ 1,037.2	\$ (242.2)	\$ 4,160.2
Cost of Sales	—	2,730.2	(1.1)	884.2	(242.2)	3,371.1
Selling, General and Administrative	—	274.9	2.5	70.3	—	347.7
Other (Income) Expense, Net	—	(10.7)	—	3.0	—	(7.7)
Business Combinations and Shutdown and Other Special Charges, Net	—	6.1	—	15.9	—	22.0
Income from Operations	—	363.1	0.2	63.8	—	427.1
Interest Expense, Net	—	(64.9)	—	(2.9)	—	(67.8)
Income before Income Taxes and Equity Income of Unconsolidated Entity	—	298.2	0.2	60.9	—	359.3
Income Tax Expense	—	(115.8)	(0.2)	(14.4)	—	(130.4)
Income before Equity Income of Unconsolidated Entity	—	182.4	—	46.5	—	228.9
Equity Income of Unconsolidated Entity	—	—	—	1.2	—	1.2
Equity in Net Earnings of Subsidiaries	230.1	47.7	(1.3)	—	(276.5)	—
Net Income (Loss)	\$ 230.1	\$ 230.1	\$ (1.3)	\$ 47.7	\$ (276.5)	\$ 230.1
Comprehensive Income (Loss)	\$ 219.0	\$ 219.0	\$ (5.9)	\$ (2.7)	\$ (210.4)	\$ 219.0

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Year Ended December 31, 2017					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 23.3	\$ 1.2	\$ —	\$ 42.9	\$ —	\$ 67.4
Receivables, Net	—	82.9	—	339.9	—	422.8
Inventories, Net	—	417.8	—	216.2	—	634.0
Intercompany	—	1,232.0	204.3	—	(1,436.3)	—
Other Current Assets	—	33.6	—	12.1	—	45.7
Total Current Assets	23.3	1,767.5	204.3	611.1	(1,436.3)	1,169.9
Property, Plant and Equipment, Net	—	1,532.9	0.1	334.2	—	1,867.2
Investment in Consolidated Subsidiaries	1,711.9	—	13.0	—	(1,724.9)	—
Goodwill	—	1,154.8	—	168.2	—	1,323.0
Other Assets	—	362.1	—	140.8	—	502.9
Total Assets	\$ 1,735.2	\$ 4,817.3	\$ 217.4	\$ 1,254.3	\$ (3,161.2)	\$ 4,863.0
LIABILITIES						
Current Liabilities:						
Short-Term Debt and Current Portion of Long-Term Debt	\$ —	\$ 51.5	\$ —	\$ 9.8	\$ —	\$ 61.3
Accounts Payable	—	381.7	—	134.8	—	516.5
Interest Payable	—	14.3	—	0.6	—	14.9
Intercompany	420.0	—	—	1,033.1	(1,453.1)	—
Other Accrued Liabilities	23.3	166.5	—	68.9	—	258.7
Total Current Liabilities	443.3	614.0	—	1,247.2	(1,453.1)	851.4
Long-Term Debt	—	2,082.3	—	130.9	—	2,213.2
Deferred Income Tax Liabilities	—	295.0	—	26.8	—	321.8
Other Noncurrent Liabilities	—	114.1	—	70.6	—	184.7
EQUITY						
Total Equity	1,291.9	1,711.9	217.4	(221.2)	(1,708.1)	1,291.9
Total Liabilities and Equity	\$ 1,735.2	\$ 4,817.3	\$ 217.4	\$ 1,254.3	\$ (3,161.2)	\$ 4,863.0

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Year Ended December 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	\$ —	\$ 0.9	\$ 1.2	\$ 57.0	\$ —	\$ 59.1
Receivables, Net	—	183.7	10.1	233.0	—	426.8
Inventories, Net	—	403.8	16.1	163.0	—	582.9
Intercompany	—	1,077.5	73.3	—	(1,150.8)	—
Other Current Assets	—	36.4	—	9.7	—	46.1
Total Current Assets	—	1,702.3	100.7	462.7	(1,150.8)	1,114.9
Property, Plant and Equipment, Net	—	1,435.8	64.1	252.0	—	1,751.9
Investment in Consolidated Subsidiaries	1,362.9	—	12.3	—	(1,375.2)	—
Goodwill	—	1,098.9	55.5	105.9	—	1,260.3
Other Assets	—	314.8	65.6	95.9	—	476.3
Total Assets	\$ 1,362.9	\$ 4,551.8	\$ 298.2	\$ 916.5	\$ (2,526.0)	\$ 4,603.4
LIABILITIES						
Current Liabilities:						
Short-Term Debt and Current Portion of Long-Term Debt	\$ —	\$ 26.0	\$ —	\$ 37.4	\$ —	\$ 63.4
Accounts Payable	—	354.3	8.5	103.7	—	466.5
Interest Payable	—	15.4	—	—	—	15.4
Intercompany	306.4	—	—	913.0	(1,219.4)	—
Other Accrued Liabilities	—	163.2	3.0	68.3	—	234.5
Total Current Liabilities	306.4	558.9	11.5	1,122.4	(1,219.4)	779.8
Long-Term Debt	—	2,042.4	—	46.1	—	2,088.5
Deferred Income Tax Liabilities	—	342.1	43.3	22.6	—	408.0
Other Noncurrent Liabilities	—	245.5	—	25.1	—	270.6
EQUITY						
Total Equity	1,056.5	1,362.9	243.4	(299.7)	(1,306.6)	1,056.5
Total Liabilities and Equity	\$ 1,362.9	\$ 4,551.8	\$ 298.2	\$ 916.5	\$ (2,526.0)	\$ 4,603.4

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Year Ended December 31, 2017

<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	\$ 300.2	\$ 300.2	\$ (3.3)	\$ 23.1	\$ (320.0)	\$ 300.2
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	260.8	4.8	64.7	—	330.3
Deferred Income Taxes	—	(49.0)	(1.1)	(3.9)	—	(54.0)
Amount of Postretirement Expense Less Than Funding	—	(113.8)	—	(13.3)	—	(127.1)
Gain on the Sale of Assets, net	—	(3.7)	—	—	—	(3.7)
Equity in Net Earnings of Subsidiaries	(300.2)	(25.9)	6.1	—	320.0	—
Other, Net	—	7.5	—	(0.4)	—	7.1
Changes in Operating Assets and Liabilities	—	99.5	(7.7)	(28.4)	—	63.4
Net Cash Provided by (Used In) Operating Activities	—	475.6	(1.2)	41.8	—	516.2
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(193.2)	—	(47.7)	—	(240.9)
Packaging Machinery Spending	—	(19.1)	—	(0.1)	—	(19.2)
Acquisition of Business, Net of Cash Acquired	—	(127.0)	—	(62.4)	—	(189.4)
Proceeds Received from Sale of Assets, Net of Selling Costs	—	7.9	—	—	—	7.9
Other, Net	189.0	(15.5)	—	—	(172.5)	1.0
Net Cash Provided by (Used in) by Investing Activities	189.0	(346.9)	—	(110.2)	(172.5)	(440.6)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(62.1)	—	—	—	—	(62.1)
Payments on Debt	—	(25.0)	—	—	—	(25.0)
Borrowings under Revolving Credit Facilities	—	1,103.4	—	99.5	—	1,202.9
Payments on Revolving Credit Facilities	—	(1,026.6)	—	(64.2)	—	(1,090.8)
Dividends Paid	(93.4)	—	—	—	—	(93.4)
Repurchase of Common Stock related to Share-Based Payments	(10.2)	—	—	—	—	(10.2)
Other, Net	—	(180.2)	—	16.5	172.5	8.8
Net Cash (Used in) Provided by Financing Activities	(165.7)	(128.4)	—	51.8	172.5	(69.8)
Effect of Exchange Rate Changes on Cash	—	—	—	2.5	—	2.5
Net Increase (Decrease) in Cash and Cash Equivalents	23.3	0.3	(1.2)	(14.1)	—	8.3
Cash and Cash Equivalents at Beginning of Period	—	0.9	1.2	57.0	—	59.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 23.3	\$ 1.2	\$ —	\$ 42.9	\$ —	\$ 67.4

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Year Ended December 31, 2016					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	\$ 228.0	\$ 228.0	\$ (2.3)	\$ 21.2	\$ (246.9)	\$ 228.0
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	233.4	12.9	53.0	—	299.3
Deferred Income Taxes	—	77.5	1.7	(2.5)	—	76.7
Amount of Postretirement Expense Less Than Funding	—	(25.8)	—	(5.5)	—	(31.3)
Equity in Net Earnings of Subsidiaries	(228.0)	(25.0)	6.1	—	246.9	—
Other, Net	—	30.8	—	(0.6)	—	30.2
Changes in Operating Assets and Liabilities	—	44.9	(17.2)	10.8	—	38.5
Net Cash Provided by Operating Activities	—	563.8	1.2	76.4	—	641.4
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(239.7)	—	(38.9)	—	(278.6)
Package Machinery Spending	—	(9.4)	—	(6.6)	—	(16.0)
Acquisition of Businesses, Net of Cash Acquired	—	(173.1)	—	(159.6)	—	(332.7)
Other, Net	240.6	(166.0)	—	—	(79.8)	(5.2)
Net Cash Provided by (Used in) Investing Activities	240.6	(588.2)	—	(205.1)	(79.8)	(632.5)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(164.9)	—	—	—	—	(164.9)
Proceeds from Issuance or Modification of Debt	—	300.0	—	—	—	300.0
Payments on Debt	—	(25.0)	—	—	—	(25.0)
Borrowings under Revolving Credit Facilities	—	1,136.0	—	64.0	—	1,200.0
Payments on Revolving Credit Facilities	—	(1,143.5)	—	(92.3)	—	(1,235.8)
Debt Issuance Costs	—	(5.3)	—	—	—	(5.3)
Dividends Paid	(64.4)	—	—	—	—	(64.4)
Repurchase of Common Stock related to Share-Based Payments	(11.3)	—	—	—	—	(11.3)
Other, Net	—	(237.0)	—	160.8	79.8	3.6
Net Cash (Used in) Provided by Financing Activities	(240.6)	25.2	—	132.5	79.8	(3.1)
Effect of Exchange Rate Changes on Cash	—	—	—	(1.6)	—	(1.6)
Net Increase in Cash and Cash Equivalents	—	0.8	1.2	2.2	—	4.2
Cash and Cash Equivalents at Beginning of Period	—	0.1	—	54.8	—	54.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ —	\$ 0.9	\$ 1.2	\$ 57.0	\$ —	\$ 59.1

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Year Ended December 31, 2015					
<i>In millions</i>	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	\$ 230.1	\$ 230.1	\$ (1.3)	\$ 47.7	\$ (276.5)	\$ 230.1
Non-cash Items Included in Net Income:						
Depreciation and Amortization	—	239.2	0.1	41.2	—	280.5
Deferred Income Taxes	—	108.5	—	1.5	—	110.0
Amount of Postretirement Expense Less Than Funding	—	(31.4)	—	(8.0)	—	(39.4)
Loss on the Sale of Assets, net	—	1.9	—	—	—	1.9
Equity in Net Earnings of Subsidiaries	(230.1)	(47.7)	1.3	—	276.5	—
Other, Net	—	31.6	—	(6.5)	—	25.1
Changes in Operating Assets and Liabilities	0.3	(99.0)	0.3	79.4	—	(19.0)
Net Cash Provided by Operating Activities	0.3	433.2	0.4	155.3	—	589.2
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(188.7)	(0.4)	(39.8)	—	(228.9)
Packaging Machinery Spending	—	(12.5)	—	(2.7)	—	(15.2)
Acquisition of Businesses, Net of Cash Acquired	—	(131.1)	—	(32.1)	—	(163.2)
Other, Net	133.5	78.6	—	9.9	(214.5)	7.5
Net Cash Provided by (Used in) Investing Activities	133.5	(253.7)	(0.4)	(64.7)	(214.5)	(399.8)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(63.0)	—	—	—	—	(63.0)
Payments on Debt	—	(25.0)	—	—	—	(25.0)
Borrowings under Revolving Credit Facilities	—	831.3	—	71.7	—	903.0
Payments on Revolving Credit Facilities	—	(852.9)	—	(100.9)	—	(953.8)
Dividends Paid	(49.3)	—	—	—	—	(49.3)
Repurchase of Common Stock Related to Share-Based Payments	(21.5)	—	—	—	—	(21.5)
Other, Net	—	(134.8)	—	(81.0)	214.5	(1.3)
Net Cash (Used in) Provided by Financing Activities	(133.8)	(181.4)	—	(110.2)	214.5	(210.9)
Effect of Exchange Rate Changes on Cash	—	—	—	(5.2)	—	(5.2)
Net Decrease in Cash and Cash Equivalents	—	(1.9)	—	(24.8)	—	(26.7)
Cash and Cash Equivalents at Beginning of Period	—	2.0	—	79.6	—	81.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ —	\$ 0.1	\$ —	\$ 54.8	\$ —	\$ 54.9

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

NOTE 19. SUBSEQUENT EVENTS

On January 1, 2018, GPHC, International Paper Company (“IP”), Graphic Packaging International Partners, LLC (“GPIP”), and GPI completed a series of transactions by which the North America Consumer Packaging business of IP was combined with the businesses of GPI. Pursuant to the Transaction Agreement dated October 23, 2017, on the closing date IP transferred its business to GPIP, which subsequently transferred the business to GPI. Concurrently therewith, GPIP issued 20.5% of its membership interests to IP and IP was admitted as a member of GPIP. As a result, GPHC indirectly holds 79.5% of the membership interests in GPIP and IP holds 20.5% of the membership interests in GPIP.

In connection with consummation of the transactions with IP, GPI entered into a Third Amended and Restated Credit Agreement dated as of January 1, 2018 (the “Amended and Restated Credit Agreement”) by and among GPI and certain subsidiaries thereof as Borrowers, the lenders and agents named therein, and Bank of America, N.A., as Administrative Agent. The Amended and Restated Credit Agreement effects an “amend and extend” transaction with respect to the Company’s existing senior credit facility by which, among other things: (i) the maturity date thereof was extended to January 1, 2023, (ii) the U.S. dollar commitment portion increased by \$75 million, (iii) the applicable margin interest rate pricing grid levels were reduced from those set forth in the prior credit facility, (iv) certain negative covenants contained in the prior credit facility were relaxed and (v) certain amendments were effected so as to accommodate the transactions with IP.

In addition to the Amended and Restated Credit Agreement, on January 1, 2018 the Company assumed the term loan indebtedness previously incurred by IP (the “Term Loan Credit Agreement”) in an aggregate amount of \$660.0 million, repayable pursuant to the same amortization schedule (expressed as a percentage of the principal amount thereof) as the Term Loan A under the Amended and Restated Credit Agreement and has the same maturity date of January 1, 2023. The applicable margin pricing grid, covenant and other terms are substantially equivalent to those contained in the Amended and Restated Credit Agreement. The Term Loan Credit Agreement is secured by a lien and security interest in substantially all of the assets of GPI on a pari passu basis with the liens and security interests securing the Amended and Restated Credit Agreement pursuant to the terms of a customary intercreditor agreement among the parties.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Graphic Packaging Holding Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Graphic Packaging Holding Company (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 7, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2008.

Atlanta, Georgia
February 7, 2018

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Graphic Packaging Holding Company

Opinion on Internal Control over Financial Reporting

We have audited Graphic Packaging Holding Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Graphic Packaging Holding Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Carton Craft Corporation, Norgraft Packaging, S.A., and Seydaco Packaging Corporation, which are included in the 2017 consolidated financial statements of the Company and constituted 5.1%, and 18.0% of total and net assets, respectively, as of December 31, 2017 and 1.0%, and 0.5% of net sales and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Carton Craft Corporation, Norgraft Packaging, S.A., and Seydaco Packaging Corporation.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Graphic Packaging Holding Company as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements") and our report dated February 7, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations on Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 7, 2018

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management has established disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within time periods specified in the Securities and Exchange Commission rules and forms. Such disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Based on management's evaluation as of the end of the period covered by this Annual Report on Form 10-K, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) were effective as of the end of the period covered by this Annual Report on Form 10-K.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed 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. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only with proper authorizations; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. The Company's management did not include the internal controls of the North American and European Acquisitions in 2017, which are included in the Company's results for the year-end December 31, 2017.

The Company's management, under the supervision of and with the participation of the President and Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017 based on criteria for effective control over financial reporting described in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2017 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

None.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Pursuant to Instruction G(3) to Form 10-K, the information relating to Directors of the Registrant, compliance with Section 16(a) of the Exchange Act, compliance with the Company's Code of Ethics, and certain other information required by Item 10 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2018 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2017.

ITEM 11. EXECUTIVE COMPENSATION

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 11 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2018 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2017.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 12 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2018 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2017.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 13 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2018 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2017.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 14 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2017.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- a. Financial statements, financial statement schedule and exhibits filed as part of this report:
 - 1. Consolidated Statements of Operations for each of the three years in the period ended December 31, 2017
 - Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2017
 - Consolidated Balance Sheets as of December 31, 2017 and 2016
 - Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 2017
 - Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2017

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Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm

2. All schedules are omitted as the information required is either included elsewhere in the consolidated financial statements herein or is not applicable.
3. Exhibits to Annual Report on Form 10-K for Year Ended December 31, 2017.

Exhibit Number	Description
2.1	Transaction Agreement dated October 23, 2017, by and among International Paper Company, Graphic Packaging Holding Company, Gazelle Newco LLC and Graphic Packaging International, Inc. Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on October 24, 2017 and incorporated herein by reference.
3.1	Restated Certificate of Incorporation of New Giant Corporation. Filed as Exhibit 3.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
3.2	Bylaws of Graphic Packaging Holding Company, as amended on May 20, 2015. Filed as Exhibit 3.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on May 27, 2015 and incorporated herein by reference.
3.3	Certificate of Designation Preferences and Rights of Series A Junior Participating Preferred Stock. Filed as Exhibit 3.3 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
3.4	Certificate of Formation of Graphic Packaging International, LLC. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.
3.5	Amended and Restated Limited Liability Company Operating Agreement of Graphic Packaging International, LLC. Filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.
4.1	Rights Agreement entered into between Graphic Packaging Holding Company and Wells Fargo Bank, National Association. Filed as Exhibit 4.3 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
4.2	Indenture, dated as of September 29, 2010, among Graphic Packaging International, Inc. and Graphic Packaging Holding Company, Graphic Packaging Corporation and the other Note Guarantors party thereto, as Note Guarantors, and U.S. Bank National Association, as Trustee. Filed as Exhibit 4.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on September 29, 2010 and incorporated herein by reference.
4.3	Supplemental Indenture, dated as of April 2, 2013, among Graphic Packaging International, Inc., the guarantors named therein and U.S. Bank National Association, as Trustee, relating to the 4.75% Senior Notes due 2021 of Graphic Packaging International, Inc. Filed as Exhibit 4.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on April 2, 2013 and incorporated herein by reference.
4.4	Indenture dated as of November 6, 2014, by and among Graphic Packaging International, Inc., the guarantors named therein and U.S. Bank National Association, as trustee. Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
4.5	First Supplemental Indenture dated as of November 6, 2014 by and among Graphic Packaging International, Inc. the guarantors named therein and U.S. Bank National Association, as trustee. Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
4.6	Second Supplemental Indenture dated as of August 11, 2016 by and among Graphic Packaging International Inc., Graphic Packaging Holding Company, the other guarantors named therein and U.S. Bank National Association as trustee. Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on August 11, 2016 and incorporated herein by reference.
4.7	First Amendment to Rights Agreement, dated as of October 23, 2017 by and between Graphic Packaging Holding Company and Wells Fargo Bank, National Association. Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on October 24, 2017 and incorporated herein by reference.

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- 10.1* [GPI U.S. Consolidated Pension Plan Master Document as amended and restated, effective January 1, 2017. Filed as exhibit 10.1 to the Registrant's Annual Report on Form 10-K filed on February 8, 2017 and incorporated herein by reference.](#)
- 10.2* [Second Amendment to the GPI Savings Plan as amended and restated, effective January 1, 2015. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on April 28, 2016 and incorporated herein by reference.](#)
- 10.3* [Third Amendment to the GPI Savings Plan as amended and restated, effective January 1, 2015. Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on April 28, 2016 and incorporated herein by reference.](#)
- 10.4* [Employment Agreement, dated as of July 22, 2013 by and among Graphic Packaging International, Inc., the Registrant and Carla J. Chaney. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 23, 2013 and incorporated herein by reference.](#)
- 10.5* [Employment Agreement, dated as of October 26, 2009, by and among Graphic Packaging International, Inc., the Registrant and Alan Nichols. Filed as Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed on January 22, 2010 and incorporated herein by reference.](#)
- 10.6* [Fourth Amendment to the GPI Savings Plan as amended and restated, effective January 1, 2015. Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on April 28, 2016 and incorporated herein by reference.](#)
- 10.7* [Amended and Restated Employment Agreement dated as of November 19, 2015 by and among Graphic Packaging International, Inc., the Registrant and Michael P. Doss. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 19, 2015 and incorporated herein by reference.](#)
- 10.8* [Graphic Packaging Excess Benefit Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.22 to Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.](#)
- 10.9* [Graphic Packaging Supplemental Retirement Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.23 to Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.](#)
- 10.10 [Form of Indemnification Agreement, dated as of September 10, 2003, entered into by and among Registrant, GPI Holding, Inc., Graphic Packaging International, Inc. and each of Jeffrey H. Coors, Stephen M. Humphrey, Kevin J. Conway, G. Andrea Botta, John D. Beckett, Harold R. Logan, Jr., John R. Miller, Robert W. Ticken, B. Charles Ames \(as emeritus director\) and William K. Coors \(as emeritus director\). Filed as Exhibit 10.30 to Graphic Packaging Corporation's Annual Report on Form 10-K filed on March 16, 2004 and incorporated herein by reference.](#)
- 10.11* [Amended and Restated 2004 Stock and Incentive Compensation Plan effective May 19, 2011. Filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 8, 2011 and incorporated herein by reference.](#)
- 10.12* [Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan effective as of May 21, 2014. Filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 10, 2014 and incorporated herein by reference.](#)
- 10.13* [Graphic Packaging International, Inc. Management Incentive Plan filed as Exhibit 10.32 to the Registrant's Annual Report on Form 10-K filed on February 23, 2012 and incorporated herein by reference.](#)
- 10.14 [Master Services Agreement dated November 29, 2007 by and between Graphic Packaging International, Inc. and Perot Systems Corporation. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 5, 2007 and incorporate herein by reference.](#)
- 10.15* [Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.36 to the Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.](#)
- 10.16* [Riverwood International Change in Control Supplemental Retirement Plan, as amended and restated, effective as of January 1, 2008. Filed as Exhibit 10.37 to Graphic Packaging Holding Company's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.](#)
- 10.17 [Amended and Restated Form of Indemnification Agreement for Directors. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 4, 2010 and incorporated herein by reference.](#)
- 10.18* [Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan filed as Exhibit 10.44 to the Registrant's Annual Report on Form 10-K filed on February 23, 2012 and incorporated herein by reference.](#)

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- 10.19* [First Amendment to the Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 24, 2012 and incorporated herein by reference.](#)
- 10.20* [Employment Agreement dated as of April 1, 2012 by and among Graphic Packaging International, Inc., Graphic Packaging Holding Company and Stephen Scherger. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 5, 2012 and incorporated herein by reference.](#)
- 10.21 [Second Amended and Restated Credit Agreement effective October 2, 2014 among Graphic Packaging International, Inc. and certain of its subsidiaries, as Borrowers; Bank of American, N.A. as Administrative Agent, L/C Issuer, Swing Line Lender, Swing Line Euro Tranche Lender and Alternative Currency Funding Fronting Lender; Cooperative Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" New York Branch, SunTrust Bank, JPMorgan Bank, N.A. and Citibank, N.A., as Co-Syndication Agents; Compass Bank, as Documentation Agent; and several lenders from time to time parties thereto. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 7, 2014 and incorporated herein by reference.](#)
- 10.22 [First Amendment to Master Services Agreement dated as of September 22, 2008 by and between Graphic Packaging International, Inc. and Perot Systems Corporation.](#)
- 10.23 [Second Amendment to Master Services Agreement effective as of August 1, 2012 by and between Graphic Packaging International, Inc. and Dell Marketing L.P. \(as assignee of Perot Systems Corporation\).](#)
- 10.24* [Fifth Amendment to the GPI Savings Plan as amended and restated, effective January 1, 2015. Filed as exhibit 10.24 to the Registrant's Annual Report on Form 10-K filed on February 8, 2017 and incorporated herein by reference.](#)
- 10.25* [GPI Savings Plan, as amended and restated effective January 1, 2015. Filed as Exhibit 10.32 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.26* [First Amendment to the GPI Savings Plan, effective January 1, 2015. Filed as Exhibit 10.33 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.27* [First Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, effective January 31, 2012. Filed as Exhibit 10.34 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.28* [Second Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, executed on December 30, 2013. Filed as Exhibit 10.35 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.29* [Third Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, effective June 23, 2014. Filed as Exhibit 10.36 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.30* [Fourth Amendment to the Graphic Packaging International Inc. Non-Qualified Deferred Compensation Plan, effective January 1, 2016. Filed as Exhibit 10.37 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.31* [Amended and Restated Employment Agreement among the Registrant, Graphic Packaging International, Inc. and Joseph P. Yost effective September 1, 2015. Filed as Exhibit 10.38 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.32* [Graphic Packaging International, Inc. Executive Severance Plan dated as of February 25, 2014. Filed as Exhibit 10.39 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.](#)
- 10.33* [First Amendment to the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan effective January 1, 2017. Filed as exhibit 10.33 to the Registrant's Annual Report on Form 10-K filed on February 8, 2017 and incorporated herein by reference.](#)
- 10.34 [Local Country Agreement - European Union Addendum effective as of November 1, 2016 to the Master Services Agreement between Graphic Packaging International, Inc. and Dell Marketing, L.P., as amended. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on April 26, 2017 and incorporated herein by reference.](#)
- 10.35 [Third Amendment to Master Services Agreement dated as of November 1, 2016 between Graphic Packaging International, Inc. and Dell Marketing, L.P. Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on April 26, 2017 and incorporated herein by reference.](#)

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- 10.36 [Fourth Amendment to Master Services Agreement dated as of March 1, 2017 between Graphic Packaging International, Inc. and NTT DATA Services, LLC, as successor-in-interest to Dell Marketing, L.P. Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on April 26, 2017 and incorporated herein by reference.](#)
- 10.37* [First Amendment to the GPI US Consolidated Pension Plan, dated as of May 19, 2017 and effective as of January 1, 2017. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on July 26, 2017 and incorporated herein by reference.](#)
- 10.38* [Sixth Amendment to the GPI Savings Plan, dated as of June 27, 2017 and effective as of January 1, 2015. Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on July 26, 2017 and incorporated herein by reference.](#)
- 10.39 [Supplemental Indenture among Graphic Packaging International, Inc., Graphic Packaging Holding Company, the other guarantors party thereto and U.S. Bank National Association, as Trustee, with respect to the 4.75% Senior Notes due 2021. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 24, 2017 and incorporated herein by reference.](#)
- 10.40 [Supplemental Indenture among Graphic Packaging International, Inc., Graphic Packaging Holding Company, the other guarantors party thereto and U.S. Bank National Association, as Trustee, with respect to the 4.875% Senior Notes due 2022. Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on October 24, 2017 and incorporated herein by reference.](#)
- 10.41 [Supplemental Indenture among Graphic Packaging International, Inc., Graphic Packaging Holding Company, the other guarantors party thereto and U.S. Bank National Association, as Trustee, with respect to the 4.125% Senior Notes due 2024. Filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on October 24, 2017 and incorporated herein by reference.](#)
- 10.42* [Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, as amended and restated effective November 1, 2017. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on October 25, 2017 and incorporated herein by reference.](#)
- 10.43 [Amended and Restated Limited Liability Company Agreement dated as of January 1, 2018 by and among Graphic Packaging Holding Company, Graphic Packaging International Partners, LLC \(formerly known as Gazelle Newco LLC\), GPI Holding III, LLC, and International Paper Company. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.](#)
- 10.44 [Exchange Agreement dated as of January 1, 2018 by and among Graphic Packaging Holding Company, Graphic Packaging International Partners, LLC \(formerly known as Gazelle Newco LLC\), GPI Holding III, LLC and International Paper Company. Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.](#)
- 10.45 [Governance Agreement dated as of January 1, 2018 by and among Graphic Packaging Holding Company, Graphic Packaging International Partners, LLC \(formerly known as Gazelle Newco LLC\), and International Paper Company. Filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.](#)
- 10.46 [Tax Receivable Agreement dated as of January 1, 2018 by and among Graphic Packaging Holding Company, Graphic Packaging International Partners, LLC \(formerly known as Gazelle Newco LLC\), GPI Holding III, LLC and International Paper Company. Filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.](#)
- 10.47 [Registration Rights Agreement dated as of January 1, 2018 by and between Graphic Packaging Holding Company and International Paper Company. Filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.](#)
- 10.48 [Restrictive Covenants Agreement dated as of January 1, 2018 by and between Graphic Packaging International Partners, LLC \(formerly known as Gazelle Newco LLC\) and International Paper Company. Filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.](#)
- 10.49 [Third Amended and Restated Credit Agreement dated as of January 1, 2018 by and among Graphic Packaging International, LLC and certain subsidiaries thereof as Borrowers, the lenders and agents named therein, and Bank of America, N.A., as Administrative Agent. Filed as Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.](#)
- 10.50 [Amended and Restated Credit Agreement dated as of January 1, 2018 and effective as of January 8, 2018 by and among Graphic Packaging International, LLC, the lenders and agents named therein and Bank of America, N.A., as Administrative Agent. Filed as Exhibit 10.8 to the Registrant's Current Report on Form 8-K filed on January 1, 2018 and incorporated herein by reference.](#)

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10.51*	First Amendment to the Amended and Restated Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan effective January 1, 2018.
10.52*	Second Amendment to the GPI US Consolidated Pension Plan effective as of December 31, 2017.
10.53*	Third Amendment to the GPI US Consolidated Pension Plan effective as of January 1, 2018.
10.54*	Seventh Amendment to the GPI Savings Plan effective as of January 1 2018.
10.55*	Eighth Amendment to the GPI Savings Plan effective as of January 1, 2018.
14.1	Code of Business Conduct and Ethics. Filed as Exhibit 14.1 to the Company's Annual Report on Form 10-K filed on March 8, 2011 and incorporated herein by reference.
21.1	List of Subsidiaries.
23.1	Consent of Independent Registered Public Accounting Firm.
24.1	Power of Attorney Incorporated by reference to the signature page of this Annual Report on Form 10-K.
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.

* Executive compensation plan or agreement

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)	February 23, 2018
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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/ Michael P. Doss</u> Michael P. Doss	President and Chief Executive Officer (Principal Executive Officer)	February 23, 2018
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<u>/s/ Stephen R. Scherger</u> Stephen R. Scherger	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 23, 2018
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<u>/s/ Deborah R. Frank</u> Deborah R. Frank	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 23, 2018
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<u>Signatures</u>	<u>Title</u>	<u>Date</u>
* _____ G. Andrea Botta	Director	February 23, 2018
* _____ David D. Campbell	Director	February 23, 2018
* _____ Paul D. Carrico	Director	February 23, 2018
* _____ Michael P. Doss	Director, President and Chief Executive Officer	February 23, 2018
* _____ Robert A. Hagemann	Director	February 23, 2018
* _____ Peter Kelly	Director	February 23, 2018
* _____ Philip R. Martens	Chairman of the Board	February 23, 2018
* _____ Larry M. Venturelli	Director	February 23, 2018
* _____ Lynn A. Wentworth	Director	February 23, 2018
* By: /s/ Lauren S. Tashma _____ Lauren S. Tashma Attorney-in-Fact, pursuant to Power of Attorney dated February 7, 2018		



First Amendment to
Master Services Agreement

The Master Services Agreement dated as of November 29, 2007 ("GPI Agreement"), by and between Graphic Packaging International, Inc., ("GPI"), and Perot Systems Corporation ("Perot Systems") is hereby amended as of September 22, 2008 ("Amendment Date") by this First Amendment ("Amendment").

Whereas, Altivity Packaging, LLC ("Altivity"), and Perot Systems entered into a Master Information Technology Services Agreement as of January 1, 2007 (the "Altivity Agreement");

Whereas, GPI acquired Altivity as of March 10, 2008;

Whereas, under Section 11.1(c)(ii) of the GPI Agreement, Altivity is the "Target Entity," GPI has elected "to combine the Designated Services then provided to GPI and the Service Recipients pursuant to this Agreement with the services then provided to the Target Entity and its Affiliates pursuant to their agreement with Perot Systems", and GPI has further elected to require Perot Systems to permit Altivity to terminate the Altivity Agreement without obligation to pay any Termination Fee or similar fee or charge to Perot Systems;

Whereas, GPI represents that it has the authority to act for Altivity under the Altivity Agreement; and

Whereas Perot Systems and GPI (the "Parties") wish to enter into this Amendment to document the termination of the Altivity Agreement and the combination of the services being provided to Altivity with the Designated Services being provided to GPI.

Now, therefore, the Parties agree as follows:

1. Subject to the terms of this Amendment, the Altivity Agreement is hereby terminated as of the Amendment Date by mutual agreement of the Parties.
 2. Data that were "Altivity Data" under Section 7.1 of the Altivity Agreement shall be deemed GPI Data.
 3. Information that was "Confidential Information" of Altivity or Perot Systems under Section 10.1 of the Altivity Agreement, subject to the exceptions defined in Section 10.3(a) of the Altivity Agreement, shall be Confidential Information of GPI or Perot Systems, respectively, under the GPI Agreement.
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4. Subject to Section 5 of this Amendment, "Charges" as defined in and incurred under the Altivity Agreement before the Amendment Date and not previously paid by Altivity shall be deemed "Charges" payable by GPI under the GPI Agreement; provided that GPI shall retain the right to dispute any such amounts in accordance with Section 4.3 (Disputed Invoices) of the GPI Agreement.
 5. The modified charges payable by GPI under the GPI Agreement as a result of the consummation of the transactions contemplated by this Amendment shall apply beginning September 1, 2008. Accordingly, any Monthly Base Charges (as defined in the Altivity Agreement) previously invoiced by Perot Systems under the Altivity Agreement for the month of September 2008 and any Monthly Service Charges (as defined in the GPI Agreement) previously invoiced by Perot Systems under the GPI Agreement for the month of September 2008 shall be deemed void, and shall be superseded by a single Monthly Service Charge calculated in accordance with the revised Schedule 4.1 (Charges) attached hereto and reflected in a new Monthly Invoice to be issued by Perot Systems to GPI promptly after the Amendment Date, which Monthly Invoice shall thereafter be payable by GPI in accordance with Section 4.2 (Invoicing and Payment) of the GPI Agreement. Notwithstanding the foregoing, portions of outstanding invoices delivered by Perot Systems prior to the Amendment Date to Altivity under the Altivity Agreement and to GPI under the GPI Agreement that represent charges and credits with respect to services performed during periods prior to September 1, 2008 shall remain payable in accordance with the terms of the Altivity Agreement and GPI Agreement, respectively.
 6. The Service Levels under the GPI Agreement as a result of the consummation of the transactions contemplated by this Amendment shall apply (including, without limitation, for purposes of determining the accrual of Service Level Credits and reporting obligations) beginning on the effective dates specified in Attachment A to Schedule 2.10 (Service Level Agreement) to the GPI Agreement, as amended by this Amendment (the "SLA Effective Dates"). Service Levels with SLA Effective Dates later than September 1, 2008 (collectively, the "Combined Scope Service Levels") represent combinations of Service Levels in effect prior to the Amendment Date under the Altivity Agreement and under the GPI Agreement (collectively, the "Legacy Service Levels"). From September 1, 2008 until such time as each Combined Scope Service Level takes effect on its SLA Effective Date, the Legacy Service Levels combined to create such Combined Scope Service Level will continue to apply; provided that, in the event during such period there occurs a Service Level Failure (as defined in the GPI Agreement) or Service Level Default (as defined in the Altivity Agreement) of any such Legacy Service Level, the amount of the resulting Service Level Credit (as defined in the GPI Agreement) will equal 50% of the Service Level Credit that would have accrued in the event of a Service
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Level Failure of the Combined Scope Service Level into which such Legacy Service Level is to be combined, as determined in accordance with Schedule 2.10 of the GPI Agreement, as amended. In revising Attachment A to Schedule 2.10 (Service Level Agreement) of the GPI Agreement to reflect the terms of this Amendment, the Parties have removed the "Current State Service Levels" from Attachment A. Notwithstanding, the Parties acknowledge and agree that the Current State Service Levels (as set forth in Attachment A prior to its amendment) were applicable prior to completion of Transition in accordance with Schedule 2.10 (Service Level Agreement) of the GPI Agreement.

7. The following amendments are hereby made to Section 5.2 (Charges Renegotiation) of the Agreement:
 - a. The following sentence is hereby added to the end of Section 5.2(a) (Underutilization of Resource Units) of the Agreement: "With respect to RS6000 Server Services such renegotiation right will be triggered when the consumption for all types of RS6000 LPARs is less than sixty-five percent (65%) of the cumulative Baselines for all types of RS6000 LPARs for three (3) consecutive months or for five (5) months in any seven (7) month period, and such reduced resource utilization is anticipated by GPI to continue on a long term basis."
 - b. The following sentence is hereby added to the end of Section 5.2(b) (Excess Utilization of Resource Units) of the Agreement: "With respect to RS6000 Server Services such renegotiation right will be triggered when the consumption for all types of RS6000 LPARs is greater than 135% of the cumulative Baselines for all types of RS6000 LPARs for three (3) consecutive months or for five (5) months in any seven (7) month period, and such excess resource utilization is anticipated by GPI to continue on a long term basis."
 8. Subject to the terms of this Amendment, only the following sections of the Altivity Agreement shall survive its termination, and only as to rights and obligations arising out of acts, omissions, conditions or events occurring or existing before the Amendment Date, with GPI succeeding to Altivity's rights and obligations under such sections:
 - a. 3.14 (Compliance with Laws),
 - b. 4.11 (Government Contract Flow-Down Clauses),
 - c. 5.5 (Audit Rights) excluding 5.5(b) and, as to operational audits only, 5.5(d) (provided that the Parties acknowledge and agree that GPI's right to conduct operational audits pursuant to Section 14.1 of the GPI Agreement shall include operational audits pertaining to Altivity, including operational audits related to
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- acts, omissions, conditions or events occurring or existing before the Amendment Date),
- d. 7 (Altivity Data),
 - e. 8.1 (Altivity Owned Materials),
 - f. 8.2 (Ownership of Developed Materials),
 - g. 8.4 (License to Service Provider),
 - h. 8.5 (Service Provider Pre-Existing Materials),
 - i. 10.1 (Confidential Information),
 - J. 10.2 (Obligations),
 - k. 10.3 (Exceptions to Confidential Treatment),
 - l. 11 (Representations and Warranties), except that any warranty under 11.7 shall not extend beyond the Amendment Date,
 - m. 13.1 (Indemnity by Service Provider),
 - n. 13.2 (Indemnity by Altivity),
 - o. 13.3 (Additional Indemnities),
 - p. 13.4 (Infringement),
 - q. Article 14 (Sections 14.1-14.7) (Liability);
 - r. 16.1 (Force Majeure),
 - s. 18.6 (Relationship of the Parties),
 - t. 18.11 (Severability),
 - u. 18.12 (Order of Precedence),
 - v. 18.13 (Waiver of Default; Cumulative Remedies),
 - w. 18.14 (Third Party Beneficiaries),
 - x. 18.19 (Binding Nature and Assignment),
 - y. 18.21 (Entire Agreement), and
 - z. 18.23 (Covenant of Good Faith).

Without limiting the foregoing, the termination of the Altivity Agreement shall not constitute a waiver or termination of (i) any rights of Altivity (and GPI as successor thereto) arising out of a breach by Perot Systems of any term of the Altivity Agreement prior to the Amendment Date, or (ii) any rights of Perot Systems arising out of a breach by Altivity of any term of the Altivity Agreement prior to the Amendment Date.

9. From and after the Amendment Date, (i) "Altivity Owned Materials" existing under and as defined in the Altivity Agreement shall be deemed to be "GPI Software" and/or "GPI Tools," as applicable, under and as defined in the GPI Agreement; (ii) "Service Provider Owned Materials" existing under and as defined in the Altivity Agreement shall be deemed to be "Perot Systems Software" and/or "Perot Systems Tools," as applicable, under and as defined
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in the GPI Agreement; and (iii) "Developed Materials" created or prepared by Perot Systems under and as defined in the Altivity Agreement (whether

completed or under development at the Amendment Date) shall, subject to Section 8.2 (b&c) of the Altivity Agreement, be deemed to be "Deliverables" under and as defined in the GPI Agreement and all Intellectual Property Rights (as defined in the GPI Agreement) therein shall be owned by GPI in accordance with the GPI Agreement.

10. The terms and conditions relating to "Transitioned Employees" (as defined in the Altivity Agreement) in Section 4.6 (Training/Career Opportunities), Section 13.1(k) (Employment Claims) and Section 13.2(h) (Employment Matters) of the Altivity Agreement and in Sections 2(b) (Benefit Plans), 4 (Employment Status with Altivity), and 6 (Other Employee Matters) of Schedule 5 to the Altivity Agreement, shall survive the termination of the Altivity Agreement with GPI succeeding Altivity as to Altivity's rights and obligations with respect to such terms and conditions.
11. Any Projects that are being performed pursuant to the Altivity Agreement as of the Amendment Date shall continue to be performed by Perot Systems in accordance with the applicable Statement of Work or Project Plans under which such Projects were commissioned.
12. For purposes of calculating the Damages Limitation defined in the first sentence of Section 18.2(a) of the GPI Agreement during the first twelve months after the Amendment Date, "Charges" as defined in the GPI Agreement shall be calculated so as to include the total "Charges" as defined in the Altivity Agreement that were payable to Perot Systems for performance of the Services under the Altivity Agreement (exclusive of Out-of-Pocket Expenses, Pass-Through Expenses, cost-plus Charges or taxes as those terms are defined in the Altivity Agreement) for the period between (i) twelve months prior to the assertion of the claim and (ii) the Amendment Date.
13. Any disputes that arise under the Altivity Agreement after the Amendment Date relating to periods prior thereto shall be administered in accordance with the Dispute Resolution Procedures in the GPI Agreement. Any indemnity proceedings arising under the terms of the Altivity Agreement after the Amendment Date relating to periods prior thereto shall be administered in accordance with the indemnification procedures set forth in Section 17.3 (Indemnification Procedures) of the GPI Agreement.
14. Schedule A is amended by adding the following sentence to the definition of "Operational Change Control Procedures":

"Operational Change Control is sometimes referred to as Change Management."

15. Section 15.11(b) of the GPI Agreement is amended, by adding the phrase "the amount set forth in Schedule 15.11(b) for the month in which the effective date of termination occurs," to state as follows:

"(b) Notwithstanding anything to the contrary in this Agreement, regardless of the grounds for any termination, GPI shall pay Perot Systems for all Charges payable by GPI arising prior to the effective date of termination, any accrued and unpaid Transition Fees applicable to Transition tasks completed by Perot Systems prior to the effective date of termination, any Charges for Termination Assistance (which could include payment for Designated Services), the amount set forth in Schedule 15.11(b) for the month in which the effective date of termination occurs, and any expenses incurred by Perot Systems prior to the effective date of termination for which GPI is financially responsible under this Agreement, and GPI will continue to be responsible for all Taxes for which it is responsible under this Agreement."

16. Section 8.3(a)(i) of the GPI Agreement is amended by adding the following after the end of the second sentence:

"This refresh obligation does not apply to the following GPI Equipment which prior to the Amendment Date was Altivity Equipment: mainframe hardware; AS400 hardware; Wintel Type 7, 8, and 9 servers; network equipment for locations listed in Schedule 10.2 in the worksheet with the tab entitled "GPI Locations (Former ALT)"; and one IBM DS8100. The foregoing exceptions do not apply to 24 Wintel Type 8 Servers and two IBM DS8100s in service as of the Amendment Date, which the Parties acknowledge were GPI Equipment prior to the Amendment Date."

17. The following Schedules and Attachments of the GPI Agreement are amended and restated, or added, as of the Amendment Date and, as so amended and restated or added, are attached hereto and made part hereof:

1.1(a), Service Recipients; 2.1.1, Service Towers; 2.2(a), Statement of Work;

2.8(b), Managed Agreements;

2.10, Service Level Agreement (Attachments only);

2.13, Reports (provided that, during the 30-day period after the Amendment Date, the Parties will review and validate the version of Schedule 2.13 attached hereto and may further amend such version by agreement);

4.1, Charges (including Attachments A, B & D-H) (E-H are added); 8.2, Financial Responsibilities Matrix;

9.2(a)(i)(A), Key and Critical Personnel; 9.2(a)(i)(B), GPI Competitors;
10.2, Service Locations (Attachments only);
15.11(b), Unamortized Costs (added as new Schedule); and 19.I, Insurance.

In addition, the Parties intend to revise Schedule 4.2(b), Invoices, by mutual agreement within 30 days after the Amendment Date. Further, during the 60-day period after the Amendment Date, Perot Systems will develop supplements to the Procedures Manual that describe, at a reasonable level of detail, release management and records retention procedures; provided, that, in the case of the supplement pertaining to records retention, GPI will make available to Perot Systems sufficient information regarding GPI's record retention policies and confer with Perot Systems as reasonably requested regarding the interpretation of such policies and their application to the Designated Services.

[The remainder of this page is left blank intentionally]

IN WITNESS WHEREOF, the Parties have duly executed and delivered this First Amendment as of the Amendment Date.

GRAPHIC PACKAGING INTERNATIONAL, INC.

By:
Name:
Title:

PEROT SYSTEMS CORPORATION

By:
Name:
Title:

ASSIGNMENT AND ASSUMPTION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, **PEROT SYSTEMS CORPORATION**, a Delaware corporation ("Assignor"), for and in consideration of the payment of such good and valuable consideration, including the assumption of the debts, liabilities and obligations of Assignor under the contract referenced on Exhibit A (the "Contract") by **DELL MARKETING L.P.**, a Texas limited partnership ("Assignee"), the receipt and adequacy of which consideration are hereby acknowledged, does hereby assign, transfer, grant, bargain, sell and deliver to Assignee, its successors and assigns, the Contract, including all of its rights and privileges thereunder, to and for their own use and benefit forever.

Assignee does hereby assume, and agrees to pay, perform and discharge, the debts, liabilities and obligations of Assignor under the Contract, including any such debts, liabilities and obligations arising prior to the date hereof.

Assignor, for itself, its successors and assigns, irrevocably constitutes and appoints Assignee, its successors and assigns, and each of them, the true and lawful attorney of Assignor, its successors and assigns, with full power of substitution and gives and grants unto Assignee, its successors and assigns, and each of them, full power and authority in the name of Assignor, its successors and assigns, at any time and from time to time, to demand, sue for, recover and receive any and all rights, demands, claims and causes of action of every kind and description whatsoever incident or relating to the Contract, for the purpose of fully vesting in Assignee, its successors and assigns, all and singular, all the right, title and interest in and to the Contract.

This instrument shall be binding on, and inure to the benefit at: each party and its successors and assigns. This Assignment and Assumption Agreement may be executed in one or more counterparts for the convenience of the parties hereto, all of which together shall constitute one and the same instrument.

This Assignment and Assumption Agreement shall be governed by, and construed and interpreted in accordance with, the substantive laws of the State of Georgia, without giving effect to any conflict-of-laws rule or principle that might result in the application of the laws of another jurisdiction.

[Signatures appear on following page.]

IN WITNESS WHEREOF, this Assignment and Assumption Agreement is

executed as of August 1, 2012 .

ASSIGNOR: ASSIGNEE:

PEROT SYSTEMS CORPORATION DELL MARKETING L.P.

By: _ By: _

Name:

Name:

Title: Title:

Graphic Packaging International, Inc. hereby consents to the assignment of the Contract from Assignor to Assignee as described herein.

This consent will not amend the terms of the Contract in any manner and, except for the consent set forth below, will not result in the waiver of any of the parties' rights or obligations thereunder.

GRAPHIC PACKAGING INTERNATIONAL, INC.

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Name: *ZJa..v,p(/A/St-4''' 'il/e_*

Title: *.>-;:/,,) f_...Ct.:- 0*

EXHIBIT A

THE CONTRACT

Master Service Agreement dated November 29, 2007 by and between Perot Systems Corporation ("PSC") and Graphic Packaging International, Inc. ("GPI"), including any amendments and ancillary agreements thereto.

Schedule 10.9
Data Transfer Agreement

Controller to Processor or Sub-processor Agreement

For the purposes of Article 26(2) of Directive 95/46/EC for the transfer of personal data to processors established in third countries which do not ensure an adequate level of data protection, the Parties have agreed on the following Contractual Clauses (the "Clauses") in order to adduce adequate safeguards with respect to the protection of privacy and fundamental rights and freedoms of individuals for the transfer by the data exporter to the data importer of the personal data specified in Appendix 1.

Clause 1

Definitions

For the purposes of the Clauses:

- (a) "personal data", "special categories of data", "process/processing", "controller", "processor", "data subject" and "supervisory authority" shall have the same meaning as in Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data;
 - (b) "the data exporter" shall mean the controller who transfers the personal data;
 - (c) "the data importer" shall mean the processor who agrees to receive from the data exporter personal data intended for processing on his behalf after the transfer in accordance with his instructions and the terms of these Clauses and who is not subject to a third country's system ensuring to adequate protection within the meaning of Article 25(1) of Directive 95/46/EC;
 - (d) "the sub-processor" means any processor engaged by the data importer or by any other sub-processor of the data importer who agrees to receive from the data importer or from any other sub-processor of the data importer personal data exclusively intended for processing activities to be
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carried out on behalf of the data exporter after the transfer in accordance with his instructions, the terms of the Clauses and the terms of the written subcontract;

- (e) "the applicable data protection law" means the legislation protecting the fundamental rights and freedoms of individuals and, in particular, their right to privacy with respect to the processing of personal data applicable to a data controller in the Member State in which the data exporter is established; and
- (f) "technical and organisational security measures" means those measures aimed at protecting personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, in particular where the processing involves the transmission of data over a network, and against all other unlawful forms of processing.

Clause 2

Details of the transfer

The details of the transfer and in particular the special categories of personal data where applicable are specified in Appendix 1 which forms an integral part of the Clauses.

GPI- Dell Confidential

LEGAL02/33540221v2

1 Schedule 10.9

Clause 3

Third-party beneficiary clause

1. The data subject can enforce against the data exporter this Clause, Clause 4(b) to (i), Clause 5(a) to (e), and (g) to (j), Clause 6(1) and (2), Clause 7, Clause 8(2), and Clauses 9 to 12 as third-party beneficiary.
2. The data subject can enforce against the data importer this Clause, Clause 5(a) to (e) and (g), Clause 6, Clause 7, Clause 8(2), and Clauses 9 to 12, in cases where the data exporter has factually disappeared or has ceased to exist in law unless any successor entity has assumed the entire legal obligations of the data exporter by contract or by operation of law, as a result of which it takes on the rights and obligations of the data exporter, in which case the data subject can enforce them against such entity.
3. The data subject can enforce against the sub-processor this Clause, Clause 5(a) to (e) and (g), Clause 6, Clause 7, Clause 8(2), and Clauses 9 to 12, in cases where both the data exporter and the data importer have factually disappeared or ceased to exist in law or have become insolvent, unless any successor entity has assumed the entire legal obligations of the data exporter by contract or by operation of law as a result of which it takes on the rights and obligations of the data exporter, in which case the data subject can enforce them against such entity. Such third-party liability of the sub-processor shall be limited to its own processing operations under the Clauses.
4. The Parties do not object to a data subject being represented by an association or other body if the data subject so expressly wishes and if permitted by national law.

Clause 4

Obligations of the data exporter The data exporter agrees and warrants:

- (a) that the processing, including the transfer itself, of the personal data has been and will continue to be carried out in accordance with the relevant provisions of the applicable data protection law (and,
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where applicable, has been notified to the relevant authorities of the Member State where the data exporter is established) and does not violate the relevant provisions of that State;

- (b) that it has instructed and throughout the duration of the personal data processing services will instruct the data importer to process the personal data transferred only on the data exporter's behalf and in accordance with the applicable data protection law and the Clauses;
- (c) that the data importer will provide sufficient guarantees in respect of the technical and organisational security measures specified in Appendix 2 to this Schedule 4;
- (d) that after assessment of the requirements of the applicable data protection law, the security measures are appropriate to protect personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, in particular where the processing involves the transmission of data over a network, and against all other unlawful forms of processing, and that these measures ensure a level of security appropriate to the risks presented by the processing and the nature of the data to be protected having regard to the state of the art and the cost of their implementation;

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- (e) that it will ensure compliance with the security measures;
 - (f) that, if the transfer involves special categories of data, the data subject has been informed or will be informed before, or as soon as possible after, the transfer that its data could be transmitted to a third country not providing adequate protection within the meaning of Directive 95/46/EC;
 - (g) to forward any notification received from the data importer or any sub-processor pursuant to Clause 5(b) and Clause 8(3) to the data protection supervisory authority if the data exporter decides to continue the transfer or to lift the suspension;
 - (h) to make available to the data subjects upon request a copy of the Clauses, with the exception of Appendix 2, and a summary description of the security measures, as well as a copy of any contract for sub-processing services which has to be made in accordance with the Clauses, unless the Clauses or the contract contain commercial information, in which case it may remove such commercial information;
 - (i) that, in the event of sub-processing, the processing activity is carried out in accordance with Clause 11 by a sub-processor providing at least the same level of protection for the personal data and the rights of data subject as the data importer under the Clauses; and
- U) that it will ensure compliance with Clause 4(a) to (i).

Clause 5

Obligations of the data importer The data importer agrees and warrants:

- (a) to process the personal data only on behalf of the data exporter and in compliance with its instructions and the Clauses; if it cannot provide such compliance for whatever reasons, it agrees to inform promptly the data exporter of its inability to comply, in which case the data exporter is entitled to suspend the transfer of data and/or terminate the contract;
 - (b) that it has no reason to believe that the legislation applicable to it prevents it from fulfilling the instructions received from the data exporter and its obligations under the contract and that in the event of a change in this legislation which is likely to have a substantial adverse effect on the warranties and obligations provided by the Clauses, it will promptly notify the change to the data
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exporter as soon as it is aware, in which case the data exporter is entitled to suspend the transfer of data and/or terminate the contract;

- (c) that it has implemented the technical and organisational security measures specified in Appendix 2 before processing the personal data transferred; ·
- (d) that it will promptly notify the data exporter about:
 - (i) any legally binding request for disclosure of the personal data by a law enforcement authority unless otherwise prohibited, such as a prohibition under criminal law to preserve the confidentiality of a law enforcement investigation;
 - (ii) any accidental or unauthorised access; and
 - (iii) any request received directly from the data subjects without responding to that request, unless it has been otherwise authorised to do so;

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- (e) to deal promptly and properly with all inquiries from the data exporter relating to its processing of the personal data subject to the transfer and to abide by the advice of the supervisory authority with regard to the processing of the data transferred;
- (a) at the request of the data exporter to submit its data processing facilities for audit of the processing activities covered by the Clauses which shall be carried out by the data exporter or an inspection body composed of independent members and in possession of the required professional qualifications bound by a duty of confidentiality, selected by the data exporter, where applicable, in agreement with the supervisory authority;
- (b) to make available to the data subject upon request a copy of the Clauses, or any existing contract for sub-processing, unless the Clauses or contract contain commercial information, in which case it may remove such commercial information, with the exception of Appendix 2 which shall be replaced by a summary description of the security measures in those cases where the data subject is unable to obtain a copy from the data exporter;
- (c) that, in the event of sub-processing, it has previously informed the data exporter and obtained its prior written consent; ·
- (d) that the processing services by the sub-processor will be carried out in accordance with Clause 11; and
- U) to send promptly a copy of any sub-processor agreement it concludes under the Clauses to the data exporter.

Clause 6

Liability

1. The Parties agree that a data subject, who has suffered damage as a result of any breach of the obligations referred to in Clause 3 or in Clause 11 by any party or sub-processor is entitled to receive compensation from the data exporter for the damage suffered_
 2. If a data subject is not able to bring a claim for compensation in accordance with paragraph 1 against the data exporter, arising out of a breach by the data importer or his sub-processor of any of their obligations referred to in Clause 3 or in Clause 11, because the data exporter has factually disappeared or ceased to exist in law or has become insolvent, the data importer agrees that the data subject may issue a claim against the data importer as if it were the data exporter, unless any
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successor entity has assumed the entire legal obligations of the data exporter by contract or by operation of law, in which case the data subject can enforce its rights against such entity.

The data importer may not rely on a breach by a sub-processor of its obligations in order to avoid its own liabilities.

3. If a data subject is not able to bring a claim against the data exporter or the data importer referred to in paragraphs 1 and 2, arising out of a breach by the sub-processor of any of their obligations referred to in Clause 3 or in Cause 11 because both the data exporter and the data importer have factually disappeared or ceased to exist in law or have become insolvent, the sub-processor agrees that the data subject may issue a claim against the data sub-processor with regard to its own processing operations under the Clauses as if it were the data exporter or the data importer, unless any successor entity has assumed the entire legal obligations of the data exporter or data importer by contract or by operation of law, in which case the data subject can enforce its rights against such entity. The liability of the sub-processor shall be limited to its own processing operations under the Clauses.

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Clause 7

Mediation and jurisdiction

1. The data importer agrees that if the data subject invokes against it third-party beneficiary rights and/or claims compensation for damages under the Clauses, the data importer will accept the decision of the data subject:
 - (a) to refer the dispute to mediation, by an independent person or, where applicable, by the supervisory authority;
 - (b) to refer the dispute to the courts in the Member State in which the data exporter is established.
2. The Parties agree that the choice made by the data subject will not prejudice its substantive or procedural rights to seek remedies in accordance with other provisions of national or international law.

Clause 8

Cooperation with supervisory authorities

1. The data exporter agrees to deposit a copy of this contract with the supervisory authority if it so requests or if such deposit is required under the applicable data protection law.
2. The Parties agree that the supervisory authority has the right to conduct an audit of the data importer, and of any sub-processor, which has the same scope and is subject to the same conditions as would apply to an audit of the data exporter under the applicable data protection law.
3. The data importer shall promptly inform the data exporter about the existence of legislation applicable to it or any sub-processor preventing the conduct of an audit of the data importer, or any sub-processor, pursuant to paragraph 2. In such a case the data exporter shall be entitled to take the measures foreseen in Clause 5(b).

Clause 9

Governing law

The Clauses shall be governed by the law of the Member State in which the data exporter is established.

Clause 10

Variation of the contract

The Parties undertake not to vary or modify the Clauses. This does not preclude the Parties from adding clauses on business related issues where required as long as they do not contradict the Clauses.

Clause 11

Sub-processing

1. The data importer shall not subcontract any of its processing operations performed on behalf of the data exporter under the Clauses without the prior written consent of the data exporter. Where the data importer subcontracts its obligations under the Clauses, with the consent of the data exporter, it shall do so only by way of a written agreement with the sub-processor which imposes

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the same obligations on the sub-processor as are imposed on the data importer under the Clauses. Where the sub-processor fails to fulfil its data protection obligations under such written agreement the data importer shall remain fully liable to the data exporter for the performance of the sub-processor of the sub-processor's obligations under such agreement.

2. The prior written contract between the data importer and the sub-processor shall also provide for a third-party beneficiary clause as laid down in Clause 3 for cases where the data subject is not able to bring the claim for compensation referred to in paragraph 1 of Clause 6 against the data exporter or the data importer because they have factually disappeared or have ceased to exist in law or have become insolvent and no successor entity has assumed the entire legal obligations of the data exporter or data importer by contract or by operation of law. Such third-party liability of the sub-processor shall be limited to its own processing operations under the Clauses.
3. The provisions relating to data protection aspects for sub-processing of the contract referred to in paragraph 1 shall be governed by the law of the Member State in which the data exporter is established.
4. The data exporter shall keep a list of sub-processing agreements concluded under the Clauses and notified by the data importer pursuant to Clause 50), which shall be updated at least once a year. The list shall be available to the data exporter's data protection supervisory authority.

Clause 12

Obligation after the termination of personal data-processing services

1. The Parties agree that on the termination of the provision of data processing services, the data importer and the sub-processor shall, at the choice of the data exporter, return all the personal data transferred and the copies thereof to the data exporter or shall destroy all the personal data and certify to the data exporter that it has done so, unless legislation imposed upon the data importer prevents it from returning or destroying all or part of the personal data transferred. In that case, the data importer warrants that it will guarantee the confidentiality of the personal data transferred and will not actively process the personal data transferred anymore.
 2. The data importer and the sub-processor warrant that upon the request of the data exporter and/or of the supervisory authority, it will submit its data-processing facilities for an audit of the measures referred to in paragraph 1.
-

[Signatures on following page]

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On behalf of the data exporter :

Name (written out in full):

Position :

Address :

for the contract to be binding (if any)

(stamp of organisation)

On behalf of the data importer: Name (written out in full):

Position:

Address:

Other information necessary in order for the contract to be binding(if any):

Signature

(stamp of organisation)

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Appendix 1

Data exporter

The data exporter is a Party which is a signatory to this Agreement and which is the exporter of personal data to the data importer.

Data importer

The data importer is a Party which is a signatory to this Agreement and which is the recipient of personal data which is exported by the data exporter to it.

Data subjects

The personal data transferred concern the following categories of data subjects:

- Past, present and prospective employees, volunteers, interns and partners.
- Past, present and prospective clients.
- Past, present and potential advisors, consultants, suppliers, contractors, subcontractors and agents.
- Complainants, correspondents, visitors and enquirers.
- Beneficiaries, parents and guardians. Categories of data

The personal data transferred concern the following categories of data:

- Contact details (which may include name, address, email address, telephone, fax, emergency contact details and associated local time zone information).
- Employment details (which may include company name, job title, grade, demographic, time recording and location data, nationality and export compliance status).
- IT systems and operational information (which may include voice, video and data recordings, user ID and password details, computer name, domain name, IP address, software and hardware inventory, security camera and software usage pattern tracking information, i.e. cookies, and information recorded for operational or training purposes).
- Data subjects' email content, online interactive and voice communications (such as blogs, chat, webcam and networking sessions) and transmission data which is available on an incidental basis for the provision of information technology consultancy, support and services (incidental access may include accessing the content of email communications and data relating to the sending, routing and delivery of emails).
- Details of goods or services provided to or for the benefit of data subjects.
- Financial and government and tax identifier details (e.g. credit, payment, bank details and NI or social security number).

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Special categories of data

The personal data transferred concern the following special categories of data:

Personal data which reveals racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union opinions, memberships or activities, social security files, data concerning health (including physical or mental health or condition), sexual life and information regarding criminal offences or alleged offences and any related court proceedings, any information identified through use of whistle blowing hotlines and shall include special categories of data as defined in Article 8 of Directive 95/46/EC.

Processing operations

The personal data transferred will be subject to the following basic processing activities:

Any operation with regard to personal data irrespective of the means applied and procedures, in particular, the obtaining, collecting, recording, organising, storage, holding, use, amendment, adaptation, alteration, disclosure, dissemination or otherwise making available, aligning, combining, retrieval, consultation, archiving, transmission, blocking, erasing, or destruction of data, the operation and maintenance of systems, management and management reporting, financial reporting, risk management, compliance, legal and audit functions and shall include "processing" which shall have the meaning given to such term in Directive 95/46/EC.

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Appendix 2

Description of the technical and organisational security measures implemented by the data importer in accordance with Clauses 4(d) and 5(c):

Dell takes information security seriously. This information security overview applies to Dell's corporate controls for safeguarding personal data which is processed and transferred amongst Dell group companies. Dell's information security program enables the workforce to understand their responsibilities. Some customer solutions may have alternate safeguards outlined in the statement of work as agreed with each customer.

Security Practices

Dell has implemented corporate information security practices and standards that are designed to safeguard Dell's corporate environment and to address: (1) information security; (2) system and asset management; (3) development; and (4) governance. These practices and standards are approved by the Dell CIO and undergo a formal review on an annual basis.

Organisational Security

It is the responsibility of the individuals across the organisation to comply with these practices and standards. To facilitate the corporate adherence to these practices and standards, the function of information security provides:

1. Strategy and Compliance with policies/standards and regulations, awareness and education, risk assessments and management, contract security requirements management, application and infrastructure consulting, assurance testing and drives the security direction of the company.
2. Security testing, design and implementation of security solutions to enable security controls adoption across the environment.
3. Security operations of implemented security solutions, the environment and assets, and manage incident response.
4. Forensic investigations with security operations, legal, data protection and human resources for investigations including eDiscovery and eForensics.

Asset Classification and Control

Dell's practice is to track and manage physical and logical assets. Examples of the assets that Dell IT might track include:

- Information Assets, such as identified databases, disaster recovery plans, business continuity plans, data classification, archived information.
- Software Assets, such as identified applications and system software.
- Physical Assets, such as identified servers, desktops/laptops, backup/archival tapes, printers and communications equipment.

The assets are classified based on business criticality to determine confidentiality requirements. Industry guidance for handling personal data provides the framework for technical, organisational and physical

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safeguards. These may include controls such as access management, encryption, logging and monitoring, and

data destruction.

Personnel Security

As part of the employment process, employees undergo a screening process applicable per regional law. Dell's annual compliance training includes a requirement for employees to complete an online course and pass an assessment covering information security and data privacy. The security awareness program may also provide materials specific to certain job functions.

Physical and Environmental Security

Dell uses a number of technological and operational approaches in its physical security program in regards to risk mitigation. The security team works closely with each site to determine appropriate measures are in place and continually monitor any changes to the physical infrastructure, business, and known threats. It also monitors best practice measures used by others in the industry and carefully selects approaches that meet both uniqueness in business practice and expectations of Dell as a whole. Dell balances its approach towards security by considering elements of control that include architecture, operations, and systems.

Communications and Operations Management

The IT organisation manages changes to the corporate infrastructure, systems and applications through a centralised change management program, which may include, testing, business impact analysis and management approval, where appropriate.

Incident response procedures exist for security and data protection incidents, which may include incident analysis, containment, response, remediation, reporting and the return to normal operations.

To protect against malicious use of assets and malicious software, additional controls may be implemented, based on risk. Such controls may include, but are not limited to, information security practices and standards; restricted access; designated development and test environments; virus detection on servers, desktops and notebooks; virus email attachment scanning; system compliance scans; intrusion prevention monitoring and response; logging and alerting on key events; information handling procedures based on data type, e-commerce application and network security; and system and application vulnerability scanning.

Access Controls

Access to corporate systems is restricted, based on procedures to ensure appropriate approvals. To reduce the risk of misuse, intentional or otherwise, access is provided based on segregation of duties and least privileges.

Remote access and wireless computing capabilities are restricted and require that both user and system safeguards are in place.

Specific event logs from key devices and systems are centrally collected and reported on an exceptions basis to enable incident response and forensic investigations.

System Development and Maintenance

Publicly released third party vulnerabilities are reviewed for applicability in the Dell environment. Based on risk to Dell's business and customers, there are pre-determined timeframes for remediation. In addition, vulnerability scanning and assessments are performed on new and key applications and the infrastructure based on risk. Code reviews and scanners are used in the development environment prior to production to

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proactively detect coding vulnerabilities based on risk. These processes enable proactive identification of vulnerabilities as well as compliance.

Compliance

The information security, legal, privacy and compliance departments work to identify regional laws and regulations applicable to Dell corporate. These requirements cover areas such as intellectual property of the company and our customers, software licenses, protection of employee and customer personal information, data protection and data handling procedures, trans-border data transmission, financial and operational procedures, regulatory export controls around technology, and forensic requirements.

Mechanisms such as the information security program, the executive privacy council, internal and external audits/assessments, internal and external legal counsel consultation, internal controls assessment, internal penetration testing and vulnerability assessments, contract management, security awareness, security consulting, policy exception reviews and risk management combine to drive compliance with these requirements.

Second Amendment to
Master Services Agreement

The Master Services Agreement dated as of November 29, 2007, consisting of the terms and conditions set forth therein and the attached schedules, all as previously amended, (the "Agreement") by and between Graphic Packaging International, Inc. ("GPI") and Perot Systems Corporation is hereby amended effective as of August 1, 2012 ("Second Amendment Effective Date") by this Second Amendment ("Second Amendment"). The Parties to this Second Amendment are GPI and Dell Marketing L.P. ("Dell") (as assignee of Perot Systems Corporation). Capitalized terms used without definition in this Second Amendment have the meanings provided in the Agreement. In the event of any conflict or inconsistency between the terms and conditions of this Second Amendment and those of the Agreement, the terms and conditions of this Second Amendment shall control to the extent of such conflict or inconsistency. All other terms and conditions in the Agreement not amended by this Second Amendment shall remain in full force and effect.

In consideration of the terms and conditions of this Second Amendment and the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. Term of Agreement. Section 1.2 (Term) of the Agreement is deleted in its entirety and replaced with the following:

The term of this Agreement (the "Term") will begin on the Effective Date and, unless terminated earlier pursuant to Article XV (Termination) or extended pursuant to Section 1.3 (Extension), will continue until 11:59 p.m. Atlanta, Georgia time on July 31, 2017 (the "Term Expiration Date").

2. Extension. Section 1.3(b) of the Agreement is deleted in its entirety and replaced with the following:

Notwithstanding Section 1.3(a), GPI shall have two (2) options to extend the Term for a period of up to twelve (12) months each (each such twelve (12) month period, an "Option Period"), resulting in aggregate Option Periods of up to twenty-four (24) months. Dell will provide Notice to GPI of the Term Expiration Date no less than one hundred twenty (120) days prior thereto, and, if Dell has provided such Notice to GPI in accordance with this Section 1.3(b), then GPI shall be deemed to have elected to exercise its option to extend the Term for twelve (12) months unless, by sixty (60) days prior to the Term Expiration Date, GPI provides Notice to Dell that it either (i) declines to extend the Term or (ii) elects to extend the Term but specifies a first Option Period of less than twelve (12) months. If GPI elects (or is deemed to have elected) to extend the Term for a first Option Period, then Dell also will provide Notice to GPI of the expiration of the first Option Period no less than one hundred twenty (120) days prior thereto, and, if Dell has provided such

Notice to GPI in accordance with this Section 1.3(b), then GPI shall be deemed to have elected to exercised its option to extend the TClm for twelve (12) months following the

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expiration of the first Option Period unless, by sixty (60) days prior to the expiration of the first Option Period, GPI provides Notice to Dell that it either (i) declines to extend the Term or (ii) elects to extend the Term but specifies a second Option Period of less than twelve (12) months. Dell will provide the Notices described in this Section 1.3(b) to both the GPI recipients identified in Section 21.8 (Notices) and the Vice President of IT Operations at GPI, all in accordance with Section 21.8 (Notices). GPI may also exercise its right to extend the Term for the Option Periods by providing Dell with Notice of such election no less than sixty (60) days prior to the original Term Expiration Date (in the case of GPI's exercise of its right to extend the Term for the first Option Period), and no less than sixty (60) days prior to the expiration of the first Option Period (in the case of GPI's exercise of its right to extend the Term for the second Option Period), regardless of whether Dell has provided Notice of the Term Expiration Date or the expiration of the first Option Period as provided in this Section 1.3(b). Each such extension shall be at the Charges and terms and conditions in effect (i) as of the Term Expiration Date, in the case of the first Option Period; and (ii) as of the expiration of the first Option Period, in the case of the second Option Period.

1. **Procedures Manual.** Dell will update the Procedures Manual as appropriate to ensure the policies and procedures as set out in the Procedures Manual are accurate and complete in accordance with Section 3.3 (Procedures Manual) of the Agreement on and after the Amendment Date, and deliver the updated Procedures Manual to GPI within ninety (90) days after the Amendment Date. The updated Procedures Manual will be subject to the written approval of GPI and Dell pursuant to the Contract Change Control Procedures.

2. **Payment Terms.**

1. Section 4.2(a) (Monthly Invoice) is deleted in its entirety and replaced with the following:

(a) **Monthly Invoice.** Not before the fifteenth (15th) calendar day of each calendar month (the "Base Month"), Dell will provide GPI with an invoice (the "Monthly Invoice") setting forth the following: (i) the Monthly Service Charges for the Designated Services to be provided by Dell during that Base Month; and (ii) Adjustments to the Charges relating to Designated Services performed during the month prior to the Base Month (e.g., if the Base Month is April, the Adjustments will be made to Charges for Designated Services performed in March). Together with each Monthly Invoice, Dell will deliver to GPI such reports as are necessary for GPI to understand, evaluate and independently calculate the Adjustments reflected in the Monthly Invoice and to track its internal use of the Designated Services for charge back purposes. Subject to Section 4.3 (Disputed Invoices), GPI will pay all amounts on the Monthly Invoice within sixty (60) days after receipt, by means of a wire transfer or other electronic means reasonably acceptable to Dell. Interest will accrue on unpaid undisputed invoiced Charges, and on unpaid disputed invoiced Charges that are in excess of the Disputed Charges Limitation, at the rate of one percent (1%) per month, commencing on the first day after such Charges were due.

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2. Section 4.3(e) is deleted in its entirety and replaced with the following:

(e) If it is finally determined, pursuant to the Dispute Resolution Procedures, that GPI owes Dell any withheld disputed amounts, then GPI will pay Dell such amounts, plus interest thereon accruing from the date such amounts were actually due (i.e., sixty (60) days following the date such amounts were invoiced) at the rate of one percent (1%) per month;

3. **Benchmarking.** Section 5.1(a) of the Agreement is deleted in its entirety and replaced with the following:

(a) GPI may, beginning in the 12th month following the Second Amendment Effective Date, measure the Charges under this Agreement as compared to other organizations receiving similar services (a "Benchmark"). At the option of GPI, for each Benchmark, GPI may Benchmark (a) all Designated Services or (b) the Designated Services under one or more Service Towers (the "Benchmarked Services"). GPI may not perform a Benchmark more frequently than twice during the Term. Furthermore, GPI may not Benchmark a New Service during the first

twelve (12) months after Dell commences delivery of such New Services; provided that GPI may Benchmark the Service Tower that includes the New Service during such twelve (12) month period, but may not include such New Service in the Benchmark.

4. **Technology Plan.** Section 8.1(b) (Technology Plan) of the Agreement is deleted in its entirety and replaced with the following:

(b) **Technology Plan.** GPI and Dell will jointly prepare a technology plan that addresses GPI's service and technology requirements (the "Technology Plan"). The Technology Plan will include, among other things (i) a comprehensive assessment and strategic analysis of the Designated Services, (ii) an analysis of the Software and Equipment then utilized in connection with the Designated Services and whether modifications are necessary, and (iii) performance discussion of Key Personnel. The Technology Plan will also include a three (3) year roadmap setting direction and planning for the Designated Services and the technologies used by Dell therein (including all Equipment and Software used therein), taking into account GPI's business priorities and strategies, and competitive market forces. At each Semi-Annual Technology Review Meeting, the Parties will update the Technology Plan. Such updates should include specific information regarding requirements, upcoming Projects and such other information that the Parties believe should be included in short-term planning. At the second Semi-Annual Technology Review Meeting for a Contract Year, the Parties will review the Technology Plan and update, as appropriate, the three (3) year technology roadmap. The Parties agree that they will use reasonable commercial efforts to use the resources theretofore allocated to the GPI account to accommodate any change to the Technology Plan, and that Dell will attempt to mitigate increases, if any, to the Charges to accommodate such change. Notwithstanding the foregoing and except as set forth in Section 8.1(c) (Changes to Technology Plan) the Parties will agree at the Semi-Annual Technology Review Meetings, upon any increased Charges for a change to the Technology Plan,

and unless any such changes to Charges are agreed upon at the Semi-Annual Technology Review Meetings, all work related to a change to the Technology Plan will be included in the then-existing Charges. The Parties agree to cooperate in good faith to prepare and finalize the Technology Plan within the first ninety (90) days following the Second Amendment Effective Date.

5. Data Transfer Agreement. New Section 10.9 (Data Transfer Agreement)

is

added to the Agreement as follows:

10.9 Data Transfer Agreement. On or about the Second Amendment Effective Date, Dell as the data processor and GPI as the data controller will execute and deliver, as an addendum to this Agreement, the standard contractual clauses for international transfers of personal data that are included within European Commission Decision 2010/87/EU, in the form attached as Schedule 10.9 (Data Transfer Agreement). For the purposes of this Section 10.9 and Section 13.1(a), "personal data", "process/processing", "controller", and "processor" shall have the same meaning as in Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

1. Data. Section 13.1(a) of the Agreement is deleted in its entirety and replaced with the following:

(a) Ownership and Use of Data. As between Dell and GPI, GPI Data is the exclusive property of GPI. Dell will use the GPI Data only in connection with providing the Designated Services and conducting necessary testing pursuant to this Agreement, all in accordance with Dell's obligations under this Agreement. GPI has and will have the right to transfer to Dell such GPI Data that GPI transfers to Dell that constitutes personal data. Dell has and will have the right to transfer to GPI the personal data that Dell transfers to GPI hereunder or that Dell otherwise requires to transfer to GPI to administer lawful business processing by Dell, except to the extent such personal data is GPI Data covered by GPI instructions. Except as otherwise expressly agreed in writing, Dell will not, and will not attempt to, sell, license, provide, disclose, use, pledge, hypothecate and/or in any other way transfer the GPI Data. All such attempts by Dell will be void, without legal effect and deemed a material breach of this Agreement. All access to GPI Data will be subject to the Confidentiality provisions set forth in Section 13.2 (Confidentiality).

2. Disentanglement Services. Section 15.12(a) of the Agreement is deleted in its entirety and replaced with the following:

1. Termination
Assistance.

(a) For a period specified by GPI in its discretion, commencing on the date designated by GPI, which may be no earlier than the first to occur of (i) the date on which GPI provides notice of termination, or (ii) ninety (90) days prior to the applicable date of expiration, and ending no later than twenty-four (24) months

following the expiration or termination of this Agreement or any Service Tower for any reason (the "Termination Assistance Period"), Dell will perform, at the request of GPI, the terminated or expired Designated Services and provide to GPI or a Successor Provider any and all assistance

reasonably requested by GPI to allow the terminated or expired Designated Services to continue without interruption or adverse effect, to mitigate any disruption to GPI's business, and to facilitate the orderly transfer of responsibility for the terminated or expired Designated Services to GPI or one or more Successor Providers (collectively, the "Termination Assistance Services"). GPI acknowledges that Dell may require the Successor Provider to enter into a commercially reasonable confidentiality agreement prior to Dell sharing any Dell Confidential Information with such Successor Provider.

I 0. **Export Controls.** Section 10.4(b) of the Agreement is deleted in its entirety and replaced with the following:

(b) Each Party agrees to comply with (i) all United States export laws and regulations issued by any U.S. Governmental Authority that govern the export or reexport of Software, hardware or technology provided hereunder (the "Products") and any of the Designated Services, including without limitation the U.S. Export Administration Regulations, the International Traffic in Arms Regulations ("ITAR") and any regulations administered by the Department of the Treasury's Office of Foreign Assets Control, and (ii) any applicable Laws and regulations of countries other than the United States that govern the importation, use, export or reexport of the Products and Designated Services. Each Party further agrees (a) to obtain appropriate export authorizations, consents or licenses that may apply to such Party's export of any Products or Designated Services, and (b) to comply with any conditions that are contained in any export licenses pertaining to the Products upon notice of such conditions by the other Party. Without limiting the generality of the foregoing, neither Party will export or reexport, directly or indirectly, any of the Products or Designated Services to Cuba, Iran, Libya, Syria, Sudan or North Korea. Each Party agrees to comply with any reporting requirements that may apply to the export or reexport of the Products and Designated Services and to provide to the other Party or the appropriate Governmental Authority any periodic reports containing such information as may be required under applicable Law. Dell further agrees to provide GPI with Notice of any federal, state, or local U.S. taxes or tariffs that may apply to import, export or reexport of any Products or Designated Services, and, either GPI will pay such taxes or tariffs or, at the request of GPI, Dell will pay any such taxes or tariffs and GPI will promptly reimburse Dell for the amount so paid by Dell. Notwithstanding the foregoing, the Parties do not anticipate the need to disclose technical data that is subject to ITAR. Accordingly, each Party agrees that it shall not provide any ITAR-controlled information to the other Party unless (1) the disclosing Party provides prior Notice to the receiving Party specifically identifying the type of ITAR-controlled information to be disclosed and the purpose for the disclosure, and (2) the receiving Party, upon receipt of the requisite Notice, gives its Notice to the disclosing Party of its consent to receive the ITAR-controlled information.

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I. **SSAE 16 Reviews.** Section 14.9 (SAS 70 Reviews) of the Agreement is deleted in its entirety, re-titled "SSAE 16 Reviews" and replaced with the following:

(a) Dell will cause its independent auditor to perform no fewer than one (1) Service Organization Controls I ("SOC I") Type II Review (a "SOC I Review") under Statement on Standards for Attestation Engagements ("SSAE") No. 16 (or its successor standard) per calendar year for each Dell Service Location that is a data center from which the Designated Services are provided.

Dell will provide GPI with SOC! reports from the SOC! Reviews (each, a "SOC! Report") within thirty (30) days of receipt of the SOC I Reports from the independent auditor on approximately November 1 of each year. The audit period covered by the SOC I Reports is January 1 to September 30 of each year.

(b) Prior to initiating the SOC! Review in subsection (a), Dell will Notify GPI if the scope of the upcoming review differs, in any material respect, from the scope of the prior year's SOC! Review. GPI may request that Dell modify the scope of the SOC! Review such that GPI can reasonably rely upon the SOC! Review as evidence (assuming a favorable result from such review) that Dell's internal controls are effective in order that GPI and the GPI Auditors can make their necessary or required attestations, certifications or other statements that GPI's internal controls over its financial reporting are adequate in accordance with Section 404 of Sarbanes Oxley ("Section 404"). Dell will consider GPI's request, and if practicable Dell will incorporate any such scope modifications; provided that it will not be deemed practical for Dell to implement such scope changes if doing so would cause Dell to incur additional costs or would have a negative impact on its other customers in the applicable data center. If Dell does not incorporate such modifications in accordance with the previous sentence, or if after GPI receives the SOC! Report and determines that an additional audit is necessary for it to meet its control requirements, then Dell, at the request of GPI, will request its independent auditor performing the SOC! Review in subsection (a) to coordinate with GPI and its auditors to perform a supplementary audit to Dell's SOC! Review that includes GPI's requested modifications. Any incremental costs related to the supplemental audit will be borne by GPI.

(c) Dell will cause its subcontractors who control a data center from which Designated Services are being performed to perform SOC I Reviews that Complement the SOC! Reviews performed pursuant to this Agreement. If Dell is unable to cause its subcontractors to perform SOC! Reviews, then Dell will perform audits of the internal controls of its subcontractors that perform the Designated Services to ensure that such internal controls complement the internal controls of Dell. For purposes of this Section 14.9(c), "Complement" means that the internal controls of the subcontractors, when taken in combination with the internal controls of Dell represents the entire control environment applicable to the Service Location that is the subject of the SOC! Review.

(d) During the period in which Dell's independent auditor is conducting the SOC! Review, Dell will provide GPI periodic updates on the status of the review,

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and specifically notify GPI of any significant weaknesses that are identified in the internal controls at the applicable Service Location(s).

(e) Upon completion of each SOC! Review, Dell will provide GPI the SOC! Report within the time frames set forth in subsection (a). If the Dell independent auditor conducting the SOC I Report concludes that any control issue has not been met in the SOC! Report (i.e., the SOC! Report auditor opinion is qualified for failure to achieve a control objective relating to the Designated Services) (a "Control Deficiency") and to the extent that such Control Deficiency relates to the Designated Services and Dell has reasonable control over such Control Deficiency, then Dell's failure to promptly remedy the Control Deficiency will be deemed a material breach of this Agreement. Dell shall provide GPI with a written plan for remediating all Control Deficiencies promptly upon discovery, including the remediation activities to be taken by Dell and the target date for the completion of such remediation activities; and shall remediate all Control Deficiencies as promptly as is reasonably possible.

1. Representations, Warranties and Additional Covenants.

1. Organization and Qualification. Section 16.1(a) (Organization and Qualification) of the Agreement is deleted in its entirety and replaced with the following:

(a) Organization and Qualification. As of the Second Amendment Effective Date, Dell (i) is duly organized, validly existing and in good standing under the laws of Texas (ii) is duly qualified and in good standing as a foreign limited partnership in every jurisdiction in which the character of its business requires such qualification, and (iii) has the power to own its property and the authority to carry on its business as conducted as of the Effective Date.

2. Non-Solicitation. Section 16.1(j) (Non-Solicitation) and Section 16.2(f) (Non-Solicitation) of the Agreement each are deleted in their entirety and retitled "Reserved." and a new Section 21.13 (Non-Solicitation), which reads as follows, is added to the Agreement:

21.13 Non-Solicitation. Except as set forth in Section 15.12(e), without the prior written Consent of Dell, GPI will not, directly or indirectly, solicit for employment, hire, or otherwise retain the services of any employee of Dell or Dell's Affiliate who was involved in the performance of Dell's obligations under this Agreement during the preceding 12 months. Without the prior written Consent of GPI, Dell will not, directly or indirectly, solicit for employment, hire, or otherwise retain the services of any employee of GPI or GPI's Affiliates with whom Dell came into contact in connection with the activities under this Agreement during the preceding 12 months. This prohibition on soliciting and hiring shall extend for 90 days after the termination of the employee's employment if such employee voluntarily resigns. Neither (i) the publication of classified advertisements in newspapers, periodicals, Internet bulletin boards, or other publications of general availability or circulation, or (ii) a solicitation that targets individuals with particular work experience or skills based on information available to subscribers, members or

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the general public on professional or social network websites or job boards, nor the consideration and hiring of persons responding to such advertisements or solicitation shall be deemed a breach of this Section, unless the advertisement, solicitation or other recruiting activity is undertaken as a means to circumvent or conceal a violation of this provision or by representatives of a Party acting with knowledge of this hiring prohibition.

2. **D a t a Loss
Event**

1. Property Indemnification by Dell. Section 17.1 (a) (Injury and Property Indemnification by Dell) is deleted in its entirety and replaced by the following:

Injury and Property Indemnification by Dell. Dell will indemnify, defend and hold the GPI Indemnitees harmless from and against all Losses for bodily injury (including death) and damage to real and tangible personal property (other than GPI Data or information) arising out of or resulting from tortious conduct of Dell or any employee, agent or subcontractor of Dell, including the negligent failure of such an employee, agent, or subcontractor to comply with any security requirements and other rules and regulations established by GPI applicable to all similarly situated employees of GPI.

2. Section 18.2(b) is deleted in its entirety and replaced by the following:

The Damages Limitation is not applicable to: (1) amounts due and payable under this Agreement for Designated Services, Milestone Credits, Service Level Credits, procurement pass-throughs and reimbursements, similar charges, and interest thereon; (2) Losses subject to an indemnification obligation under Sections 17.1(a) (Injury and Property Indemnification by Perot Systems), 17.1(b) (Intellectual Property Indemnification By Perot Systems), 17.1(d) (Data Loss) to the extent the Data Loss Event was caused by Perot Systems' Gross Negligence or willful misconduct, 17.1(g) (Failure to Comply with Regulatory Requirements), 17.1(h) (taxes), 17.1(i) (Obligations to Subcontractors), 17.2(a) (Injury and Property Indemnification by GPI), 17.2(b) (Intellectual Property Indemnification by GPI), 17.2(d) (Failure to Comply with Regulatory Requirements), or 17.2(g) (Taxes); (3) damages resulting from, arising out of or relating to the willful misconduct of a Party; (4) damages resulting from the wrongful termination of this Agreement; (5) Section 19.3 (Property Damage); and (6) damages resulting from the wrongful refusal by Perot Systems to fulfill its Termination Assistance obligations.

3. Property Damage. Section 19.3 (Property Damage) of the Agreement is deleted in its entirety and replaced by the following:

Property Damage. Each Party shall be liable to the other Party, subject to Article XVIII, on direct claims by the other Party for damage to the other Party's real and tangible personal property (other than GPI Data, data owned by Dell, or information) arising from the tortious conduct of the liable Party or its respective employees, agents or subcontractors; provided, that the liable Party's liability shall be secondary to any insurance of the other Party.

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3. **Notices.** The Parties' addresses and designees for notification purposes as specified in Section 21.8(a) of the Agreement are revised as follows. Notice to GPI either by fax or by electronic mail will no longer be effective as of January 1, 2013.

(i) If to GPI:

Notices delivered on or prior to December 31, 2012:

Graphic Packaging International, Inc. 814 Livingston Ct.
Marietta, Georgia 30067
Attn: Joe Pekala
E-mail Address: pekalej@graphicpkg.com Fax: (770) 644-2929

with a copy to:

Graphic Packaging International, Inc. 814 Livingston Ct.
Marietta, Georgia 30067
Attn: Law Department Fax: (770) 644-2929

Effective on and after January 1, 2013:

Graphic Packaging International, Inc. 1500 River Edge Parkway
Sandy Springs, Georgia 30328
Attn: Chief Information Officer with a

copy to:
Graphic Packaging International, Inc.
1500 River Edge Parkway Sandy Springs, Georgia 30328 Attn: Law Department

(ii) If to Dell:

Dell Marketing L.P.
2300 West Plano Parkway Plano, Texas 75075-8499
Attn: Kevin Jones, Vice President, Intl-structure and Cloud Computing E-mail Address: KM.Jones@dell.com
Facsimile Number: (972) 577-6424

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with a copy to:

Dell Marketing L.P.
2300 West Plano Parkway Plano, Texas 75075-8499
Attn: Thomas D. Williams, Vice President- Legal E-mail Address: Del.Williams@dell.com Facsimile Number: (972) 577-6085

4. **Equipment Refresh.** Section 16 of the First Amendment to Master Services Agreement is deleted in its entirety and retitled "**Reserved.**" Section 8.3(a) and Section 8.3(a)(i) of the Agreement are deleted in their entirety and replaced with the following:

(a) **Refreshes.** Dell will implement the refresh of Equipment 111
accordance with the following requirements:

(ii) Dell will refresh GPI Equipment pursuant to Project IMACs, in accordance with the applicable Project Plan, or, at GPI's option if all of the refresh related effort requested by GPI is encompassed by the IMAC rates or One-Time Charges defined in Schedule 4.1, such IMACs or One-Time Charges. The Parties anticipate that such Project IMACs or IMACs will be requested by GPI and performed by Dell consistent with GPI's refresh guidelines set forth in the Financial Responsibilities Matrix. At each Semi-Annual Technology Review Meeting, GPI will notify Dell of any deviation from such refresh policy, and which GPI Equipment will be impacted from any such deviation.

5. **Taxes.** The Parties agree to negotiate in good faith the terms of (i) local country agreements pursuant to Section 1.1(a) of the Agreement to allocate responsibility for any taxes that may arise in Canada and Mexico due to certain Service Recipients' receipt of Designated Services in those countries, consistent with the allocation of responsibility for Taxes stated in Article VI (Taxes), and (ii) modifications to the Parties' respective tax indemnities contained in Section 17.1(h) (Taxes) and 17.2(g) (Taxes) to reflect such agreed allocation of responsibility. No Party shall be indemnified under Section 17.1(h) (Taxes) or 17.2(g)

(Taxes) by the other Party for taxes that such Party (or an Affiliate of such Party) has assumed responsibility for in a local country agreement. The Parties will attempt to reach agreement on such terms within the first ninety (90) days following the Second Amendment Effective Date and, when such terms are agreed, promptly execute such local country agreements and add such terms as outlined in (ii) above to the Agreement pursuant to an amendment.

6. **Assignment and Assumption of Master Services Agreement.** Perot Systems Corporation and Dell Marketing L.P. are parties to that certain Assignment and Assumption Agreement dated as of the Second Amended Effective Date with respect to the Agreement. Subject to Section 21.5 (Binding Nature; Assignment) of the Agreement, the Parties accordingly agree that references in the Agreement to Perot Systems Corporation and Perot Systems, including as part of any defined term in the Agreement, shall be deemed references to Dell. By way of example, references in the Agreement to Perot Systems Excuse shall be deemed references to Dell Excuse, as such term is defined in amended Schedule A attached hereto.

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SECOND AMENDMENT EXECUTION COI>Y

Notwithstanding the foregoing, all references to Perot Systems contained in Section 1.1(b) of the Agreement shall be deemed references to both Perot Systems and Dell.

7. **Schedules and Attachments.** The following Schedules and Attachments to the Agreement are amended and restated, effective as of the Second Amendment Effective Date, (except Schedule I 0.9 (Data Transfer Agreement), which is added to the Agreement effective as of the Second Amendment Effective Date) and, as so amended and restated, are attached to and a part of this Second Amendment.

Schedule A Schedule 1.1(a) Schedule 2.1.1 Schedule 2.2(a) Schedule 2.5 Schedule 2.7 Schedule 2.8(b) Schedule 2.10 Schedule 2.13
Schedule 3.2 Schedule 3.4 Schedule 3.5(b) Schedule 4.1 Schedule 4.2 Schedule 5.1(c) Schedule 8.2

Definitions and Rules of Interpretation Service Recipients

Service Towers Statement of Work

Critical Milestones and Milestone Credits Project Guidelines and In-Flight Projects Managed Agreements

Service Level Agreement Repmts

Account Governance

Customer Satisfaction Surveys Contract Change Control Procedures Charges

Invoices

Benchmark Methodology Financial Responsibilities Matrix

Schedule 9.2(a)(i)(A) Key Personnel and Critical Personnel Schedule 9.2(a)(i)(B) GPI Competitors

Schedule 9.3(b) Schedule I 0.2

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Consented Subcontractors Service Locations

II

Schedule 10.7(a) Schedule 10.7(b) Schedule 10.9 Schedule 15.1 Schedule 19.1 Schedule 20.1

Physical Security Guidelines Logical Security Guidelines Data Transfer Agreement Termination Fees

Insurance

Dispute Resolution Procedure

[Signatures Provided on Next Page]

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Second Amendment as of the date(s) set forth below.

**FIRST AMENDMENT TO THE
GRAPHIC PACKAGING INTERNATIONAL, INC.
NON-QUALIFIED DEFERRED COMPENSATION PLAN
(As Amended and Restated Effective November 1, 2017)**

WHEREAS, Graphic Packaging International, Inc. (the “Company”) maintains for the benefit of certain of its employees the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan (the “Plan”); and

WHEREAS, Section 9.1 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 Retirement Committee deems it desirable to amend the Plan to reflect a forthcoming change to the name of the Company;

NOW, THEREFORE, BE IT RESOLVED, that, effective as of January 1, 2018, “Graphic Packaging International, Inc.” is hereby amended to read as “Graphic Packaging International, LLC” each place it appears in the Plan.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this First Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan this 28th day of November, 2017.

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

**SECOND AMENDMENT TO THE
GPI US CONSOLIDATED PENSION PLAN
(As Amended and Restated Effective January 1, 2017)**

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

WHEREAS, Section 4.1 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 Retirement Committee deems it desirable to amend the Riverwood International Hourly Retirement Subplan of the Plan (the “Riverwood Hourly Subplan”) to reflect recently negotiated benefit changes with respect to employees at the Company’s West Monroe, Louisiana Beverage Carton Plant represented by Local 654 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union that provides for a special early retirement enhancement for employees who elect to terminate employment during a limited window period; and

WHEREAS, the Retirement Committee deems it desirable to amend the Riverwood Hourly Subplan to reflect recently negotiated benefit changes with respect to employees at the Company’s Macon Paperboard Division represented by USW Local 3-572, IBEW Local 1316, and IAM Local 1034.

NOW, THEREFORE, BE IT RESOLVED, the Plan be and hereby is amended as follows:

1. Effective as of December 31, 2017, the section of Appendix C of the Riverwood Hourly Subplan entitled “PROVISIONS RESPECTING THE FREEZING OF BENEFIT ACCRUALS FOR CERTAIN MEMBERS AND THE CLOSING OF THIS APPENDIX C TO NEW MEMBERS” is amended by deleting the section in its entirety and replacing it as follows:

PROVISIONS RESPECTING THE FREEZING OF BENEFIT ACCRUALS FOR CERTAIN MEMBERS AND THE CLOSING OF THIS APPENDIX C TO NEW MEMBERS

Notwithstanding any provision of the Plan or this Appendix C to the contrary, the following provisions shall apply.

- (1) A Non-Grandfathered Member means:
 - (a) A Member who is in active employment, is on an approved leave of absence or layoff or is on a military leave provided

the Member's reemployment rights are protected by law on December 31, 2012, and on December 31, 2012, failed to meet the following requirements:

- (i) is age 55 or older, or
 - (ii) whose age measured in years (including fractional years) plus his years (including fractional years) of Benefit Service is at least equal to 70.
- (b) A Member other than a Member described in subsection (1)(a) above who elects on or before December 31, 2012 to waive participation under this Appendix C and become a Non-Grandfathered Member in accordance with subsection (3)(a) hereof.
 - (c) A Member other than a Member described in subsection (1)(a) above who elects on or before December 31, 2017 to waive participation under this Appendix C and become a Non-Grandfathered Member in accordance with subsection (3)(b) hereof.
- (2)

Applicable	Freeze	Date
means:		
- (a) December 31, 2012, with respect to a Non-Grandfathered Member described in subsection (1)(a) hereof;
 - (b) December 31, 2012, with respect to a Non-Grandfathered Member described in subsection (1)(b) hereof; and
 - (c) December 31, 2017, with respect to a Non-Grandfathered Member described in subsection (1)(c) hereof.
- (3)
- (a) A Member other than a Non-Grandfathered Member described in subsection (1)(a) will be eligible to make an irrevocable election on or before December 31, 2012, to waive participation under this Appendix C and by doing so shall become a Non-Grandfathered Member and shall cease to accrue Benefit Service on and after January 1, 2013.
 - (b) A Member other than a Non-Grandfathered Member described in subsection (1)(a) who failed to make an irrevocable election in accordance with subsection (3)(a) above will again be eligible to make an irrevocable election on or before December 31, 2017, to waive participation under this Appendix C and by doing so shall become a Non-

Grandfathered Member and shall cease to accrue Benefit Service on and after January 1, 2018.

- (4) Notwithstanding any provision of the Plan to the contrary, benefit accruals shall cease under this Appendix C as of the Applicable Freeze Date for all Non-Grandfathered Members. Non-Grandfathered Members shall not be credited with Benefit Service for any period of service or period of absence under this Appendix C after his Applicable Freeze Date.
- (5) Effective September 10, 2012, this Appendix C shall be closed to new Members. In addition any Employee who is hired, any Employee who is re-employed or who would otherwise become an Eligible Employee as a result of a transfer as described in Section 4.08 of the Plan on or after September 10, 2012 shall not be credited with Benefit Service under this Appendix C of the Plan for any period after September 10, 2012.
- (6) Notwithstanding any provision of the Plan to the contrary, a Non-Grandfathered Member who terminates from active employment with the Employer as an Employee on account of Total and Permanent Disability after his Applicable Freeze Date shall not be eligible for a Disability Retirement.
- (7) 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 his Applicable Freeze Date, the following rules shall apply:
 - (a) Benefit Service for benefit accrual purposes and the Monthly Rate shall be frozen as of his Applicable Freeze Date; and
 - (b) Vesting Service shall continue to be credited under the terms of this Appendix C for purpose of determining his eligibility for a pension under this Appendix C on and after his Applicable Freeze Date.

2. Effective as of January 1, 2018, Appendix D of the Riverwood Hourly Subplan is amended by adding the following to the end thereof:

EARLY RETIREMENT WINDOW

A Member who, as of June 30, 2018, (i) has attained age 59 and has completed at least 20 years of Accumulated Service and (ii) is in active employment, on an approved leave of absence or layoff, or on a military leave provided the Member's reemployment rights are protected by law, may make a written election to retire

during a specified early retirement window period. Any such election will be made in accordance with, and subject to, such procedures and conditions as the Retirement Committee may determine. Among such other requirements as the Retirement Committee may establish, no such election will be valid unless the Member executes and does not revoke a release of employment-related claims in favor of the Employer and certain related parties containing such terms as the Retirement Committee determines. Upon properly electing to participate in such early retirement window and satisfying each requirement established by the Retirement Committee, the Member shall be entitled to receive the Early Retirement Allowance or Normal Retirement Allowance to which he is otherwise entitled to under the terms of the Plan, but it shall be unreduced for commencement prior to age 65.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Second Amendment to the GPI US Consolidated Pension Plan this 8th day of November, 2017.

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

**THIRD AMENDMENT TO THE
GPI US CONSOLIDATED PENSION PLAN
(As Amended and Restated Effective January 1, 2017)**

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

WHEREAS, Section 4.1 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 Retirement Committee deems it desirable to amend the Plan to reflect a forthcoming change to the name of the Company.

NOW, THEREFORE, BE IT RESOLVED, that, effective as of January 1, 2018, “Graphic Packaging International, Inc.” is amended to read as “Graphic Packaging International, LLC” each place it appears in the Plan.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Third Amendment to the GPI US Consolidated Pension Plan this 28th day of November, 2017.

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

**SEVENTH 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 Retirement Committee deems it desirable to amend the Plan to (i) increase the rate of matching contributions, (ii) increase the automatic enrollment percentage, and (iii) re-enroll participants who had previously opted out;

NOW, THEREFORE, BE IT RESOLVED, that, effective as of January 1, 2018, the Plan is hereby amended as follows:

1. Section 3.1(b)(1) of the Plan is amended to read as follows:

(1) Automatic Enrollment.

(A) Prior to January 1, 2018.

With respect to a Covered Employee with an Employment Date on or after January 1, 2009 (on or after January 1, 2008 for employees of Altiivity Packaging, LLC) and prior to January 1, 2018, absent an affirmative election to the contrary, upon or as soon as practicable after the 30th day following the date on which such Covered Employee becomes an Active Participant, such Active Participant will be deemed to have made an initial Deferral Election at a rate equal to 3% of his Compensation (or such other percentage as the Administrative Committee will determine, in its sole discretion), provided that such deemed deferral Election will become effective only if, within a reasonable period of time before such deemed Deferral Election is to become effective (and subject to any specific legal notice requirements), the Administrative Committee has provided the Active Participant with a notice explaining the deemed Deferral Election and his right to affirmatively elect either a different reduction amount or no reduction.

(B) On or After January 1,

2018. With respect to a Covered Employee with

an Employment Date on or after January 1, 2018, absent an affirmative election to the contrary, upon or as soon as practicable after the 30th day following the date on which such Covered Employee becomes an Active Participant, such Active Participant will be deemed to have made an initial Deferral Election at a rate equal to 5% of his Compensation (or such other percentage as the Administrative Committee will determine, in its sole discretion), provided that such deemed Deferral Election will become effective only if, within a reasonable period of time before such deemed Deferral Election is to become effective (and subject to any specific legal notice requirements), the Administrative Committee has provided the Active Participant with a notice explaining the deemed Deferral Election and his right to affirmatively elect either a different reduction amount or no reduction.

(C) 2018 Re-enrollment.

(I) With respect to (i) an Active Participant who has a Deferral Election at a rate of 0% of his Compensation in effect as of December 2, 2017, or (ii) an Active Participant who has a Deferral Election at a rate greater than 0% but less than 5% of his Compensation in effect as of December 1, 2017, absent an affirmative election to the contrary, upon or as soon as practicable after January 2, 2018, such Active Participant will be deemed to have made a new Deferral Election at a rate equal to 5% of his Compensation, provided that such deemed Deferral Election will become effective only if, within a reasonable period of time before such deemed Deferral Election is to become effective (and subject to any specific legal notice requirements), the Administrative Committee has provided the Active Participant with a notice explaining the deemed Deferral Election and his right to affirmatively elect either a different reduction amount or no reduction.

(II) With respect to an Covered Employee who was automatically enrolled pursuant to this subsection (b)(1) during December 2017, and who has a Deferral Election at a rate of 3% of his Compensation in effect as of January 3, 2018, absent an affirmative election to the contrary, upon or as soon as practicable after February 2, 2018, such Active Participant will be deemed to have made a new Deferral Election at a rate equal to 5% of his Compensation, provided that such deemed Deferral Election will become effective only if, within a reasonable period of time before such deemed Deferral Election is to become effective (and subject to any specific legal notice requirements), the Administrative Committee has provided the Active Participant with a notice explaining the deemed Deferral

Election and his right to affirmatively elect either a different reduction amount or no reduction.

2. Section 3.2 of the Plan is amended to read as follows:

3.2 Matching Contributions.

(a) Payroll Period Match. For each Active Participant on whose behalf a Participating Company has made with respect to a payroll period or any other payment of Compensation, any Tax-Deferred Contributions such Participating Company will make, with respect to such payroll period or other payment of Compensation, a Matching Contribution into such Active Participant's GPI Employer Match Account equal to 100 percent of the first 4 percent of Compensation and 50 percent of the next 3 percent of Compensation contributed on behalf of the Active Participant to the Plan as Tax-Deferred Contributions and/or Catch-Up Contributions; provided, the total amount of the Matching Contributions which a Participating Company will make for any Active Participant will not exceed (or cause the Contributions to exceed) any of the maximum limitations described in Article VI.

(b) True-Up Match. If as of the last day of the Plan Year, the amount of Matching Contributions allocated to an Active Participant's GPI Employer Match Account for such Plan Year is less than an amount equal to 100 percent of the first 4 percent of Compensation and 50 percent of the next 3 percent of Compensation contributed on behalf of the Active Participant to the Plan as Tax-Deferred Contributions and/or Catch-Up Contributions for that Plan Year, the Employer shall make a Matching Employer Contribution on behalf of such Active Participant in an amount equal to the difference. For purposes of this calculation, Compensation does not include any wages paid during a suspension period pursuant to Section 9.1(c).

[signatures on following page]

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Seventh Amendment to the GPI Savings Plan this 8th day of November, 2017.

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

**EIGHTH 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 Retirement Committee deems it desirable to amend the Plan to (i) reflect a forthcoming change to the name of the Company, (ii) exclude non-union hourly employees who are eligible to participate in the GPI Hourly Savings Plan (For Represented Employees), and (iii) recognize employees’ service with International Paper Company and National Carton & Coating, Co. for purposes of the Plan;

NOW, THEREFORE, BE IT RESOLVED, that, effective as of the dates indicated below, the Plan is hereby amended as follows:

1. Effective as of January 1, 2018, “Graphic Packaging International, Inc.” is amended to read as “Graphic Packaging International, LLC” each place it appears in the Plan.

2. Effective as of January 1, 2018, Section 1.24 of the Plan is amended to read as follows:

1.24 Covered Employee means an Employee of a Participating Company who (i) is classified as a salaried or hourly employee by his Participating Company, (ii) is paid from the U.S. payrolls of the Participating Company, and (iii) receives stated Compensation other than a pension, separation pay, retainer, or fee under contract, other than:

(a) An Employee who is a leased employee within the meaning of Code Section 414(n);

(b) An individual classified as an independent contractor, a leased employee, co-op student, or an Employee of a company that is not a Participating Company under a Participating Company’s customary worker classification practices (whether or not such individual is actually an Employee of a Participating Company);

(c) An Employee who is included in a unit of Employees covered by a collective bargaining agreement between employee representatives and one or more Participating Companies, provided that retirement benefits were the subject of good faith bargaining between employee representatives and the Participating Company or Participating Companies, unless the terms of the collective bargaining agreement require that such Employee be eligible to participate in the Plan;

(d) An Employee who is a nonresident alien who receives no earned income from an Affiliate which constitutes income from sources within the United States; or

(e) An Employee who is eligible to actively participate in the GPI Hourly Savings Plan (For Represented Employees).

3. Effective as of December 1, 2017, Section 1.101 of the Plan is amended by adding the following sentence to the end thereof:

An Employee's period of employment with National Carton & Coating, Co., 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 National Carton & Coating, Co. as of the close of business on November 30, 2017, and became an Employee immediately thereafter.

4. Effective as of January 1, 2018, Section 1.101 of the Plan is amended by adding the following sentence to the end thereof:

An Employee's period of employment with International Paper Company, 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 International Paper Company as of the close of business on December 31, 2017, and became an Employee immediately thereafter.

5. Effective as of December 1, 2017, Section 1.102(d) of the Plan is amended by adding the following sentence to the end thereof:

An Employee's periods of employment with National Carton & Coating, Co., to the extent not otherwise counted hereunder, will be taken into account in determining his Years of Vesting Service, provided that such Employee was employed by National Carton & Coating, Co. as of the close of business on November 30, 2017, and became an Employee immediately thereafter.

6. Effective as of January 1, 2018, Section 1.102(d) of the Plan is amended by adding the following sentence to the end thereof:

An Employee's period of employment with International Paper Company, to the extent not otherwise counted hereunder, will be taken into account in determining his Years of Vesting Service, provided that such Employee was employed by International Paper Company as of the close of business on December 31, 2017, and became an Employee immediately thereafter.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Eighth Amendment to the GPI Savings Plan this 28th day of November, 2017.

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 R. Scherger

Stephen R. Scherger

By: /s/ Brian A. Wilson

Brian A. Wilson

SUBSIDIARIES OF THE REGISTRANT

Subsidiary Name	Jurisdiction of Incorporation
Altivity Packaging Grupo, S. de R.L. de C.V.	Mexico
Altivity Packaging Servicios, S. de R.L. de C.V.	Mexico
Bond Project Holdings, LLC	Delaware
Field Container Queretaro (USA), L.L.C.	Delaware
Gbox SA de C.V.	Mexico
Golden Equities, LLC	Colorado
Golden Technologies Company, LLC	Colorado
GPI Funding, LLC	Delaware
GPI Holding I, Inc.	Delaware
GPI Holding II, Inc.	Delaware
GPI Holding III, LLC	Delaware
GPI Project, LLC	Delaware
GPI Netherlands Finance B.V.	Netherlands
GPI Scotland Finance LP	UK
GPI Scotland Limited	UK
Graphic Packaging Flexible Canada ULC	Canada
Graphic Packaging Flexible Holdings, LLC	Delaware
Graphic Packaging International (Shanghai) Co., Ltd.	China
Graphic Packaging International Australia Converting Limited	Australia
Graphic Packaging International Australia Pty Limited	Australia
Graphic Packaging International Bardon Limited	UK
Graphic Packaging International Box Holdings Limited	UK
Graphic Packaging International Bremen GmbH	Germany
Graphic Packaging International Canada Corporation	Canada
Graphic Packaging International Canada, ULC	Canada
Graphic Packaging International Cartons Santander, S.A.	Spain
Graphic Packaging International Distribution Limited	UK
Graphic Packaging International do Brasil - Embalagens Ltda.	Brazil
Graphic Packaging International Enterprises, LLC	Delaware
Graphic Packaging International Europe Carton Design Limited	UK
Graphic Packaging International Europe Cartons B.V.	Netherlands
Graphic Packaging International Europe Finance & Real Estate B.V.	Netherlands
Graphic Packaging International Europe Holdings B.V.	Netherlands
Graphic Packaging International Europe Netherlands B.V.	Netherlands
Graphic Packaging International Europe Netherlands Holdings B.V.	Netherlands
Graphic Packaging International Europe N.V.	Belgium
Graphic Packaging International Europe Spain Holding, S.A.	Spain
Graphic Packaging International Europe UK Holdings Limited	UK
Graphic Packaging International Europe UK Limited	UK
Graphic Packaging International France	France
Graphic Packaging International Gateshead Limited	UK
Graphic Packaging International Holding Company, LLC	Delaware
Graphic Packaging International Holdings Mexico, S. de R.L. de C.V.	Mexico
Graphic Packaging International Ireland Designated Activity Company	Ireland
Graphic Packaging International Japan Ltd.	Japan
Graphic Packaging International Limited	UK
Graphic Packaging International, LLC	Delaware
Graphic Packaging International Mexicana, S. de R.L. de C.V.	Mexico
Graphic Packaging International New Albany, LLC	Delaware
Graphic Packaging International New Zealand Limited	New Zealand
Graphic Packaging International Operadora de Mexico, S. de R.L. de C.V.	Mexico
Graphic Packaging International Partners, LLC	Delaware

Graphic Packaging International Philanthropic Fund	Delaware
Graphic Packaging International S.p.A.	Italy
Graphic Packaging International Servicios, S. de R.L. de C.V.	Mexico
Graphic Packaging International Spain, S.A.	Spain
Graphic Packaging International UK Finance Limited	UK
Graphic Packaging International US Finance LLC	Delaware
Graphic Packaging UK Pension Trustee Company Ltd.	UK
Handschy Holdings, LLC	Delaware
Handschy Industries, LLC	Delaware
International Paper Foodservice Europe Ltd.	UK
New Materials Limited	UK
Print Design & Graphics Limited	UK
PrinTech Systems B.V.	Netherlands
Rengo Riverwood Packaging, Limited	Japan
Riverdale Industries, LLC	Delaware
Riverwood International Pension Trustee Company Ltd.	UK
Shoo 553 Limited	UK
Spur Development, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-219523) and the related Prospectus of Graphic Packaging Holding Company and in the Registration Statements (Form S-8 No. 333-197677, No. 333-176598, No. 333-162912 and No. 333-149625) of Graphic Packaging Holding Company of our reports dated February 7, 2018, with respect to the consolidated financial statements of Graphic Packaging Holding Company, and the effectiveness of internal control over financial reporting of Graphic Packaging Holding Company, included in this Annual Report (Form 10-K) for the year ended December 31, 2017.

/s/ Ernst & Young LLP

Atlanta, Georgia

February 7, 2018

CERTIFICATION

I, Michael P. Doss certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A to the Annual Report 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)
February 23, 2018

CERTIFICATION

I, Stephen R. Scherger certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A to the Annual Report 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)
February 23, 2018

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 Amendment No. 1 on Form 10-K/A to the Annual Report for the period ended December 31, 2017 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

February 23, 2018

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 Amendment No. 1 on Form 10-K/A to the Annual Report for the period ended December 31, 2017 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

February 23, 2018