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

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIESEXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIESEXCHANGE 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	**26-0405422**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
1500 Riveredge Parkway, Suite 100	
Atlanta, Georgia	**30328**
(Address of principal executive offices)	(Zip Code)

(770) 240-7200
(Registrant's telephone number, including area code)

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

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

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 Exchange Act). Yes☐ No ☑

As of October 23, 2017, there were 309,713,908 shares of the registrant's Common Stock, par value $0.01 per share, outstanding.

Information Concerning Forward-Looking Statements

Certain statements regarding the expectations of Graphic Packaging Holding Company (“GPHC” and, together with its subsidiaries, the “Company”), including, but not limited to, the effect of new accounting standards, 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, capital investment, 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, productivity initiatives and cost reduction plans, the Company’s debt level, currency movements and other risks of conducting business internationally, and the impact of regulatory and litigation matters, including those that could impact the Company’s ability to utilize its net operating losses to offset taxable income and those that impact the Company's ability to protect and use its intellectual property. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and the Company undertakes no obligation to update such statements, except as may be required by law. Additional information regarding these and other risks is contained in Part I, “Item 1A., Risk Factors” of the Company’s 2016 Annual Report on Form 10-K, and in other filings with the Securities and Exchange Commission.

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ITEM 1. FINANCIAL STATEMENTS

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

In millions, except per share amounts	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net Sales	$ 1,137.6	$ 1,103.7	$ 3,293.8	$ 3,240.9
Cost of Sales	946.0	912.4	2,750.3	2,637.1
Selling, General and Administrative	90.6	78.9	265.3	260.7
Other Expense (Income), Net	2.0	(0.1)	1.4	2.0
Business Combinations and Shutdown and Other Special Charges	3.6	7.4	18.3	23.2
Income from Operations	95.4	105.1	258.5	317.9
Interest Expense, Net	(22.6)	(20.0)	(66.4)	(55.1)
Income before Income Taxes and Equity Income of Unconsolidated Entity	72.8	85.1	192.1	262.8
Income Tax Expense	(25.9)	(28.0)	(67.1)	(71.3)
Income before Equity Income of Unconsolidated Entity	46.9	57.1	125.0	191.5
Equity Income of Unconsolidated Entity	0.4	0.7	1.3	1.6
Net Income	$ 47.3	$ 57.8	$ 126.3	$ 193.1
Net Income Per Share — Basic	$ 0.15	$ 0.18	$ 0.41	$ 0.60
Net Income Per Share — Diluted	$ 0.15	$ 0.18	$ 0.40	$ 0.60
Cash Dividends Declared Per Share	$ 0.075	$ 0.05	$ 0.225	$ 0.15

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2017**	**2016**	**2017**	**2016**
Net Income	$ 47.3	$ 57.8	$ 126.3	$ 193.1
Other Comprehensive (Loss) Income, Net of Tax:				
Derivative Instruments	(0.6)	2.1	(4.5)	5.1
Pension and Postretirement Benefit Plans	0.7	5.2	2.2	(15.5)
Currency Translation Adjustment	10.8	(6.8)	46.9	(26.3)
Total Other Comprehensive Income (Loss), Net of Tax	10.9	0.5	44.6	(36.7)
Total Comprehensive Income	$ 58.2	$ 58.3	$ 170.9	$ 156.4

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

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

In millions, except share and per share amounts	September 30, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 17.2	$ 59.1
Receivables, Net	539.0	426.8
Inventories, Net	621.5	582.9
Other Current Assets	44.9	46.1
Total Current Assets	1,222.6	1,114.9
Property, Plant and Equipment, Net	1,820.8	1,751.9
Goodwill	1,309.3	1,260.3
Intangible Assets, Net	449.6	445.3
Other Assets	37.5	31.0
Total Assets	$ 4,839.8	$ 4,603.4
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	$ 49.6	$ 63.4
Accounts Payable	486.7	466.5
Compensation and Employee Benefits	116.5	107.3
Other Accrued Liabilities	164.6	142.6
Total Current Liabilities	817.4	779.8
Long-Term Debt	2,225.2	2,088.5
Deferred Income Tax Liabilities	421.5	408.0
Accrued Pension and Postretirement Benefits	161.2	202.5
Other Noncurrent Liabilities	80.8	68.1
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; 309,713,908 and 313,533,785 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	3.1	3.1
Capital in Excess of Par Value	1,680.2	1,709.0
Accumulated Deficit	(206.6)	(268.0)
Accumulated Other Comprehensive Loss	(343.0)	(387.6)
Total Shareholders' Equity	1,133.7	1,056.5
Total Liabilities and Shareholders' Equity	$ 4,839.8	$ 4,603.4

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

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

In millions	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 126.3	$ 193.1
Non-cash Items Included in Net Income:		
Depreciation and Amortization	237.2	224.1
Deferred Income Taxes	51.2	55.1
Amount of Postretirement Expense Less Than Funding	(39.6)	(24.3)
Other, Net	(3.1)	32.6
Changes in Operating Assets and Liabilities	(65.5)	(86.3)
Net Cash Provided by Operating Activities	306.5	394.3
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Spending	(185.8)	(248.7)
Packaging Machinery Spending	(12.0)	(9.7)
Acquisition of Businesses, Net of Cash Acquired	(120.9)	(331.9)
Other, Net	(0.4)	(4.1)
Net Cash Used in Investing Activities	(319.1)	(594.4)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Common Stock	(62.1)	(106.4)
Payments on Debt	(18.8)	(18.8)
Proceeds from Issuance of Debt	—	300.0
Borrowings under Revolving Credit Facilities	814.0	1,013.3
Payments on Revolving Credit Facilities	(695.8)	(933.3)
Repurchase of Common Stock related to Share-Based Payments	(10.1)	(10.6)
Debt Issuance Costs	—	(5.1)
Dividends Paid	(70.2)	(48.5)
Other, Net	11.4	(0.5)
Net Cash (Used In) Provided by Financing Activities	(31.6)	190.1
Effect of Exchange Rate Changes on Cash	2.3	0.8
Net Decrease in Cash and Cash Equivalents	(41.9)	(9.2)
Cash and Cash Equivalents at Beginning of Period	59.1	54.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 17.2	$ 45.7

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

NOTE 1 — GENERAL INFORMATION

Nature of Business and Basis of Presentation

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

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

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

In the Company's opinion, the accompanying Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods. The Company's year end Condensed Consolidated Balance Sheet data was derived from audited financial statements. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with instructions to Form 10-Q and Rule 10-01 of Regulation S-X and do not include all the information required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements. Therefore, these Condensed Consolidated Financial Statements should be read in conjunction with GPHC's Form 10-K for the year ended December 31, 2016. In addition, the preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates and changes in these estimates are recorded when known.

For a summary of the Company's significant accounting policies, please refer to GPHC's Form 10-K for the year ended December 31, 2016.

Accounts Receivable and Allowances

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"). During the first nine months of 2017, the Company sold and derecognized approximately $1 billion of receivables, collected approximately $963 million on behalf of the financial institution, and received approximately $65 million in funding from the financial institutions, resulting in deferred proceeds of approximately $26 million as of September 30, 2017. During the same period of 2016, the Company sold and derecognized approximately $945 million of receivables, collected approximately $878 million on behalf of the financial institution, and received funding of approximately $95 million by the financial institution, resulting in deferred proceeds of approximately $23 million as of September 30, 2016. Cash proceeds related to the sales are included in cash from operating activities in the Condensed Consolidated Statements of Cash Flows in the Changes in Operating Assets and Liabilities line item. The loss on sale is not material and is included in Other Expense (Income), Net line item on the Condensed Consolidated Statement of Operations.

The Company has also entered into various factoring and supply chain financing arrangements which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the nine months ended September 30, 2017 and 2016, the Company sold receivables of approximately $43 million and $33 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, at September 30, 2017 and December 31, 2016, were approximately $439 million and $376 million, respectively.

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

Capital Allocation Plan

During the first nine months of 2017, the Company's board of directors declared three regular quarterly dividends of $0.075 per share of common stock to shareholders of record as follows:

Date Declared	Record Date	Payment Date
March 13, 2017	March 29, 2017	April 5, 2017
May 24, 2017	June 15, 2017	July 5, 2017
July 28, 2017	September 15, 2017	October 5, 2017

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 the first nine months of 2017, the Company repurchased 4,462,263 shares at an aggregate average price of $13.08, including 1,440,697 shares repurchased under the 2015 share repurchase program thereby completing that program. The Company repurchased 8,448,292 shares at an average price of $12.74 during the nine months ended September 30, 2016 under the 2015 share repurchase program. As of September 30, 2017, the Company has approximately $210 million available for additional repurchases under the 2017 share repurchase program.

Business Combinations and Shutdown and Other Special Charges

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2017**	**2016**	**2017**	**2016**
Charges Associated with Business Combinations	$ 2.3	$ 5.0	$ 10.0	$ 15.4
Shutdown and Other Special Charges	1.3	2.4	8.3	7.8
Total	$ 3.6	$ 7.4	$ 18.3	$ 23.2

On September 6, 2017, the Company announced that its will close its coated recycled paperboard mill in Santa Clara, California by year end. 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 capability. In addition to the shutdown costs in the above table, the Company recorded $7.1 million in accelerated depreciation for the three and nine months ended September 30, 2017.

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 converting facilities located in New Albany, Indiana, focused on the production of paperboard based air filter frames and folding cartons.

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 converting facility located in Wayne, New Jersey.

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

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

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

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

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.

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 currently expects to use the modified retrospective approach. The Company has 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. The Company has determined that for certain contracts, an enforceable right of payment may exist for products produced but not yet shipped and is evaluating modifications to these contracts in order to recognize all revenue under the point in time method; therefore acceleration of revenue would not be 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.

NOTE 2 — INVENTORIES, NET

Inventories, Net by major class:

In millions	September 30, 2017	December 31, 2016
Finished Goods	$ 240.3	$ 238.3
Work in Progress	77.5	73.5
Raw Materials	214.0	187.2
Supplies	89.7	83.9
Total	$ 621.5	$ 582.9

NOTE 3 — ACQUISITIONS

On July 10, 2017, the Company acquired substantially all the assets of Carton Craft Corporation and its affiliate Lithocraft, Inc (collectively "Carton Craft"). The Company paid $120.9 million for the Carton Craft acquisition using existing cash and borrowings under its revolving line of credit. The acquisition includes two folding carton converting facilities located in New Albany, Indiana, focused on the production of paperboard based air filter frames and folding cartons, and is included in the Americas Paperboard segment.

The purchase price for Carton Craft has been preliminarily allocated to assets acquired and liabilities assumed based on the estimated fair values as of the purchase date and is subject to adjustments in subsequent periods once the third party valuation is completed. Management believes that the purchase price attributable to goodwill represents the benefits expected as the acquisition was 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.

The Company expects the goodwill recorded to be deductible for tax purposes. The preliminary purchase price allocation is as follows:

In millions	Amounts Recognized as of Acquisition Date	Measurement Period Adjustments	Amounts Recognized as of Acquisition Dates (as adjusted)
Purchase Price	$ 120.9	$ —	$ 120.9
Receivables, Net	10.3	—	10.3
Inventories, Net	14.8	1.1	15.9
Property, Plant and Equipment, Net	5.3	7.0	12.3
Intangible Assets, Net	—	40.0	40.0
Total Assets Acquired	30.4	48.1	78.5
Current Liabilities	0.7	0.1	0.8
Total Liabilities Assumed	0.7	0.1	0.8
Net Assets Acquired	29.7	48.0	77.7
Goodwill	91.2	(48.0)	43.2
Total Estimated Fair Value of Net Assets Acquired	$ 120.9	$ —	$ 120.9

As disclosed in "*Note 1 - General Information,"* the Company acquired Colorpak, Metro, WG Anderson, and G-Box, which are referred to collectively as the "2016 Acquisitions" and, except for Colorpak, are included in the Americas Paperboard Packaging Segment.

The Company paid approximately $333 million, net of cash acquired, for the 2016 Acquisitions using existing cash and borrowings under its revolving line of credit, and assumed debt of approximately $31 million.

NOTE 4 — DEBT

For more information regarding the Company's debt, see "*Note 5 — Debt"* of the Notes to Consolidated Financial Statements of the Company's 2016 Form 10-K.

Long-Term Debt is comprised of the following:

In millions	September 30, 2017	December 31, 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 4.79%, payable in 2021	425.0	425.0
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (2.74% at September 30, 2017) payable through 2019	931.2	950.0
Senior Secured Revolving Facilities with interest payable at floating rates (2.50% at September 30, 2017) payable in 2019	322.0	184.8
Capital Lease Obligations	30.6	17.9
Other	25.6	3.0
Total Long-Term Debt	2,284.4	2,130.7
Less: Current Portion	45.9	26.3
	2,238.5	2,104.4
Less: Unamortized Deferred Debt Issuance Costs	13.3	15.9
Total	$ 2,225.2	$ 2,088.5

At September 30, 2017, the Company and its U.S. and international subsidiaries had the following commitments, amounts outstanding and amounts available under revolving credit facilities:

In millions	Total Commitments	Total Outstanding	Total Available
Senior Secured Domestic Revolving Credit Facility[a]	$ 1,250.0	$ 262.0	$ 967.3
Senior Secured International Revolving Credit Facility	185.1	60.0	125.1
Other International Facilities	58.2	29.3	28.9
Total	$ 1,493.3	$ 351.3	$ 1,121.3

(a) In accordance with its debt agreement, the Company's availability under its revolving credit facilities has been reduced by the amount of standby letters of credit issued of $20.7 million as of September 30, 2017. These letters of credit are used primarily as security against its self-insurance obligations and workers' compensation obligations. These letters of credit expire at various dates through 2018 unless extended.

The 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 September 30, 2017, the Company was in compliance with the covenants in the Credit Agreement and the Indentures.

NOTE 5 — STOCK INCENTIVE PLANS

The Company has one active equity compensation plan from which new grants may be made, the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (the "2014 Plan"). Under the 2014 Plan, the Company may grant stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs") 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 either 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.

Data concerning RSUs and stock awards granted in the first nine months of 2017 is as follows:

	Shares	Weighted Average Grant Date Fair Value Per Share
RSUs — Employees	1,537,388	$ 13.34
Stock Awards — Board of Directors	65,520	$ 13.43

During the nine months ended September 30, 2017 and 2016, $5.5 million and $16.2 million, respectively, were charged to compensation expense for stock incentive plans.

During the nine months ended September 30, 2017 and 2016, approximately 1.0 million and 1.7 million shares were issued, respectively. The shares issued were primarily related to RSUs granted during 2014 and 2013, respectively.

NOTE 6 — PENSIONS AND OTHER POSTRETIREMENT BENEFITS

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

Pension and Postretirement Expense

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

	Pension Benefits				Postretirement Health Care Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	2017	2016	2017	2016	2017	2016	2017	2016
Components of Net Periodic Cost:								
Service Cost	$ 2.3	$ 2.5	$ 6.8	$ 7.4	$ 0.2	$ 0.2	$ 0.6	$ 0.6
Interest Cost	10.7	10.7	31.9	33.1	0.3	0.3	1.0	1.0
Administrative Expenses	—	0.2	—	0.7	—	—	—	—
Expected Return on Plan Assets	(16.1)	(15.5)	(48.0)	(45.7)	—	—	—	—
Net Curtailment/Settlement Loss	—	0.5	—	0.5	—	—	—	—
Amortization:								
Prior Service Cost (Credit)	0.1	0.2	0.4	0.6	(0.1)	(0.1)	(0.2)	(0.2)
Actuarial Loss (Gain)	1.6	7.7	4.8	19.6	(0.5)	(0.4)	(1.6)	(1.6)
Net Periodic (Benefit) Cost	$ (1.4)	$ 6.3	$ (4.1)	$ 16.2	$ (0.1)	$ —	$ (0.2)	$ (0.2)

Employer Contributions

The Company made contributions of $33.6 million and $39.8 million to its pension plans during the firstnine months of 2017 and 2016, respectively. The Company expects to make contributions of approximately $35 million for the full year 2017. During 2016, the Company made $51.4 million of contributions to its pension plans.

The Company made postretirement health care benefit payments of $1.7 million and $0.5 million during the first nine months of 2017 and 2016, respectively. The Company estimates its postretirement health care benefit payments for the full year 2017 to be approximately $3 million. During 2016, the Company made postretirement health care benefit payments of $2.1 million.

NOTE 7 — FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

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

For more information regarding the Company's financial instruments and fair value measurement, see "*Note 9 — Financial Instruments, Derivatives and Hedging Activities" and* "*Note 10 — Fair Value Measurement"* of the Notes to Consolidated Financial Statements of the Company's 2016 Form 10-K.

Interest Rate Risk

The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facility. 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 September 30, 2017:

Start	End	*(In Millions)* Notional Amount	Weighted Average Interest Rate
2/1/2017	12/1/2017	$450.0	0.89%
12/01/2017	10/01/2018	$250.0	1.16%

Ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs. During the first nine months of 2017 and 2016, there were no amounts of ineffectiveness related to changes in the fair value of interest rate swap agreements. Additionally, there were no amounts excluded from the measure of effectiveness.

Commodity Risk

To manage risks associated with future variability in cash flows and price risk attributable to purchases of natural gas, the Company enters into natural gas swap contracts to hedge prices for a designated percentage of its expected natural gas usage. Such contracts are designated as cash flow hedges. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Loss, the resulting gain or loss reclassified into Cost of Sales concurrently with the recognition of the commodity consumed, and the ineffective portion of the swap contracts' change in fair value recognized immediately in earnings. The Company has hedged approximately 50% and 22% of its expected natural gas usage for the remainder of2017 and 2018, respectively.

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

At September 30, 2017, multiple forward exchange contracts existed that expire on various dates through the remainder of2017. Those purchased forward exchange contracts outstanding at September 30, 2017 and December 31, 2016, when aggregated and measured in U.S. dollars at contractual rates atSeptember 30, 2017 and December 31, 2016, had notional amounts totaling $12.6 million and $55.9 million, respectively.

No amounts were reclassified to earnings during the first nine months of 2017 or during 2016 in connection with forecasted transactions that were considered probable of not occurring and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there wereno amounts excluded from the measure of effectiveness.

Derivatives not Designated as Hedges

The Company enters into forward exchange contracts to effectively hedge substantially all of its accounts receivables resulting from sales transactions denominated in foreign currencies in order to manage risks associated with variability in cash flows that may be adversely affected by changes in exchange rates. At September 30, 2017 and December 31, 2016, multiple foreign currency forward exchange contracts existed, with maturities ranging up tothree months. Those foreign currency exchange contracts outstanding at September 30, 2017 and December 31, 2016, when aggregated and measured in U.S. dollars at exchange rates atSeptember 30, 2017 and December 31, 2016, had net notional amounts totaling $72.6 million and $68.1 million, respectively. Unrealized gains and losses resulting from these contracts are recognized inOther Expense (Income), Net and approximately offset corresponding recognized but unrealized gains and losses on the remeasurement of these accounts receivable.

Fair Value of Financial Instruments

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

As of September 30, 2017, the Company had a gross derivative asset of $1.5 million and a gross derivative liability of $0.7 million, related to interest rate, foreign currency and commodity contracts. As of September 30, 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 atSeptember 30, 2017 and December 31, 2016 approximately equal the carrying values reported on the Condensed Consolidated Balance Sheets except for Long-Term Debt. The fair value of the Company's Long-Term Debt (excluding capital leases and deferred financing fees) was $2,307.0 million and $2,132.7 million as compared to the carrying amounts of$2,253.9 million and $2,112.8 million as of September 30, 2017 and December 31, 2016, respectively. The fair value of the Company's Total 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.

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

In millions	
Balance at December 31, 2016	$ 7.5
Reclassification to Earnings	(2.0)
Current Period Change in Fair Value	(5.4)
Balance at September 30, 2017	$ 0.1

A t September 30, 2017, the Company expects to reclassify immaterial gains in the next twelve months from Accumulated Other Comprehensive Loss to earnings, contemporaneously with and offsetting changes in the related hedged exposure. The actual amount that will be reclassified to future earnings may vary from this amount as a result of changes in market conditions.

NOTE 8 — INCOME TAXES

During the nine months ended September 30, 2017, the Company recognized Income Tax Expense of $67.1 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $192.1 million. The effective tax rate for thenine months ended September 30, 2017 is lower than the statutory rate due to the mix and levels of earnings between foreign and domestic tax jurisdictions. In addition, the Company recorded a discrete benefit of approximately $3 million during the nine months ended September 30, 2017, of which approximately $2 million related to the excess benefit associated with share based payments to employees that vested during the period in accordance with the new guidance in ASU No. 2016-09, *Compensation-Stock Compensation (Topic 718),* which requires entities to recognize all income tax effects of excess tax benefits and tax deficiencies in the income statement during the period in which the awards vest or are settled. In addition, approximately $1 million was recorded as a result of statutory rate changes, income tax credits and other discrete items.

During the nine months ended September 30, 2016, the Company recognized Income Tax Expense of $71.3 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $262.8 million. The effective tax rate for the nine months ended September 30, 2016 was significantly lower than the statutory rate due to an agreement executed with the Internal Revenue Service. As a result of this agreement, the Company amended its 2011 and 2012 U.S. federal and state tax returns and utilized previously expired net operating loss carryforwards. The Company recorded a discrete benefit during the second quarter of $22.4 million to reflect the changes as a reduction in its net long-term deferred tax liability. The effective tax rate for the nine months ended September 30, 2016 was also different from the statutory rate due to the mix and levels of earnings between foreign and domestic tax jurisdictions as well as other discrete items recorded during the nine months ended September 30, 2016.

As of December 31, 2016, the Company had approximately $351 million of Net Operating Losses (“NOLs”) for U.S. federal income tax purposes which may be used to offset future taxable income. During the three months ended March 31, 2017, the Company adopted ASU 2016-09 and as a result recorded additional federal and state NOLs 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 NOLs in accumulated deficit in accordance with ASU No. 2016-09. The Company will utilize NOLs during 2017 and expects to have approximately $375 million to $425 million of NOLs remaining at December 31, 2017. Based on these NOLs and other tax benefits, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2020.

NOTE 9 — 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, potential future closures or sales of facilities may necessitate further investigation and may result in future remediation at those facilities.

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

Legal Matters

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

NOTE 10 — SEGMENT INFORMATION

Effective January 5, 2017, the consumer product and beverage operating segments (previously combined into the Americas Paperboard Packaging reporting 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 reporting 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 seven 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 - General Information.*"

Segment information is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	2017	2016	2017	2016
NET SALES:				
Paperboard Mills	$ 105.1	$ 95.6	$ 300.1	$ 293.9
Americas Paperboard Packaging	833.2	821.5	2,438.7	2,416.9
Europe Paperboard Packaging	152.6	142.1	431.0	435.3
Corporate/Other/Eliminations	46.7	44.5	124.0	94.8
Total	$ 1,137.6	$ 1,103.7	$ 3,293.8	$ 3,240.9
INCOME (LOSS) FROM OPERATIONS:				
Paperboard Mills	$ (13.4)	$ (2.5)	$ (36.0)	$ (2.0)
Americas Paperboard Packaging	101.3	100.7	281.2	314.1
Europe Paperboard Packaging	10.2	6.9	26.2	25.3
Corporate and Other	(2.7)	—	(12.9)	(19.5)
Total	$ 95.4	$ 105.1	$ 258.5	$ 317.9
DEPRECIATION AND AMORTIZATION:				
Paperboard Mills	$ 39.5	$ 29.6	$ 101.3	$ 90.3
Americas Paperboard Packaging	31.6	34.5	91.3	94.2
Europe Paperboard Packaging	10.4	10.4	30.3	31.0
Corporate and Other	5.5	3.7	14.3	8.6
Total	$ 87.0	$ 78.2	$ 237.2	$ 224.1

For more information regarding the Company's business segments, see "*Note 14 — Business Segment and Geographic Area Information"* of the Notes to Consolidated Financial Statements of the Company's 2016 Form 10-K.

NOTE 11 — EARNINGS PER SHARE

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions, except per share data	2017	2016	2017	2016
Net Income	$ 47.3	$ 57.8	$ 126.3	$ 193.1
Weighted Average Shares:				
Basic	310.4	319.7	311.3	322.1
Dilutive Effect of RSUs	0.5	0.7	0.6	0.8
Diluted	310.9	320.4	311.9	322.9
Income Per Share — Basic	$ 0.15	$ 0.18	$ 0.41	$ 0.60
Income Per Share — Diluted	$ 0.15	$ 0.18	$ 0.40	$ 0.60

GRAPHIC PACKAGING HOLDING COMPANY
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NOTE 12 — EQUITY

The following is a summary of the changes in total equity for the nine months ended September 30, 2017:

In millions		Total Shareholders' Equity
Balance at December 31, 2016	$	1,056.5
Net Income		126.3
Other Comprehensive Income, Net of Tax		44.6
Dividends Declared		(69.8)
Repurchase of Common Stock		(58.4)
Pre-2017 Excess Tax Benefit related to Share-Based Payments		39.1
Compensation Expense Under Share-Based Plans		5.5
Repurchase of Common Stock related to Share-Based Payments		(10.1)
Balance at September 30, 2017	$	1,133.7

NOTE 13 — ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following represents changes in Accumulated Other Comprehensive (Loss) Income by each component of other comprehensive income for the nine months ended September 30, 2017 [(a)]:

In millions		Derivative Instruments		Pension Benefit Plans		Postretirement Benefit Plans		Currency Translation Adjustment		Total
Balance at December 31, 2016	$	(5.4)	$	(250.2)	$	14.7	$	(146.7)	$	(387.6)
Other Comprehensive (Loss) Income before Reclassifications		(3.3)		—		—		46.9		43.6
Amounts Reclassified from Accumulated Other Comprehensive (Loss) Income [(b)]		(1.2)		3.3		(1.1)		—		1.0
Net Current-period Other Comprehensive (Loss) Income		(4.5)		3.3		(1.1)		46.9		44.6
Balance at September 30, 2017	$	(9.9)	$	(246.9)	$	13.6	$	(99.8)	$	(343.0)

(a) All amounts are net of income taxes.
(b) See following table for details about these reclassifications.

The following represents reclassifications out of Accumulated Other Comprehensive (Loss) Income for the nine months ended September 30, 2017:

In millions

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		Affected Line Item in the Statement Where Net Income is Presented
Derivatives Instruments:			
Commodity Contracts	$ (1.0)		Cost of Sales
Foreign Currency Contracts	(0.7)		Other Expense (Income), Net
Interest Rate Swap Agreements	(0.3)		Interest Expense, Net
	(2.0)		Total before Tax
	0.8		Tax Expense
	$ (1.2)		Net of Tax
Amortization of Defined Benefit Pension Plans:			
Prior Service Costs	$ 0.4	(c)	
Actuarial Losses	4.8	(c)	
	5.2		Total before Tax
	(1.9)		Tax Benefit
	$ 3.3		Net of Tax
Amortization of Postretirement Benefit Plans:			
Prior Service Credits	$ (0.2)	(c)	
Actuarial Gains	(1.6)	(c)	
	(1.8)		Total before Tax
	0.7		Tax Expense
	$ (1.1)		Net of Tax
Total Reclassifications for the Period	$ 1.0		

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

NOTE 14 — GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

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

	Three Months Ended September 30, 2017					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	$ —	$ 911.0	$ 0.6	$ 308.7	$ (82.7)	$ 1,137.6
Cost of Sales	—	756.4	(0.3)	272.6	(82.7)	946.0
Selling, General and Administrative	—	68.8	—	21.8	—	90.6
Other (Income) Expense, Net	—	(0.6)	—	2.6	—	2.0
Business Combinations and Shutdown and Other Special Charges	—	2.5	—	1.1	—	3.6
Income (Loss) from Operations	—	83.9	0.9	10.6	—	95.4
Interest Expense, Net	—	(21.5)	—	(1.1)	—	(22.6)
Income before Income Taxes and Equity Income of Unconsolidated Entity	—	62.4	0.9	9.5	—	72.8
Income Tax (Expense) Benefit	—	(20.8)	(1.5)	(3.6)	—	(25.9)
Income (Loss) before Equity Income of Unconsolidated Entities	—	41.6	(0.6)	5.9	—	46.9
Equity Income of Unconsolidated Entity	—	—	—	0.4	—	0.4
Equity in Net Earnings of Subsidiaries	47.3	5.7	(0.8)	—	(52.2)	—
Net Income (Loss)	$ 47.3	$ 47.3	$ (1.4)	$ 6.3	$ (52.2)	$ 47.3
Comprehensive Income (Loss)	$ 58.2	$ 58.2	$ (1.5)	$ 24.6	$ (81.3)	$ 58.2

	Three Months Ended September 30, 2016					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	$ —	$ 872.6	$ 27.1	$ 281.2	$ (77.2)	$ 1,103.7
Cost of Sales	—	715.9	23.6	250.1	(77.2)	912.4
Selling, General and Administrative	—	53.6	4.5	20.8	—	78.9
Other (Income) Expense, Net	—	(1.5)	—	1.4	—	(0.1)
Business Combinations and Shutdown and Other Special Charges	—	7.1	—	0.3	—	7.4
Income (Loss) from Operations	—	97.5	(1.0)	8.6	—	105.1
Interest Expense, Net	—	(19.0)	—	(1.0)	—	(20.0)
Income (Loss) before Income Taxes and Equity Income of Unconsolidated Entity	—	78.5	(1.0)	7.6	—	85.1
Income Tax (Expense) Benefit	—	(24.6)	0.7	(4.1)	—	(28.0)
Income (Loss) before Equity Income of Unconsolidated Entity	—	53.9	(0.3)	3.5	—	57.1
Equity Income of Unconsolidated Entity	—	—	—	0.7	—	0.7
Equity in Net Earnings of Subsidiaries	57.8	3.9	0.9	—	(62.6)	—
Net Income (Loss)	$ 57.8	$ 57.8	$ 0.6	$ 4.2	$ (62.6)	$ 57.8
Comprehensive Income (Loss)	$ 58.3	$ 58.3	$ (0.7)	$ (3.8)	$ (53.8)	$ 58.3

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In millions	Nine Months Ended September 30, 2017 Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	$ —	$ 2,646.1	$ 50.1	$ 843.3	$ (245.7)	$ 3,293.8
Cost of Sales	—	2,206.4	41.0	748.6	(245.7)	2,750.3
Selling, General and Administrative	—	200.8	3.5	61.0	—	265.3
Other (Income) Expense, Net	—	(5.9)	0.1	7.2	—	1.4
Business Combinations and Shutdown and Other Special Charges	—	10.6	—	7.7	—	18.3
Income from Operations	—	234.2	5.5	18.8	—	258.5
Interest Expense, Net	—	(63.2)	—	(3.2)	—	(66.4)
Income before Income Taxes and Equity Income of Unconsolidated Entity	—	171.0	5.5	15.6	—	192.1
Income Tax Expense	—	(57.5)	(3.2)	(6.4)	—	(67.1)
Income before Equity Income of Unconsolidated Entity	—	113.5	2.3	9.2	—	125.0
Equity Income of Unconsolidated Entity	—	—	—	1.3	—	1.3
Equity in Net Earnings of Subsidiaries	126.3	12.8	(5.3)	—	(133.8)	—
Net Income (Loss)	$ 126.3	$ 126.3	$ (3.0)	$ 10.5	$ (133.8)	$ 126.3
Comprehensive Income (Loss)	$ 170.9	$ 170.9	$ (23.5)	$ 69.8	$ (217.2)	$ 170.9

In millions	Nine Months Ended September 30, 2016 Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	$ —	$ 2,612.8	$ 72.4	$ 783.9	$ (228.2)	$ 3,240.9
Cost of Sales	—	2,117.0	61.5	686.8	(228.2)	2,637.1
Selling, General and Administrative	—	193.1	8.2	59.4	—	260.7
Other (Income) Expense, Net	—	(4.1)	—	6.1	—	2.0
Business Combinations and Shutdown and Other Special Charges	—	21.6	—	1.6	—	23.2
Income from Operations	—	285.2	2.7	30.0	—	317.9
Interest Expense, Net	—	(52.1)	—	(3.0)	—	(55.1)
Income before Income Taxes and Equity Income of Unconsolidated Entity	—	233.1	2.7	27.0	—	262.8
Income Tax Expense	—	(60.7)	(1.0)	(9.6)	—	(71.3)
Income before Equity Income of Unconsolidated Entity	—	172.4	1.7	17.4	—	191.5
Equity Income of Unconsolidated Entity	—	—	—	1.6	—	1.6
Equity in Net Earnings of Subsidiaries	193.1	20.7	(2.6)	—	(211.2)	—
Net Income (Loss)	$ 193.1	$ 193.1	$ (0.9)	$ 19.0	$ (211.2)	$ 193.1
Comprehensive Income (Loss)	$ 156.4	$ 156.4	$ (4.1)	$ (22.0)	$ (130.3)	$ 156.4

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

	September 30, 2017					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ —	$ 13.6	$ —	$ 3.6	$ —	$ 17.2
Receivables, Net	—	237.3	—	301.7	—	539.0
Inventories, Net	—	414.6	—	206.9	—	621.5
Intercompany	—	1,153.8	204.2	—	(1,358.0)	—
Other Current Assets	—	33.3	—	11.6	—	44.9
Total Current Assets	—	1,852.6	204.2	523.8	(1,358.0)	1,222.6
Property, Plant and Equipment, Net	—	1,521.9	0.1	298.8	—	1,820.8
Investment in Consolidated Subsidiaries	1,533.8	—	15.6	—	(1,549.4)	—
Goodwill	—	1,154.4	—	154.9	—	1,309.3
Other Assets	—	350.6	—	136.5	—	487.1
Total Assets	$ 1,533.8	$ 4,879.5	$ 219.9	$ 1,114.0	$ (2,907.4)	$ 4,839.8
LIABILITIES						
Current Liabilities:						
Short-Term Debt and Current Portion of Long-Term Debt	$ —	$ 45.3	$ —	$ 4.3	$ —	$ 49.6
Accounts Payable	—	370.2	—	116.5	—	486.7
Intercompany	400.1	—	—	983.5	(1,383.6)	—
Other Accrued Liabilities	—	212.5	—	68.6	—	281.1
Total Current Liabilities	400.1	628.0	—	1,172.9	(1,383.6)	817.4
Long-Term Debt	—	2,142.6	—	82.6	—	2,225.2
Deferred Income Tax Liabilities	—	395.9	—	25.6	—	421.5
Other Noncurrent Liabilities	—	179.2	—	62.8	—	242.0
EQUITY						
Total Equity	1,133.7	1,533.8	219.9	(229.9)	(1,523.8)	1,133.7
Total Liabilities and Equity	$ 1,533.8	$ 4,879.5	$ 219.9	$ 1,114.0	$ (2,907.4)	$ 4,839.8

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

In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
	December 31, 2016					
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
Intercompany	306.4	—	—	913.0	(1,219.4)	—
Other Accrued Liabilities	—	178.6	3.0	68.3	—	249.9
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

	Nine Months Ended September 30, 2017					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	$ 126.3	$ 126.3	$ (3.0)	$ 10.5	$ (133.8)	$ 126.3
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	186.0	4.8	46.4	—	237.2
Deferred Income Taxes	—	48.0	3.1	0.1	—	51.2
Amount of Postretirement Expense Less Than Funding	—	(34.8)	—	(4.8)	—	(39.6)
Equity in Net Earnings of Subsidiaries	(126.3)	(12.8)	5.3	—	133.8	—
Other, Net	—	(3.2)	—	0.1	—	(3.1)
Changes in Operating Assets and Liabilities	—	11.3	(11.4)	(65.4)	—	(65.5)
Net Cash Provided by (Used in) Operating Activities	—	320.8	(1.2)	(13.1)	—	306.5
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(145.0)	—	(40.8)	—	(185.8)
Packaging Machinery Spending	—	(12.0)	—	—	—	(12.0)
Acquisition of Business, Net of Cash Acquired	—	(120.9)	—	—	—	(120.9)
Other, Net	142.4	(0.4)	—	—	(142.4)	(0.4)
Net Cash Provided by (Used in) Investing Activities	142.4	(278.3)	—	(40.8)	(142.4)	(319.1)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(62.1)	—	—	—	—	(62.1)
Payments on Debt	—	(18.8)	—	—	—	(18.8)
Borrowings under Revolving Credit Facilities	—	772.6	—	41.4	—	814.0
Payments on Revolving Credit Facilities	—	(652.6)	—	(43.2)	—	(695.8)
Dividends Paid	(70.2)	—	—	—	—	(70.2)
Repurchase of Common Stock related to Share-Based Payments	(10.1)	—	—	—	—	(10.1)
Other, Net	—	(131.0)	—	—	142.4	11.4
Net Cash (Used in) Provided by Financing Activities	(142.4)	(29.8)	—	(1.8)	142.4	(31.6)
Effect of Exchange Rate Changes on Cash	—	—	—	2.3	—	2.3
Net Increase (Decrease) in Cash and Cash Equivalents	—	12.7	(1.2)	(53.4)	—	(41.9)
Cash and Cash Equivalents at Beginning of Period	—	0.9	1.2	57.0	—	59.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ —	$ 13.6	$ —	$ 3.6	$ —	$ 17.2

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

	Nine Months Ended September 30, 2016					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	$ 193.1	$ 193.1	$ (0.9)	$ 19.0	$ (211.2)	$ 193.1
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	174.7	10.8	38.6	—	224.1
Deferred Income Taxes	—	51.8	0.8	2.5	—	55.1
Amount of Postretirement Expense Less Than Funding	—	(20.3)	—	(4.0)	—	(24.3)
Equity in Net Earnings of Subsidiaries	(193.1)	(20.7)	2.6	—	211.2	—
Other, Net	—	32.2	—	0.4	—	32.6
Changes in Operating Assets and Liabilities	—	(27.2)	(12.7)	(46.4)	—	(86.3)
Net Cash Provided By Operating Activities	—	383.6	0.6	10.1	—	394.3
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(208.5)	—	(40.2)	—	(248.7)
Packaging Machinery Spending	—	(9.7)	—	—	—	(9.7)
Acquisition of Business, Net of Cash Acquired	—	(173.1)	—	(158.8)	—	(331.9)
Other, Net	165.5	(164.1)	—	—	(5.5)	(4.1)
Net Cash Provided by (Used in) Investing Activities	165.5	(555.4)	—	(199.0)	(5.5)	(594.4)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(106.4)	—	—	—	—	(106.4)
Payments on Debt	—	(18.8)	—	—	—	(18.8)
Proceeds from Issuance of Debt	—	300.0	—	—	—	300.0
Borrowings under Revolving Credit Facilities	—	955.9	—	57.4	—	1,013.3
Payments on Revolving Credit Facilities	—	(887.7)	—	(45.6)	—	(933.3)
Debt Issuance Cost	—	(5.1)	—	—	—	(5.1)
Dividends Paid	(48.5)	—	—	—	—	(48.5)
Repurchase of Common Stock related to Share-Based Payments	(10.6)	—	—	—	—	(10.6)
Other, Net	—	(166.0)	—	160.0	5.5	(0.5)
Net Cash (Used in) Provided by Financing Activities	(165.5)	178.3	—	171.8	5.5	190.1
Effect of Exchange Rate Changes on Cash	—	—	—	0.8	—	0.8
Net Increase (Decrease) in Cash and Cash Equivalents	—	6.5	0.6	(16.3)	—	(9.2)
Cash and Cash Equivalents at Beginning of Period	—	0.1	—	54.8	—	54.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ —	$ 6.6	$ 0.6	$ 38.5	$ —	$ 45.7

NOTE 15. SUBSEQUENT EVENTS

On October 24, 2017, the Company announced it will combine its business with International Paper's (NYSE: IP) North America Consumer Packaging business. The Company will own 79.5 percent of the partnership and will be the sole operator. The revenue of the combined business is approximately$6 billion.

On October 4, 2017, the Company completed the acquisition of Norgraft Packaging, S.A., a leading folding carton producer in Spain focused on the food and household goods markets. The acquisition includes two converting plants located in Miliaño and Requejada, Spain.

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

INTRODUCTION

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

- Overview of Business
- Overview of 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 converting assets; (iii) to develop and market innovative, sustainable products and applications; and (iv) to continue to reduce costs by focusing on operational improvements. The Company's ability to fully implement its strategies and achieve its objectives may be influenced by a variety of factors, many of which are beyond its control, such as inflation of raw material and other costs, which the Company cannot always pass through to its customers, and the effect of overcapacity in the worldwide paperboard packaging industry.

Significant Factors That Impact The Company's Business

Impact of Inflation/Deflation. The Company's cost of sales consists primarily of energy (including natural gas, fuel oil and electricity), pine pulpwood, chemicals, secondary fibers, purchased paperboard, aluminum foil, ink, plastic films and resins, depreciation expense and labor. Costs increased in the first nine months of 2017 by $78.8 million, compared to the first nine months of 2016. The higher costs in the nine months ended September 30, 2017 were due to secondary fiber ($37.6 million), higher labor and benefit costs ($17.0 million), chemicals ($10.8 million), freight ($9.1 million), net energy related costs ($2.5 million) and other costs, net ($1.8 million).

Because the price of natural gas experiences significant volatility, the Company has entered into contracts designed to manage risks associated with future variability in cash flows caused by changes in the price of natural gas. The Company has entered into natural gas swap contracts to hedge prices for a portion of its expected usage for the remainder of 2017 and 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 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 and recycled clay-coated news. Additional substitute products also include plastic, shrink film and corrugated containers. In addition, while the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time to time, and the Company may not be successful in renewing on favorable terms or at all. The Company works to maintain market share through efficiency, product innovation and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

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

Debt Obligations. The Company had $2,288.1 million of outstanding debt obligations as of September 30, 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 restricts the Company’s ability to obtain additional financing. Covenants in the Company's 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 and make other restricted payments. The Credit Agreement also requires compliance with a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio. The Company’s ability to comply in future periods with the financial covenants will depend on its ongoing financial and operating performance, which in turn will be subject to many other factors, many of which are beyond the Company’s control. See “Financial Condition, Liquidity and Capital Resources — Liquidity and Capital Resources” for additional information regarding the Company’s debt obligations.

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

OVERVIEW OF THIRD QUARTER 2017 RESULTS

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

- Net Sales for the three months ended September 30, 2017, increased $33.9 million or 3.1% to $1,137.6 million from $1,103.7 million for the three months ended September 30, 2016, due to the Carton Craft acquisition discussed below, increased volume and favorable currency exchange rates, partially offset by lower selling prices.

- Income from Operations for the three months ended September 30, 2017 decreased $9.7 million or 9.2% to $95.4 million from $105.1 million for the three months ended September 30, 2016 due to higher inflation and the lower selling prices. These decreases were offset by cost savings through continuous improvement and other programs.

Capital Allocations

- On July 28, 2017, the Company's board of directors declared a quarterly dividend of $0.075 per share of common stock paid on October 5, 2017 to shareholders of record as of September 15, 2017.

- 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 the first nine months of 2017, the Company repurchased 4,462,263 shares at an aggregate average price of $13.08, including 1,440,697 shares repurchased under the 2015 share repurchase program thereby completing that plan. As of September 30, 2017, the Company has approximately $210 million remaining under the 2017 share repurchase program.

Acquisitions and Dispositions

- On September 6, 2017, the Company announced that it will close its coated recycled paperboard mill in Santa Clara, California by year end. 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 capability.

- 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 converting facilities located in New Albany, Indiana, focused on the production of paperboard based air filter frames and folding cartons.

- 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."

RESULTS OF OPERATIONS

In millions	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net Sales	$ 1,137.6	$ 1,103.7	$ 3,293.8	$ 3,240.9
Income from Operations	95.4	105.1	258.5	317.9
Interest Expense, Net	(22.6)	(20.0)	(66.4)	(55.1)
Income before Income Taxes and Equity Income of Unconsolidated Entity	72.8	85.1	192.1	262.8
Income Tax Expense	(25.9)	(28.0)	(67.1)	(71.3)
Income before Equity Income of Unconsolidated Entity	46.9	57.1	125.0	191.5
Equity Income of Unconsolidated Entity	0.4	0.7	1.3	1.6
Net Income	$ 47.3	$ 57.8	$ 126.3	$ 193.1

THIRD QUARTER 2017 COMPARED WITH THIRD QUARTER 2016

Net Sales

In millions	Three Months Ended September 30, 2017	2016	Increase	Percent Change
Consolidated	$ 1,137.6	$ 1,103.7	$ 33.9	3.1%

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

	Three Months Ended September 30,					
		Variances				
In millions	2016	Price	Volume/Mix	Exchange	Total	2017
Consolidated	$ 1,103.7	$ (3.6)	$ 29.7	$ 7.8	$ 33.9	$ 1,137.6

The Company's Net Sales for the three months ended September 30, 2017 increased by $33.9 million or 3.1% to $1,137.6 million from $1,103.7 million for the three months ended September 30, 2016, due to Net Sales of $15.3 million from the Carton Craft acquisition, increased converting volume due to new products, increased sales of open market paperboard, and favorable currency exchange rates, primarily the Euro. These increases were offset by lower selling prices and continued softness in consumer product markets (cereal and dry foods) and a slight decline in global beverage volumes.

Income from Operations

In millions	Three Months Ended September 30, 2017	2016	Decrease	Percent Change
Consolidated	$ 95.4	$ 105.1	$ (9.7)	(9.2)%

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

	Three Months Ended September 30,							
		Variances						
In millions	2016	Price	Volume/Mix	Inflation	Exchange	Other [(a)]	Total	2017
Consolidated	$ 105.1	$ (3.6)	$ 3.6	$ (24.4)	$ —	$ 14.7	$ (9.7)	$ 95.4

(a) Includes the Company's cost reduction initiatives and expenses related to acquisitions and integration activities, shutdown and other special charges.

Income from Operations for the three months ended September 30, 2017 decreased $9.7 million or 9.2% to $95.4 million from $105.1 million for the three months ended September 30, 2016 due to higher inflation, including the impact of the hurricanes, the lower selling prices, and higher incentive compensation costs due to a decrease recorded in the prior year of approximately $10 million. These decreases were offset by cost savings through continuous improvement and other programs. The prior year quarter was also negatively impacted by operational issues related to the onboarding of new or transferred business related to the closed or announced closure of facilities. Inflation for the three months ended September 30, 2017 increased primarily due to secondary fiber ($12.1 million), labor and benefits ($5.7 million), freight ($4.9 million), chemicals ($2.8 million), partially offset by other costs, net ($1.1 million).

Interest Expense, Net

Interest Expense, Net was $22.6 million and $20.0 million for the three months ended September 30, 2017 and 2016, respectively. Interest Expense, Net increased due primarily to higher average interest rates as compared to the same period in the prior year. As of September 30, 2017, approximately 36% of the Company's total debt was subject to floating interest rates.

Income Tax Expense

During the three months ended September 30, 2017, the Company recognized Income Tax Expense of $25.9 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $72.8 million. The effective tax rate for thethree months ended September 30, 2017 is different than the statutory rate primarily due to the mix and levels of earnings between foreign and domestic tax jurisdictions. In addition, approximately $1 million was recorded as a result of statutory rate changes, income tax credits and other discrete items.

During the three months ended September 30, 2016, the Company recognized Income Tax Expense of $28.0 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $85.1 million. The effective tax rate for the three months ended September 30, 2016 was different than the statutory rate primarily due to the mix and levels between foreign and domestic earnings, including losses in jurisdictions with full valuation allowances as well as certain discrete benefits recorded during the quarter.

As of December 31, 2016, the Company had approximately $351 million of Net Operating Losses ("NOLs") for U.S. federal income tax purposes which may be used to offset future taxable income. The Company will utilize NOLs during 2017 and expects to have approximately $375 million to $425 million of NOLs remaining at December 31, 2017. Based on these NOLs and other tax benefits, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2020.

FIRST NINE MONTHS 2017 COMPARED WITH FIRST NINE MONTHS 2016

Net Sales

	Nine Months Ended September 30,			
In millions	2017	2016	Increase	Percent Change
Consolidated	$ 3,293.8	$ 3,240.9	$ 52.9	1.6%

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

	Nine Months Ended September 30,					
		Variances				
In millions	2016	Price	Volume/Mix	Exchange	Total	2017
Consolidated	$ 3,240.9	$ (27.6)	$ 98.9	$ (18.4)	$ 52.9	$ 3,293.8

The Company's Net Sales for the nine months ended September 30, 2017 increased by $52.9 million or 1.6% to $3,293.8 million from $3,240.9 million for the nine months ended September 30, 2016, primarily due to Net Sales of $77.7 million for the 2016 and Carton Craft Acquisitions and new product introductions, partially offset by lower selling prices and unfavorable currency exchange rates, primarily the British Pound. Core volumes were stable as global beverage volumes were up while softness continued for certain consumer products, primarily cereal and frozen foods.

Income (Loss) from Operations

	Nine Months Ended September 30,			
In millions	2017	2016	Decrease	Percent Change
Consolidated	$ 258.5	$ 317.9	$ (59.4)	(18.7)%

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

	Nine Months Ended September 30,							
		Variances						
In millions	2016	Price	Volume/Mix	Inflation	Exchange	Other [(a)]	Total	2017
Consolidated	$ 317.9	$ (27.6)	$ (3.7)	$ (78.8)	$ (6.2)	$ 56.9	$ (59.4)	$ 258.5

(a) Includes the Company's cost reduction initiatives and expenses related to acquisitions and integration activities, shutdown and other special charges.

Income from Operations for the nine months ended September 30, 2017 decreased $59.4 million or 18.7% to $258.5 million from $317.9 million for the nine months ended September 30, 2016 due to higher inflation, the lower selling prices, and unfavorable foreign currency exchange rates. These decreases were partially offset by cost savings through continuous improvement and other programs and lower compensation expenses and other general expenses. Inflation for the nine months ended September 30, 2017, increased due to secondary fiber ($37.6 million), labor and benefits ($17.0 million), chemicals ($10.8 million), freight ($9.1 million), net energy related costs ($2.5 million) and other costs, net ($1.8 million).

Interest Expense, Net

Interest Expense, Net was $66.4 million and $55.1 million the nine months ended September 30, 2017 and 2016, respectively. Interest Expense, Net increased due primarily to higher average interest rates as compared to the same period in the prior year.

Income Tax Expense

During the nine months ended September 30, 2017 the Company recognized Income Tax Expense of $67.1 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $192.1 million. The effective tax rate for thenine months ended September 30, 2017 is lower than the statutory rate due to the mix and levels of earnings between foreign and domestic tax jurisdictions. In addition, the Company recorded a discrete benefit of approximately $3 million during the nine months ended September 30, 2017, of which approximately $2 million related to the excess tax benefit associated with share based payments to employees that vested during the period in accordance with the new guidance in ASU No. 2016-09, *Compensation-Stock Compensation (Topic 718)*, which requires entities to recognize all income tax effects of excess tax benefits and tax deficiencies in the income statement during the period in which the awards vest or are settled. In addition, approximately $1 million was recorded as a result of statutory rate changes, income tax credits and other discrete items.

During the nine months ended September 30, 2016, the Company recognized Income Tax Expense of $71.3 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $262.8 million. The effective tax rate for the nine months ended September 30, 2016 was significantly lower than the statutory rate due to an agreement executed with the Internal Revenue Service. As a result of the agreement, the Company amended its 2011 and 2012 U.S. federal and state tax returns and utilized previously expired net operating loss carryforwards. The Company recorded a discrete benefit of $22.4 million to reflect the changes as a reduction in its net long-term deferred tax liability. The effective tax rate for the nine months ended September 30, 2016 was also different from the statutory rate due to the mix and levels of earnings between foreign and domestic tax jurisdictions as well as other discrete items recorded during the nine months ended September 30, 2016.

Segment Reporting

Effective January 5, 2017, the consumer product and beverage operating segments (previously combined into the Americas Paperboard Packaging reporting 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 reporting 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 seven 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 - General Information"* in the Notes to Condensed Consolidated Financial Statements.

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions	**2017**	**2016**	**2017**	**2016**
NET SALES:				
Paperboard Mills	$ 105.1	$ 95.6	$ 300.1	$ 293.9
Americas Paperboard Packaging	833.2	821.5	2,438.7	2,416.9
Europe Paperboard Packaging	152.6	142.1	431.0	435.3
Corporate/Other/Eliminations	46.7	44.5	124.0	94.8
Total	$ 1,137.6	$ 1,103.7	$ 3,293.8	$ 3,240.9
INCOME (LOSS) FROM OPERATIONS:				
Paperboard Mills	$ (13.4)	$ (2.5)	$ (36.0)	$ (2.0)
Americas Paperboard Packaging	101.3	100.7	281.2	314.1
Europe Paperboard Packaging	10.2	6.9	26.2	25.3
Corporate and Other	(2.7)	—	(12.9)	(19.5)
Total	$ 95.4	$ 105.1	$ 258.5	$ 317.9

2017 COMPARED WITH 2016

Third Quarter 2017 Compared to Third Quarter 2016

Paperboard Mills

Net Sales increased due to increase volumes for both CUK and CRB, higher selling prices, primarily for CUK, and favorable currency exchange rates.

Loss from Operations increased due to higher inflation, primarily secondary fiber, partially offset by productivity improvements and the increased sales volume.

Americas Paperboard Packaging

Net Sales increased due to the Carton Craft acquisition and new production introductions, partially offset by lower selling prices and lower volume for beverage and certain consumer products.

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

Europe Paperboard Packaging

Net Sales increased due to increased volumes primarily for beverage and convenience products and favorable foreign currency exchange rates, partially offset by lower selling prices.

Income from Operations increased due to the higher volume and continuous improvement and other cost savings programs, partially offset by the lower selling prices.

First Nine Months 2017 Compared to First Nine Months 2016

Paperboard Mills

Net Sales increased as increased volume and favorable foreign currency exchange rates were offset by lower selling prices.

Loss from Operations increased due to higher inflation, primarily secondary fiber ($37.6 million), and the lower selling prices, partially offset by productivity improvements. 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.

Americas Paperboard Packaging

Net Sales increased primarily due to the 2016 and Carton Craft 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 the lower selling prices and higher inflation, partially offset by cost savings through continuous improvement programs.

Europe Paperboard Packaging

Net Sales decreased primarily due to unfavorable foreign currency exchange rates and lower pricing, partially offset by higher volume primarily for beverage and convenience products.

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 and unfavorable foreign currency exchange rates.

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

	Nine Months Ended September 30,			
In millions		2017		2016
Net Cash Provided by Operating Activities	$	306.5	$	394.3
Net Cash Used in Investing Activities	$	(319.1)	$	(594.4)
Net Cash (Used In) Provided by Financing Activities	$	(31.6)	$	190.1

Net cash provided by operating activities for the first nine months of 2017 totaled $306.5 million, compared to $394.3 million for the same period in 2016. The decrease was due primarily to lower operating results as discussed above. Pension contributions for the first nine months of 2017 and 2016 were $33.6 million and $39.8 million, respectively.

Net cash used in investing activities for the first nine months of 2017 totaled $319.1 million, compared to $594.4 million for the same period in 2016. Capital spending was $197.8 million and $258.4 million in 2017 and 2016, respectively. In 2017, the Company paid $120.9 million for the Carton Craft acquisition. In 2016, the Company paid $331.9 million, net of cash acquired, for the 2016 Acquisitions.

Net cash used in financing activities for the first nine months of 2017 totaled $31.6 million, compared to net cash provided by financing activities of $190.1 million for the same period in 2016. Current year activities include net borrowings under revolving credit facilities of $118.2 million, primarily for the Carton Craft acquisition, and payments on debt of $18.8 million. The Company also paid dividends of $70.2 million, repurchased $62.1 million of its common stock, and withheld $10.1 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units. In the prior period, the Company had net borrowings under revolving credit facilities of $80.0 million, primarily for the 2016 Acquisitions, and made payments on debt of $18.8 million. In addition, the Company completed its debt offering of $300 million aggregated 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 borrowing of its senior secured revolving credit facility. Additionally, the Company paid dividends of $48.5 million, repurchased $106.4 million of its common stock and withheld $10.6 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units.

Liquidity and Capital Resources

The Company's liquidity needs arise primarily from debt service on its indebtedness and from the funding of its capital expenditures, ongoing operating costs and working capital. Principal and interest payments under the term loan facility and the revolving credit facilities, together with principal and interest payments on the Company's 4.75% Senior Notes due 2021, 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.

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"). During the first nine months of 2017, the Company sold and derecognized approximately $1 billion of receivables, collected approximately $963 million on behalf of the financial institution, and received approximately $65 million in funding from the financial institutions, resulting in deferred proceeds of approximately $26 million as of September 30, 2017. During the same period of 2016, the Company sold and derecognized approximately $945 million of receivables, collected approximately $878 million on behalf of the financial institution, and received funding of approximately $95 million by the financial institution, resulting in deferred proceeds of approximately $23 million as of September 30, 2016. Cash proceeds related to the sales are included in cash from operating activities on the Condensed Consolidated Statements of Cash Flows in the Changes in Operating Assets and Liabilities line item. The loss on sale is not material and is included in Other Expense (Income), Net line item on the Condensed Consolidated Statement of Operations.

The Company has also entered into various factoring and supply chain financing arrangements which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the nine months ended September 30, 2017 and 2016, the Company sold receivables of approximately $43 million and $33 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, at September 30, 2017 and December 31, 2016, were approximately $439 million and $376 million, respectively.

Covenant Restrictions

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

The Company must maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At September 30, 2017, the Company was in compliance with the Consolidated Total Leverage Ratio covenant in the Credit Agreement and the ratio was 3.18 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At September 30, 2017, the Company was in compliance with the minimum Consolidated Interest Expense Ratio covenant in the Credit Agreement and the ratio was 8.64 to 1.00.

As of September 30, 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 the first nine months of 2017 was $197.8 million compared to $258.4 million in the first nine months of 2016. The capital investments were primarily due to planned asset upgrades at the U.S.-based mills and continued investments made as part of the integration of acquisitions.

Environmental Matters

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

For further discussion of the Company’s environmental matters, see *"Note 9 - Environmental and Legal Matters"* in the Notes to Condensed Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

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

The Company’s most critical accounting policies, which require significant judgment or involve complex estimations, are described in GPHC’s Form 10-K for the year ended December 31, 2016.

NEW ACCOUNTING STANDARDS

For a discussion of recent accounting pronouncements impacting the Company, see *"Note 1 - General Information"* in the Notes to Condensed Consolidated Financial Statements.

BUSINESS OUTLOOK

Total capital investment for 2017 is expected to be approximately $250 million and is expected to relate principally to the Company’s maintenance and process capability improvements (approximately $230 million) and acquiring capital spares (approximately $20 million).

The Company also expects the following in 2017:

- Depreciation and amortization between $300 million and $320 million.
- Interest expense of $85 million to $90 million, including approximately $5 million to $6 million of non-cash interest expense associated with amortization of debt issuance costs.
- Cash flow of approximately $360 million available for net debt reduction, dividends, and share repurchases, excluding mergers and acquisitions and capital market activity.
- Pension plan contributions of approximately $35 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

For a discussion of certain market risks related to the Company, see Part II, “*Item 7A, Quantitative and Qualitative Disclosure about Market Risk*”, in GPHC’s Form 10-K for the year ended December 31, 2016. There have been no significant developments with respect to derivatives or exposure to market risk during the first nine months of 2017. For a discussion of the Company’s Financial Instruments, Derivatives and Hedging Activities, see GPHC’s Form 10-K for the year ended December 31, 2016 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources*.”

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company’s management has carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company’s disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange

Act of 1934, as amended. Based upon such evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of September 30, 2017.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2017 that has materially affected, or is likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in GPHC's Form 10-K for the year ended December 31, 2016.

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

The Company purchases shares of its common stock from time to time pursuant to the 2015 and 2017 share repurchase programs announced on February 4, 2015, and January 10, 2017, respectively. Each program allows management to purchase up to $250 million of the Company's issued and outstanding common stock.

During the third quarter of 2017, the Company purchased shares of its common stock through a broker in the open market as follows:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Program (a)
July 1, 2017 through July 31, 2017	—	$ —	22,095,935	16,111,839
August 1, 2017 through August 31, 2017	178,264	$ 12.88	22,274,199	16,108,692
September 1, 2017 through September 30, 2017	15,700	$ 13.01	22,289,899	15,054,819
Total	193,964			

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

ITEM 4. MINE SAFETY DISCLOSURES

None.

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ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, as amended and restated effective November 1, 2017.
31.1	Certification required by Rule 13a-14(a).
31.2	Certification required by Rule 13a-14(a).
32.1	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

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

GRAPHIC PACKAGING HOLDING COMPANY
(Registrant)

/s/ STEPHEN R. SCHERGER Stephen R. Scherger	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	October 25, 2017
/s/ DEBORAH R. FRANK Deborah R. Frank	Vice President and Chief Accounting Officer (Principal Accounting Officer)	October 25, 2017

GRAPHIC PACKAGING INTERNATIONAL, INC.

NON-QUALIFIED DEFERRED COMPENSATION PLAN

Effective November 1, 2017

GRAPHIC PACKAGING INTERNATIONAL, INC.
NON-QUALIFIED DEFERRED COMPENSATION PLAN

Effective as of the first day of November, 2017, Compensation and Benefits Committee of the Board of Directors of Graphic Packaging Holding Company (the "Compensation and Benefits Committee") hereby amends and restates the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan (the "Plan").

BACKGROUND AND PURPOSE

A . Background. The Plan was initially adopted by Graphic Packaging International, Inc. (the "GPI") effective July 1, 2011, and has been amended since that date. The Plan, as set forth in this document, is intended to be, and should be construed as, a restatement and continuation of the Plan as previously in effect.

B . Goal. The Compensation and Benefits Committee desires to provide its designated key management employees (and those of its affiliated companies that participate in the Plan) with an opportunity to defer the receipt and income taxation of a portion of such employees' annual base salary and incentive payments, and to provide certain of these employees contributions made by GPI.

C. Purpose. The purpose of the Plan document is to set forth the terms and conditions pursuant to which these deferrals and employer contributions may be made and to describe the nature and extent of the employees' rights to such amounts.

D . Type of Plan. The Plan constitutes an unfunded, nonqualified deferred compensation plan that benefits certain designated employees who are within a select group of key management or highly compensated employees. The Plan is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

STATEMENT OF AGREEMENT

To amend and restate the Plan with the purposes and goals as hereinabove described, the Compensation and Benefits Committee hereby sets forth the terms and provisions of the Plan as follows:

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Article I
DEFINITIONS

For purposes of the Plan, the following terms, when used with an initial capital letter, will have the meaning set forth below unless a different meaning plainly is required by the context.

1.1 **Account** means, with respect to a Participant or Beneficiary, the total dollar amount or value evidenced by the last balance posted and actually credited in accordance with the terms of the Plan to the account record established for such Participant or Beneficiary.

1.2 **Base Salary** means, with respect to a Participant for a Plan Year, the Participant's Compensation, excluding any Incentive Payments and excluding any payments made under the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (or any similar long-term incentive arrangement, as determined by the Retirement Committee) for such Plan Year.

1.3 **Base Salary Deferral Contributions** means, for each Plan Year, the portion of a Participant's Deferral Contributions attributable to his Base Salary Election for such Plan Year.

1.4 **Base Salary Election** means a written, electronic or other form of election pursuant to which a Participant may elect to defer under the Plan a portion of his Base Salary.

1.5 **Beneficiary** means, with respect to a Participant, the person(s) designated or identified in accordance with Section 10.1 to receive any death benefits that may be payable under the Plan upon the death of the Participant.

1.6 **Board** means the Board of Directors of GPHC.

1.7 **Change in Control** means any of the events specified in subsections (a), (b), or (c) below, subject to the rules described in subsection (d) below:

(a) **Change in the Ownership of GPHC or GPI** means a situation where any one person, or more than one person acting as a group (as described in Treasury Regulations), acquires ownership of stock of GPHC or GPI that, together with stock held by such person or group constitutes more than 50 percent of the total fair market value or total voting power of the stock of GPHC or GPI, as applicable. However, if any one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of GPHC or GPI, the acquisition of additional stock by the same person or persons is not considered to cause a Change in Control. An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which GPHC or GPI acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this subsection. This subsection applies only when there is a transfer of stock of GPHC or GPI (or issuance of stock of GPHC or GPI) and stock of GPHC or GPI, as applicable, remains outstanding after the transaction.

(b) Change in the Effective Control of GPHC or GPI. A majority of members of the board of directors of GPHC or GPI is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such board of directors before the date of the appointment or election.

(a) Change in the Ownership of a Substantial Portion of GPHC's or GPI's Assets . Any one person or more than one person acting as a group, that is not affiliated with GPHC or GPI, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from GPHC or GPI that have a total gross fair market value equal to or more than 80 percent of the consolidated total gross fair market value of all of the assets of GPHC or GPI, as applicable, immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of GPHC or GPI, as applicable, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(A) There is no Change in Control under this subsection (c) when there is a transfer to an entity that is controlled by the shareholders of GPHC or GPI immediately after the transfer, as provided in Treasury Regulations.

(2) For purposes of this subsection (c) and except as otherwise provided in Treasury Regulations, a person's status is determined immediately after the transfer of the assets. For example, a transfer to a company in which GPHC or GPI has no ownership interest before the transaction, but that is a majority-owned subsidiary of GPHC or GPI after the transaction, is not treated as a Change in Control.

(b) Compliance with Section 409A. The definition of "Change in Control" as described in this Section is intended to satisfy all requirements under Treasury Regulations Section 1.409A-3(i)(5), and shall be construed accordingly. In no event will any payment of "nonqualified deferred compensation" (as such term is defined for purposes of Code Section 409A) be triggered hereunder upon a Change in Control unless the Change in Control event satisfies all applicable requirements of such regulation.

1.8 Charter means the Charter of the Retirement Committee of Graphic Packaging International, Inc., as amended from time to time or such other charter or operating procedures adopted by the Board which defines the scope of the Retirement Committee's authorities and responsibilities with respect to the Plan.

1.9 Code means the Internal Revenue Code of 1986, as amended.

1.10 Compensation has the meaning ascribed to such term in the GPI Savings Plan, for purposes of determining the amount of contributions under such plan, without regard to the limitation in Section 401(a)(17) of the Code for such Plan Year and determined without regard to whether such amounts are payable directly to the Participant or are deferred, at the election of the Participant, pursuant to Code Section 401(k), 125 or 132(f)(4) or under this Plan.

1.11 **Compensation and Benefits Committee** means the Compensation and Benefits Committee of the Board.

1.12 **Controlled Group** means all of the companies that are either (i) members of the same controlled group of corporations (within the meaning of Code Section 414(b)) or (ii) under common control (within the meaning of Code Section 414(c)) with the GPHC.

1.13 **DC SERP Contributions** means the amount (if any) credited to a Participant's Account pursuant to Section 3.9.

1.14 **Deferral Contributions** means, for each Plan Year, that portion of a Participant's Compensation deferred under the Plan pursuant to Section 3.2.

1.15 **Deferral Election** means a Participant's Base Salary Election and Incentive Election, as applicable.

1.16 **Divestiture Termination** means, with respect to a Participant, such Participant's termination of employment with GPI as part of GPHC's or GPI's agreement to sell a division, group, facility or other segment of such company's business, to the extent designated by the Retirement Committee (as set forth in the records of the Retirement Committee).

1.17 **Effective Date** means November 1, 2017, the date that this restatement of the Plan generally will be effective. The Plan was originally effective July 1, 2011.

1.18 **Eligible Employee** means any employee of GPI if such employee is paid at salary grade 100 or above, as determined by the Retirement Committee, or any other employee of GPI selected for participation by the Compensation and Benefits Committee.

1.19 **ERISA** means the Employee Retirement Income Security Act of 1974, as amended.

1.20 **Executive Contributions** means the amount (if any) credited to a Participant's Account pursuant to Section 3.10.

1.21 **Excess Compensation** means, with respect to a Plan Year, the amount by which a Participant's Compensation exceeds the limitation in Code Section 401(a)(17) for such Plan Year.

1.22 **FICA Tax** means mean the Federal Insurance Contributions Act tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2).

1.23 **Financial Hardship** means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Financial Hardship will be determined by the Retirement Committee on the basis of the facts of each case, including information supplied by the Participant in accordance with uniform guidelines prescribed from time to time by the Retirement Committee;

provided, the Participant will be deemed not to have a Financial Hardship to the extent that such hardship is or may be relieved:

(a) Through reimbursement or compensation by insurance or otherwise;

(b) By liquidation of the Participant's assets, to the extent the liquidation of assets would not itself cause severe financial hardship; or

(c) By cessation of deferrals under the Plan.

Examples of what are not considered to be unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home.

1.24 **GPHC** means Graphic Packaging Holding Company.

1.25 **GPI** means Graphic Packaging International, Inc. a Delaware corporation.

1.26 **Grandfathered Executive** means an Eligible Employee who as of any Plan Year is eligible for benefit accruals under the (i) Graphic Packaging Supplemental Retirement Plan, (ii) Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan, or (iii) Field Container Management Company, L.P. Executive Pension Plan.

1.27 **Incentive Deferral Contributions** means, for each Plan Year, the portion of a Participant's Deferral Contributions attributable to his Incentive Election for such year.

1.28 **Incentive Election** means a written, electronic or other form of election pursuant to which a Participant may elect to defer under the Plan all or a portion of his Incentive Payments.

1.29 **Incentive Payments** means, with respect to a Participant for a year, the portion of a Participant's Compensation attributable to amounts payable to the Participant for the year under the Management Incentive Plan, or such other arrangement identified by the Compensation and Benefits Committee as an annual incentive plan in which GPI participates; provided, any such designation will be made no later than the latest date on which a Participant could make an Incentive Election with respect to such incentive plan pursuant to Section 3.4.

1.30 **Investment Election** means an election, made in such form as the Retirement Committee may direct, pursuant to which a Participant may elect the Investment Funds in which the amounts credited to his Account will be deemed to be invested.

1.31 **Investment Funds** means the investment funds selected from time to time by the Retirement Committee for purposes of determining the rate of return on amounts deemed invested pursuant to the terms of the Plan.

1.32 **Matching Contributions** means the amount (if any) credited to a Participant's Account pursuant to Section 3.7.

1.33 **Participant** means any person who has been admitted to, and has not been removed from, participation in the Plan pursuant to the provisions of Article II.

1.34 **Pension Plan Ineligible Employee** means an Eligible Employee who is ineligible to accrue benefit service under the Riverwood International Employees' Retirement Plan and under Appendix 1 of the Graphic Packaging Retirement Plan. A Pension Plan Ineligible Employee shall not include an Eligible Employee who is entitled to become a member of either plan referred to in the preceding sentence upon completion of the one year of service eligibility requirement.

1.35 **Performance-Based Incentive** means any Incentive Payment, the amount of which, or the entitlement to which, is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months. For an Incentive Payment to be a Performance-Based Incentive, the following requirements must be met:

(a) The performance criteria must be established in writing no later than 90 days after the beginning of the applicable "performance period";

(b) The outcome of the performance criteria must be substantially uncertain when the criteria are established;

(c) No Incentive Payment, or portion of any Incentive Payment, that will be paid either regardless of performance, or based upon a level of performance that is substantially certain to be met at the time the criteria are established, will be considered a Performance-Based Incentive;

(d) A Performance-Based Incentive will not include payments based upon subjective performance criteria unless:

(1) The subjective performance criteria are bona fide and relate to the Participant's performance, the performance of a group of employees that includes the Participant, or the performance of a business unit for which the Participant provides services (which may include the entire Controlled Group); and

(2) The determination that any subjective performance criteria have been met is not made by the Participant or a family member of the Participant (as defined in Code Section 267(c)(4), applied as if the family of an individual includes the spouse of any member of the family), or a person under the effective control of the Participant or such a family member, and no amount of the compensation of the person making such determination is effectively controlled in whole or in part by the Participant or such a family member.

A Performance-Based Incentive that otherwise meets the above criteria may provide for payment regardless of satisfaction of the performance criteria upon the Participant's death, total disability (defined as a medically determinable physical or mental impairment resulting in the Participant's inability to perform the duties of his position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than 6 months), or a change in control event (as defined in Treasury Regulations Section

1.409A-3(i)(5)(i)). Any amount that actually becomes payable upon such events without regard to the satisfaction of the performance criteria will not be considered a Performance-Based Incentive to which a Deferral Election under Section 3.4(a)(2) may apply.

1.36 **Plan** means the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, as contained herein and all amendments hereto. For tax purposes and purposes of Title I of ERISA, the Plan is intended to be an unfunded, nonqualified deferred compensation plan covering certain designated employees who are within a select group of key management or highly compensated employees.

1.37 **Plan Year** means the 12-consecutive-month period ending on December 31 of each year.

1.38 **Recordkeeper** means the third-party company or organization appointed by the Retirement Committee to carry out certain administrative responsibilities under the Plan. To the extent that a company is not appointed as the Recordkeeper, the Retirement Committee or such individual employee or employees of GPI as the Retirement Committee may appoint will serve as Recordkeeper.

1.39 **Retirement Committee** means the committee which is maintained and governed in accordance with the Charter and will act to administer the Plan as provided in Article VIII. References in this Plan to the Retirement Committee shall also refer to the delegates and agents of the Retirement Committee, including, where appropriate, the Recordkeeper.

1.40 **Separate from Service or Separation from Service** means, with respect to a Participant, that such Participant has separated from service, as defined under Code Section 409A and the guidance issued thereunder, with GPI and all members of the Controlled Group. Generally, a Participant separates from service if the Participant retires or otherwise has a termination of employment with GPI and all members of the Controlled Group (other than due to his death), as determined in accordance with the following:

(a) **Leaves of Absence**. The employment relationship is treated as continuing intact while the Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed 6 months, or, if longer, so long as the Participant retains a right to reemployment with GPI or a member of the Controlled Group under an applicable statute or by contract. Notwithstanding the foregoing, where a leave of absence is due to the Participant's "disability", a 29-month period of absence will be substituted for such six-month period. For this purpose, "disability" means any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where the impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment. A leave of absence constitutes a bona fide leave of absence only while there is a reasonable expectation that the Participant will return to perform services for GPI or a member of the Controlled Group. If the period of leave exceeds 6 months (or 29 months in the case of "disability") and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such six-month or 29-month period, as applicable.

(b) **Status Change**. Generally, if a Participant performs services both as an employee and an independent contractor, such Participant must separate from service both as an employee, and as an independent contractor pursuant to standards set forth in Treasury Regulations, to be treated as having a Separation from Service. However, if a Participant provides services as an employee and as a member of the Board (or a member of the board of directors, or analogous position, of a Controlled Group member), the services provided as a director are not taken into account in determining whether the Participant has a Separation from Service as an employee for purposes of this Plan (or vice versa).

(c) **Termination of Employment**. Whether a termination of employment has occurred is determined based on whether the facts and circumstances indicate that GPI, all members of the Controlled Group and the Participant reasonably anticipate (i) that no further services will be performed after a certain date, or (ii) the level of bona fide services the Participant will perform after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to GPI and all members of the Controlled Group if the Participant has been providing services to GPI and all members of the Controlled Group for less than 36 months). Facts and circumstances to be considered in making this determination include, but are not limited to, whether the Participant continues to be treated as an employee for other purposes (such as continuation of salary and participation in employee benefit programs), whether similarly situated service providers have been treated consistently, and whether the Participant is permitted, and realistically available, to perform services for other service recipients in the same line of business. For periods during which a Participant is on a paid bona fide leave of absence and has not otherwise terminated employment as described in subsection (a) hereof, for purposes of this subsection (c) the Participant is treated as providing bona fide services at a level equal to the level of services that the Participant would have been required to perform to receive the compensation paid with respect to such leave of absence. Periods during which a Participant is on an unpaid bona fide leave of absence and has not otherwise terminated employment are disregarded for purposes of this subsection (c) (including for purposes of determining the applicable 36-month (or shorter) period).

1.41 **Supplemental Company Contributions** means the amount (if any) credited to a Participant's Account pursuant to Section 3.8.

1.42 **Surviving Spouse** means, with respect to a Participant, the person who is treated as legally married to such Participant under the laws of the state in which the Participant resides. The determination of a Participant's Surviving Spouse will be made as of the date of such Participant's death.

1.43 **Total Disability or Totally Disabled** means, with respect to a Participant, a determination by the Retirement Committee that a Participant is either (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan of GPI. A Participant will be considered Totally Disabled if he is determined to be totally disabled by the Social Security Administration or the Railroad Retirement Board. Notwithstanding the above, all determinations of whether a Participant is Totally Disabled will only be made in a manner consistent with Code Section 409A and the regulations thereunder.

1.44 **Trust or Trust Agreement** means the separate agreement or agreements between GPI and the Trustee governing the Trust Fund, and all amendments thereto.

1.45 **Trustee** means the party or parties so designated from time to time pursuant to the terms of the Trust Agreement.

1.46 **Trust Fund** means the total amount of cash and other property held by the Trustee (or any nominee thereof) at any time under the Trust Agreement.

1.47 **Valuation Date** means each business day of the Plan Year that the New York Stock Exchange is open.

1.48 **Years of Service** means each year of an Eligible Employee's service with GPI and any Controlled Group member, determined in accordance with the elapsed time method in Treasury Regulations Section 1.410(a)-7. An Eligible Employee's period of service with any acquired or predecessor employer, to the extent not otherwise counted hereunder, will be taken into account in determining his Years of Service to the extent, and under such conditions, as may be determined by the Retirement Committee.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

2.1 Eligibility.

Each individual who is an Eligible Employee will become a Participant beginning on the first day that he is an Eligible Employee.

2.2 Procedure for Admission.

Each Eligible Employee will become eligible to make a Deferral Election by completing such written and/or electronic forms and providing such data in a timely manner, as are required by the Retirement Committee. Such forms and data may include, without limitation, the Eligible Employee's acceptance of the terms and conditions of the Plan, and the designation of a Beneficiary to receive any death benefits payable hereunder.

2.3 Eligibility for Matching Contributions.

Except as otherwise determined by the Compensation and Benefits Committee in its sole discretion, each Eligible Employee who is not a Grandfathered Executive is eligible to receive Matching Company Contributions.

2.4 Eligibility for Supplemental Company Contributions.

Except as otherwise determined by the Compensation and Benefits Committee in its sole discretion, each Eligible Employee who is not a Grandfathered Executive will become eligible to receive Supplemental Company Contributions as of the payroll period coincident with or next following his completion of 1 Year of Service.

2.5 Eligibility for DC SERP Contributions.

Except as otherwise determined by the Compensation and Benefits Committee in its sole discretion, each Eligible Employee who (i) is paid at salary grade 110 or above, as determined by the Retirement Committee and (ii) is not a Grandfathered Executive is eligible to receive DC SERP Contributions.

2.6 Cessation of Eligibility.

(a) Cessation of Eligible Status. If an individual ceases to satisfy the criteria which qualified him as an Eligible Employee, he will not be eligible to make subsequent Deferral Elections; provided, any Deferral Elections then in effect will continue to be effective until such time as the Deferral Election will expire or may be revoked pursuant to the terms of Article III.

(b) Inactive Participant Status. Even if his active participation in the Plan ends, an employee will remain an inactive Participant in the Plan until the earlier of (i) the date the full amount of his Account (if any) is distributed from the Plan, or (ii) the date he again becomes an Eligible Employee and recommences active participation in the Plan. During the period of time that an employee is an inactive Participant in the Plan, his Account will continue to be credited with earnings and/or losses as provided for in Section 3.13.

ARTICLE III
PARTICIPANTS' ACCOUNTS; DEFERRALS AND CREDITING

3.1 Participants' Accounts.

(a) Establishment of Accounts. The Retirement Committee will establish and maintain an Account on behalf of each Participant. To the extent provided herein, each Account will be credited with (i) Deferral Contributions (separated as necessary or helpful into Base Salary Deferral Contributions and Incentive Deferral Contributions), (ii) Matching Contributions, (iii) Supplemental Company Contributions, (iv) DC SERP Contributions, (v) Executive Contributions, and (vi) earnings attributable to such Account, and will be debited by the amount of all distributions. Each Account of a Participant will be maintained until the value thereof has been distributed to or on behalf of such Participant or his Beneficiary.

(b) Nature of Contributions and Accounts. The amounts credited to a Participant's Account will be represented solely by bookkeeping entries. Except as provided in Article VII, no monies or other assets will actually be set aside for such Participant, and all payments to a Participant or Beneficiary under the Plan will be made from the general assets of GPI.

(c) General Creditors. Any assets which may be acquired by GPI in anticipation of its obligations under the Plan will be part of the general assets of GPI. GPI's obligation to pay benefits under the Plan constitutes a mere promise of GPI to pay such benefits, and a Participant or Beneficiary will be and remain no more than an unsecured, general creditor of GPI.

3.2 Deferral Contributions.

(a) General Rule. Except as provided in subsection (b) hereof, each Eligible Employee who is or becomes eligible to participate in the Plan may elect to have Deferral Contributions made on his behalf by completing and delivering to the Retirement Committee (or its designee) a Deferral Election setting forth the terms of his election; provided, the Retirement Committee may allow or require separate or combined deferral elections for the elections set forth below.

(1) Base Salary Election. Subject to the terms and conditions set forth below, a Base Salary Election will provide for the reduction of an Eligible Employee's Base Salary earned during the Plan Year for which the Base Salary Election is in effect.

(2) Incentive Election. Subject to the terms and conditions set forth below, an Incentive Election will provide for the reduction of an Eligible Employee's Incentive Payment earned during the Plan Year for which the Incentive Election is in effect; provided, the Retirement Committee may require separate deferral elections with regard to different portions of a Participant's Incentive Payments.

(b) Other Deferrals or Deductions. Notwithstanding the foregoing, if the total of (i) the Participant's before-tax deferrals under any Controlled Group member's Code Sections 401(k) and 125 plans, (ii) the Participant's Deferral Contributions, and (iii) any FICA Tax applicable to such Participant's Compensation exceed 100 percent of his Compensation, unless GPI or Retirement Committee directs otherwise, the Code Sections 401(k) and 125 plan deferrals will be made first, followed by any FICA Tax withholding, and then the remaining Compensation will be deferred under the Plan subject to Section 3.3 or 3.4 as applicable.

3.3 Procedure for Base Salary Elections.

Subject to any modifications, additions or exceptions that the Retirement Committee, in its sole discretion, deems necessary, appropriate or helpful, the following terms will apply to Base Salary Elections:

(a) Effective Date. A Participant's Base Salary Election must be made on or before the last day of the Plan Year immediately preceding the Plan Year for which he desires to participate, and it will be effective beginning with the paycheck for the first regular payroll period that begins during such Plan Year. Except as otherwise provided in Section 3.5, a Participant's Base Salary Election will remain in effect through the paycheck for the last payroll period beginning during the Plan Year. A Participant must make a separate Base Salary Election with respect to each Plan Year.

(b) Amount. A Participant may elect to defer his Base Salary payable in each regular paycheck in 1 percent increments, up to a maximum of 50 percent (or such other maximum percentage and/or amount, if any, established by the Retirement Committee from time to time).

3.4 Procedure for Incentive Elections.

Subject to any modifications, additions or exceptions that the Retirement Committee, in its sole discretion, deems necessary, appropriate or helpful, the following terms will apply to Incentive Elections:

(a) Effective Date.

(1) General Rule. Except as otherwise provided in subsection (a)(2) hereof, the Participant must deliver his Deferral Election to the Retirement Committee before the first day of the first calendar year during which the Incentive Payment is earned in whole or in part.

(2) Performance-Based Incentive. To the extent that the Retirement Committee determines that a Participant's Incentive Payment is a Performance-Based Incentive, the Participant may deliver his Deferral Election to the Retirement Committee no later than the date that is 6 months before the end of the period over which the Incentive Payment is earned (*i.e.*, by June 30 for an Incentive Payment with a calendar-year performance period). In order to be eligible for the election deadline in this subsection (a)(2), the Participant must perform services continuously from the later of (i) the date the performance criteria for the Incentive Payment are established or (ii) the first day of the performance period (*i.e.,* January 1 for an Incentive Payment with a calendar-year performance period) until the date the Participant makes his Deferral Election. Furthermore, if all or a portion of the Participant's

Incentive Payment is "readily ascertainable" on the date the Participant makes a Deferral Election under this subsection (a)(2), the Participant's Deferral Election under this subsection (a)(2) will apply only to the portion of such Incentive Payment that is not then "readily ascertainable," if any. The determination of when all or a portion of an Incentive Payment is "readily ascertainable" will be made pursuant to Code Section 409A, which generally provides that compensation is "readily ascertainable" when the amount is first both calculable and substantially certain to be paid.

(3) Expiration of Deferral Election. A Participant's Incentive Election shall remain in effect with respect to only a single Incentive Payment. A Participant must make a separate Incentive Election with respect to each Incentive Payment.

(b) Amount. A Participant may elect to defer his Incentive Payments in 1 percent increments, up to a maximum of 100 percent (or such other maximum percentage and/or amount, if any, established by the Retirement Committee from time to time).

3.5 Irrevocability of Deferral Elections.

Subject to any restrictions or procedures determined by the Retirement Committee, a Participant may change his Base Salary Election any time prior to the applicable deadline specified in Section 3.3(a) and may change his Incentive Election any time prior to the applicable deadline specified in subsection Section 3.4(a)(1) or 3.4(a)(2). Upon the applicable deadline specified in the preceding sentence, the Participant's Deferral Elections, or deemed election upon a failure to submit a timely election, will become irrevocable. If a Participant is transferred from the employment of GPI to the employment of another member of the Controlled Group, his Deferral Elections with GPI will remain in effect and will apply to his Compensation from the Controlled Group member. Notwithstanding the foregoing, the Retirement Committee shall cancel a Participant's Deferral Elections for the remainder of the Plan Year upon a withdrawal due to Financial Hardship under Section 5.7. The Retirement Committee will cancel a Participant's Deferral Election upon the Participant's hardship withdrawal from a Code Section 401(k) plan maintained by GPI or any member of the Controlled Group to the extent that such cancellation would be required under the terms of such Code Section 401(k) plan and will suspend participation in the Plan to the extent required under the terms of such Code Section 401(k) plan.

3.6 Crediting of Deferred Compensation.

The Retirement Committee will credit the amount of each Participant's Deferral Contributions to his Account on, or as soon as practicable after, the Valuation Date on which such amount would have been paid to him but for his election hereunder.

3.7 Matching Contributions.

For each Participant who satisfies the eligibility requirements of Section 2.3 and on whose behalf GPI has made any Deferral Contributions with respect to a payroll period ending on or before December 31, 2017, or any other payment of Excess Compensation made on or before December 31, 2017, GPI will make, with respect to such payroll period or other payment of Excess

Compensation, a Matching Contribution into such Participant's Account equal to 100 percent of the first 3 percent of Excess Compensation and 50 percent of the next 2 percent of Excess Compensation contributed on behalf of the Participant to the Plan as Deferral Contributions. For each Participant who satisfies the eligibility requirements of Section 2.3 and on whose behalf GPI has made any Deferral Contributions with respect to a payroll period ending after December 31, 2017, or any other payment of Excess Compensation made after December 31, 2017, GPI will make, with respect to such payroll period or other payment of Excess Compensation, a Matching Contribution into such Participant's Account equal to 100 percent of the first 4 percent of Excess Compensation and 50 percent of the next 3 percent of Excess Compensation contributed on behalf of the Participant to the Plan as Deferral Contributions. The Retirement Committee will credit Matching Contributions to the Account of a Participant as soon as reasonably practicable after the last day of the Plan Year for which the Matching Contributions relate.

3.8 Supplemental Company Contributions.

(a) Generally. For each Participant who satisfies the eligibility requirements of Section 2.4 and the employment requirements of subsection (b) hereof, GPI will make a Supplemental Company Contribution to such Participant's Account equal to 3 percent of the Participant's Excess Compensation for the portion of the Plan Year during which the Participant (i) satisfies the eligibility requirements of Section 2.4 and (ii) is a Pension Plan Ineligible Employee. The Retirement Committee will credit Supplemental Company Contributions to the Account of a Participant as soon as reasonably practicable after the last day of the Plan Year to which the Supplemental Company Contributions relate.

(b) Last Day Requirement. A Participant will be eligible for a Supplemental Company Contribution for a Plan Year if he:

(1) is a Pension Plan Ineligible Employee during that Plan Year; and

(2) satisfies one of the following requirements for the Plan Year:

(A) is an employee of GPI on the last day of the Plan Year (including employees who are on a leave of absence on the last day of the Plan Year);

(B) terminates employment during the Plan Year after reaching age 55 and the sum of his age plus Years of Service equals at least 65;

(C) becomes Totally Disabled during the Plan Year while in active employment;

(D) dies during the Plan Year while in active employment;

(E) is involuntarily terminated without cause during the Plan Year and has entered into the appropriate release agreement with GPI; or

(F) experiences a Divestiture Termination.

3.9 DC SERP Contributions.

For each Participant who satisfies the eligibility requirements of Section 2.5, GPI will make a DC SERP Contribution to such Participant's Account equal to 3 percent of a Participant's Compensation for the portion of the Plan Year during which the Participant satisfies the eligibility requirements of Section 2.5. The Retirement Committee will credit DC SERP Contributions to the Account of a Participant as soon as reasonably practicable after the last day of the Plan Year to which the DC SERP Contributions relate.

3.10 Executive Contributions.

At such time or times, in such amount(s) and under such terms as the Compensation and Benefits Committee, in its sole discretion, may determine; the Compensation and Benefits Committee may approve crediting to the Account of any Eligible Employee an Executive Contribution, which will be described in Exhibit A.

3.11 Certain Divestitures.

Notwithstanding anything in this Article III to the contrary, if a Participant experiences a Divestiture Termination during a Plan Year, any Matching Contributions, Supplemental Company Contributions, or DC SERP Contributions to which such Participant is entitled under the terms of Sections 3.7, 3.8, or 3.9 shall be allocated to such Participant's Account no later than as soon as administratively practicable after the date of such Divestiture Termination.

3.12 Debiting of Distributions.

As of each Valuation Date, the Recordkeeper will debit each Participant's Account for any amount distributed from such Account since the immediately preceding Valuation Date.

3.13 Crediting of Earnings.

As of each Valuation Date, the Recordkeeper will credit to each Participant's Account the amount of earnings and/or losses applicable thereto for the period since the immediately preceding Valuation Date. Such crediting of earnings and/or losses will be effected as of each Valuation Date, as follows:

(a) **Rate of Return**. The Recordkeeper first will determine a rate of return for the period since the immediately preceding Valuation Date for each of the Investment Funds;

(b) **Amount Invested**. The Recordkeeper next will determine the amount of (i) each Participant's Account that was deemed invested in each Investment Fund as of the immediately preceding Valuation Date; minus (ii) the amount of any distributions debited from the amount determined in clause (i) since the immediately preceding Valuation Date; and

(c) **Determination of Amount**. The Recordkeeper will then apply the rate of return for each Investment Fund for such Valuation Date (as determined in subsection (a) hereof) to the amount of the Participant's Account deemed invested in such Investment Fund for such

Valuation Date (as determined in subsection (b) hereof), and the total amount of earnings and/or losses resulting therefrom will be credited to such Participant's Account as of the applicable Valuation Date.

3.14 Vesting.

(a) General. A Participant will at all times be fully vested in his Deferral Contributions, Matching Contributions, and the earnings and/or losses credited to his Account with respect to such Deferral Contributions and Matching Contributions.

(b) Supplemental Company and DC SERP Contributions. Except as provided in subsections (d) through (g) hereof, a Participant will vest in the Supplemental Company Contributions, DC SERP Contributions, and the earnings and/or losses credited to his Account with respect to such Supplemental Company Contributions and DC SERP Contributions, in accordance with the following vesting schedule, based on the total of the Participant's Years of Service:

Years of Service Completed by Participant	Vested Percentage of Participant's Account
Less than 1 Year	0%
1 Year, but less than 2	20%
2 Years, but less than 3	40%
3 Years, but less than 4	60%
4 Years, but less than 5	80%
5 Years or more	100%

(c) Executive Contributions. A Participant will vest in any Executive Contributions, and the earnings and/or losses credited to his Account with respect to such Executive Contributions, in accordance with the applicable vesting schedule described in Exhibit A.

(d) Change in Control. If a Change in Control occurs with respect to a Participant, the Participant shall be immediately 100 percent vested in the Supplemental Company Contributions, DC SERP Contributions, and the earnings and/or losses credited to his Account with respect to such Supplemental Company Contributions and DC SERP Contributions as of the date of such Change in Control. Supplemental Company Contributions, DC SERP Contributions, and the earnings and/or losses credited to his Account with respect to such Supplemental Company Contributions and DC SERP Contributions after the date of a Change in Control shall continue to vest in accordance with the vesting schedule in subsection (b) hereof.

(e) Death. Any Participant who dies while an Eligible Employee will be 100 percent vested in the Supplemental Company Contributions, DC SERP Contributions, and the earnings and/or losses credited to his Account with respect to such Supplemental Company Contributions and DC SERP Contributions as of the date is death.

(f) Disability. Any Participant who becomes Totally Disabled while an Eligible Employee will be 100 percent vested in the Supplemental Company Contributions, DC SERP

Contributions, and the earnings and/or losses credited to his Account with respect to such Supplemental Company Contributions and DC SERP Contributions as of the date he is deemed Totally Disabled.

(g) **Certain Divestitures**. Any Participant who experiences a Divestiture Termination will be 100 percent vested in the Supplemental Company Contributions, DC SERP Contributions, and the earnings and/or losses credited to his Account with respect to such Supplemental Company Contributions and DC SERP Contributions as of the date of such Divestiture Termination.

(h) **Vesting as Provided on Exhibit A** . Notwithstanding anything set forth in this Section 3.14 to the contrary, the vesting schedules and rules described on Exhibit A hereto shall determine the vesting of all or a portion of certain Participants' Accounts, as provided on Exhibit A.

3.15 **Notice to Participants of Account Balances**.

At least once for each Plan Year, the Retirement Committee or the Recordkeeper will cause a written statement of a Participant's Account balance to be distributed to the Participant.

3.16 **Good Faith Valuation Binding**.

In determining the value of the Accounts, the Recordkeeper will exercise its best judgment, and all such determinations of value (in the absence of bad faith) will be binding upon all Participants and their Beneficiaries.

3.17 **Errors and Omissions in Accounts**.

If an error or omission is discovered in the Account of a Participant or in the amount of a Participant's deferrals, the Retirement Committee, in its sole discretion, will cause the Recordkeeper to make appropriate, equitable adjustments as soon as administratively practicable following the discovery of such error or omission.

ARTICLE IV
INVESTMENT FUNDS

4.1 Available Investment Funds.

Unless otherwise determined by the Retirement Committee, the Investment Funds used for purposes of determining the rate of return on amounts deemed invested in accordance with the terms of the Plan shall be those investment funds then offered under the GPI Savings Plan, excluding any employer stock fund and substituting commercially available funds for any common or collective trust fund. The Retirement Committee may change, add or remove Investment Funds on a prospective basis at any time(s) and in any manner it deems appropriate.

4.2 Participant Direction of Deemed Investments.

Each Participant generally may direct the manner in which his Account will be deemed invested in and among the Investment Funds; provided, such investment directions will be made in accordance with the following terms:

(a) Nature of Participant Direction. The selection of Investment Funds by a Participant will be for the sole purpose of determining the rate of return to be credited to his Account, and will not be treated or interpreted in any manner whatsoever as a requirement or direction to actually invest assets in any Investment Fund or any other investment media. The Plan, as an unfunded, nonqualified deferred compensation plan, at no time will have any actual investment of assets relative to the benefits or Accounts hereunder.

(b) Investment of Contributions. Each Participant may make an Investment Election prescribing the percentage of the future contributions that will be deemed invested in each Investment Fund. An initial Investment Election of a Participant will be made as of the date the Participant commences participation in the Plan and will apply to all contributions credited to such Participant's Account after such date. Such Participant may make subsequent Investment Elections as of any Valuation Date, and each such election will apply to all such specified contributions credited to such Participant's Account after the Recordkeeper has a reasonable opportunity to process such election pursuant to such procedures as the Retirement Committee and the Recordkeeper may determine from time to time. Any Investment Election made pursuant to this subsection (b) with respect to future contributions will remain effective until changed by the Participant.

(c) Investment of Existing Account Balances. Each Participant may make an Investment Election prescribing the percentage of his existing Account balance that will be deemed invested in each Investment Fund. Such Participant may make such Investment Elections as of any Valuation Date, and each such election will be effective after the Recordkeeper has a reasonable opportunity to process such election. Each such election will remain in effect until changed by such Participant.

(d) Retirement Committee Discretion. The Retirement Committee will have complete discretion to adopt and revise procedures to be followed in making such Investment Elections. Such procedures may include, but are not limited to, the process of making elections, the permitted frequency of making elections, the incremental size of elections, the deadline for making elections, the effective date of such elections and whether and the extent to which to charge any Participant's Account an administrative fee for making such Investment Elections. Any procedures adopted by the Retirement Committee that are inconsistent with the deadlines or procedures specified in this Section will supersede such provisions of this Section without the necessity of a Plan amendment.

(e) **Failure to Make Investment Fund Selection**. To the extent that a Participant fails to make a proper, complete or timely Investment Fund selection, he will be deemed to have selected the available "Target Date Fund" based on the participant's age or such other default Investment Fund that the Retirement Committee may select from time to time.

ARTICLE V
PAYMENT OF BENEFITS

5.1 Amount of Distribution.

Except as otherwise provided in this Article V, each Participant (or his Beneficiary, if he dies before distribution of his Account) will be entitled to receive at the time set forth in Section 5.2 and in the form set forth in Section 5.3 a distribution of his vested Account, as adjusted as set forth in Sections 3.12, 3.13 and 3.14, determined as of the Valuation Date on which such distribution is processed. For purposes of this Section, the “Valuation Date on which such distribution is processed” refers to the Valuation Date established for such purpose by administrative practice, even if actual payment is made or commenced at a later date due to delays in valuation, administration or any other procedure. Neither GPI nor any other person will be liable to a Participant or Beneficiary for interest or investment losses due to an administrative delay in the processing of any payment under the Plan.

5.2 Timing of Distribution.

(a) Default Timing. Except as provided in subsections (b) through (e) hereof, and subject to the other terms of this Article V, the benefit payable to a Participant under Section 5.1 will be distributed 6 months after the date of such Participant’s Separation from Service.

(b) Election of Distribution Timing. A Participant may elect, as described in this subsection (b), to have Plan benefits paid upon the earliest of the default payment timing provided in subsection (a) and one or more the following events:

(1) Specified Date.

(A) Deferral Elections. A Participant may elect, at the time he makes each Deferral Election, to have his benefit payable with respect to that election paid upon any date specified in such election that is at least 3 years after the first day of the Plan Year with respect to which to the Deferral Election relates. A Participant may elect a different specified date with respect to each Base Salary Deferral Election and each Incentive Election.

(B) Matching Contribution Elections. A Participant may elect, at the time Base Salary Deferral Elections for a Plan Year are made, to have his benefit payable with respect to Matching Contributions for the Plan Year paid upon any date specified in such election that is at least 3 years after the first day of the Plan Year with respect to which to such election relates.

(2) Change in Control.

(A) Deferral Elections. A Participant may elect, at the time he makes each Deferral Election, to have his benefit payable with respect to that election paid upon the date that is 6 months after the date that a Change in Control occurs.

(B) Matching Contributions. A Participant may elect, at the time Base Salary Deferral Elections for a Plan Year are made, to have his benefit payable with respect to Matching Contributions for the Plan Year paid upon the date that is 6 months after the date that a Change in Control occurs.

(C) Supplemental Company Contributions and DC SERP Contributions. A Participant may elect, at the time Base Salary Deferral Elections for a Plan Year are made, to have his benefit payable with respect to any Supplemental Company Contributions made for the same Plan Year, and to have his benefit payable with respect to any DC SERP Contributions made for the same Plan Year, paid upon the date that is 6 months after the date that a Change in Control occurs.

(c) **2011 Employer Contributions**. Notwithstanding any Participant's election under subsection (b) hereof to the contrary, any portion of the benefit payable to a Participant under Section 5.1 that relates to Supplemental Company Contributions and/or DC SERP Contributions made on behalf of a Participant with respect to the 2011 Plan Year will paid upon the date that is 6 months after the date such Participant Separates from Service.

(d) **Compensation and Benefits Committee Discretion**. In lieu of allowing a Participant to make an election under subsection (b) hereof, the Compensation and Benefits Committee may, in its discretion, designate a time of distribution with respect to any portion of the benefit payable to a Participant under Section 5.1 that relates to Supplemental Company Contributions and/or DC SERP Contributions; provided, that such time of distribution is designated by the Compensation and Benefits Committee at the time such Supplemental Company Contributions and/or DC SERP Contributions are made.

(e) **Special Timing Designations**. Notwithstanding anything set forth in this Section 5.2 to the contrary, the special rules described on Exhibit A hereto shall determine the timing of the distribution of all or a portion of certain Participants' Accounts, as provided on Exhibit A.

5.3 **Form of Distribution**.

(a) **Single-Sum Payment**. Except as provided in Section 5.4 or 5.5 or subsection (b), (c), or (d) hereof, the benefit payable to a Participant under Section 5.1 will be distributed in the form of a single-sum payment in cash.

(b) **Annual Installments**. At the time he makes an election under Section 5.2(b)(1) or 5.2(b)(2), a Participant may make an election in writing (or in any other format permitted by the Retirement Committee) to have his benefit payable with respect to that election paid in the form of 2 to 10 annual installment payments. Annual installment payments under this subsection shall be treated as a single payment and not as a series of separate payments.

(c) **2011 Employer Contributions**. Notwithstanding any Participant's election under this Section 5.3 to the contrary, any portion of the benefit payable to a Participant under Section 5.1 that relates to Supplemental Company Contributions and/or DC SERP Contributions made on behalf of a Participant with respect to the 2011 Plan Year will be distributed in the form of a single-sum payment in cash.

(d) **Compensation and Benefits Committee Discretion**. In lieu of allowing a Participant to make an election under subsection (b) hereof, the Compensation and Benefits Committee may, in its discretion, designate a distribution form with respect to any portion of the benefit payable to a Participant under Section 5.1 that relates to Supplemental Company Contributions and/or DC SERP Contributions; provided, that such form of distribution is designated by the Compensation and Benefits Committee at the time such Supplemental Company Contributions and/or DC SERP Contributions are made.

(e) **Special Form Designations**. Notwithstanding anything set forth in this Section 5.3 to the contrary, the special rules described on Exhibit A hereto shall determine the form of distribution of all or a portion of certain Participants' Accounts, as provided on Exhibit A.

5.4 **Changing Time and/or Form of Distribution**.

With respect to any scheduled payment date under Section 5.2 or in accordance with this Section, a Participant may make an election to delay the payment of his total benefit payable on such date (the "Original Payment Date") to a later date (the "New Payment Date"); provided, any such election to delay payment will be effective only if (i) the Participant makes the election to delay payment at least 12 months before his Original Payment Date, and (ii) the Participant's New Payment Date is at least 5 years after his Original Payment Date. A Participant who makes an election to delay the payment of his benefit pursuant to the preceding sentence may, at the time he makes such election, also elect to have the benefit paid on his New Payment Date in a single-sum payment or 2 to 10 annual installment payments, without regard to the form in which his benefit was scheduled to be paid on his Original Payment Date. Subject to the requirements of this Section 5.4 and Code Section 409A, a Participant may make an election to delay a single payment date no more than twice.

5.5 **Death**.

(a) **Before Scheduled Payment Date**. Notwithstanding Sections 5.2, 5.3 and 5.4, if, with respect to any benefit payable to a Participant under Section 5.1, a Participant dies prior to date on which such payment is scheduled to be made or commence, such benefit will be paid to the Participant's Beneficiary in a single-sum payment in cash at any time through the last day of the year following the year in which the Participant's death occurs.

(b) **While Receiving Installment Payments**. Notwithstanding Sections 5.2, 5.3 and 5.4, if a Participant has begun receiving annual installment payments and dies before all scheduled annual installment payments have been made, any remaining installment payments will be paid to the Participant's Beneficiary in a single-sum payment in cash at any time through the last day of the year following the year in which the Participant's death occurs.

5.6 Cash-Out.

Notwithstanding anything in this Article V or a Participant's election to the contrary, if a Participant's total vested Account balance is less than $10,000 on the date of the Participant's Separation from Service, such Participant's Account will be distributed in a single lump-sum payment upon the date that is 6 months after the date of Separation from Service.

5.7 Hardship Distributions.

Upon receipt of an application for a hardship distribution and the Retirement Committee's decision, made in its sole discretion, that a Participant has suffered a Financial Hardship, such Participant will be entitled to receive a hardship distribution. Such distribution will be paid in a single-sum payment (provided that such Financial Hardship continues to exist on the date of the Retirement Committee's determination). The amount of such single-sum payment will be limited to the amount of the Participant's Account that the Retirement Committee determines is reasonably necessary to meet the Participant's requirements resulting from the Financial Hardship (which may include amounts necessary to pay any Federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the payment) taking into account any additional compensation that is available to the Participant pursuant to a cancellation of his existing Deferral Elections pursuant to Section 3.5. No amount payable upon the Participant's Separation from Service will be distributed, pursuant to this Section 5.7, within 6 months of such Separation from Service.

5.8 Taxes.

If the whole or any part of any Participant's or Beneficiary's Account becomes subject to any estate, inheritance, income, employment or other tax which GPI is required to pay or withhold, GPI will have the full power and authority to withhold and pay such tax out of any monies or other property that GPI holds for the account of the Participant or Beneficiary whose interests hereunder are so affected (other than any portion of the Participant's or Beneficiary's Account balance that is not then payable hereunder). Without limiting the foregoing, if the whole or any part of any Participant's or Beneficiary's Account becomes subject to FICA Tax or any state, local or foreign tax which GPI is required to pay or withhold, GPI will have the full power and authority to withhold and pay such tax, together with any amounts required to be withheld with respect to such tax for income tax under Code Section 3401 or under a corresponding state income tax provision, by reducing and offsetting the Participant's or Beneficiary's Account balance, without regard to whether any portion of the Participant's or Beneficiary's Account balance is then payable hereunder.

5.9 Offset of Benefit by Amounts Owed to GPI.

The Retirement Committee may not offset any payment or payments of benefit to a Participant under the Plan by any amount owed by such Participant to GPI or any member of the Controlled Group unless the following requirements are met: (i) the debt owed to GPI or Controlled Group member was incurred in the ordinary course of the relationship between the Participant and GPI or Controlled Group member; (ii) the entire amount of offset to which this sentence applies in a single taxable year does not exceed $5,000; and (iii) the offset occurs at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant or Beneficiary.

5.10 **Permissible Acceleration or Delay of Payments**.

(a) **Acceleration of Payments**. Except as otherwise provided in this Section, no payment scheduled to be made under this Article V may be accelerated. Notwithstanding the foregoing, the Retirement Committee, in its sole discretion, may accelerate any payment scheduled to be made under this Article V in accordance with Code Section 409A (for example, upon certain terminations of the Plan (including, but not limited to, a termination of the Plan in connection with a Change in Control pursuant to Section 5.11), limited cash outs or to avoid certain conflicts of interest); provided, a Participant may not elect whether his scheduled payment will be accelerated pursuant to this sentence. All payments scheduled to be made under this Article V shall be made no later than the date required under Code Section 409A.

(b) **Delay of Payments**. Except as otherwise provided in this Section, no payment scheduled to be made under this Article V may be delayed. Notwithstanding the foregoing, the Retirement Committee, in its sole discretion, may delay any payment scheduled to be made under this Article V in accordance with Code Section 409A in any of the following circumstances as long as the Retirement Committee treats all payments to similarly situated Participants on a reasonably consistent basis.

(1) The Retirement Committee may delay payment if it reasonably anticipates that its deduction with respect to such payment would be limited or eliminated by the application of Code Section 162(m). Payment must be made during the Participant's first taxable year in which the Retirement Committee reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year the deduction of such payment will not be barred by the application of Code Section 162(m) or during the period beginning with the Participant's Separation from Service and ending on the later of the last day of the Employer's taxable year in which the Participant separates from service or the 15th day of the third month following the Participant's Separation from Service. If a scheduled payment to a Participant is delayed in accordance with this subsection (b)(1), all scheduled payments to the Participant that could be delayed in accordance with this Section (b)(1) will also be delayed.

(2) The Retirement Committee may delay payment if it reasonably anticipates that the making of the payment will violate federal securities laws or other applicable laws provided payment is made at the earliest date on which the Retirement Committee reasonably anticipates that the making of the payment will not cause such violation.

(3) The Compensation and Benefits Committee reserves the right to amend the Plan to provide for a delay in payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

5.11 Change in Control.

(a) Discretionary Termination and Liquidation upon a Change in Control. The Compensation and Benefits Committee, in its sole discretion, may terminate and liquidate the Plan within the 30 days preceding or the 12 months following a Change in Control such that all Participants and Beneficiaries affected by the Change in Control shall receive all amount deferred under the Plan within 12 months of the date of such termination; provided, such acceleration of payments will be made only if all agreements, methods, programs, and other arrangements sponsored by GPI or any member of the Controlled Group immediately after the Change in Control with respect to which deferrals of compensation are treated as having been deferred under a single plan with the Plan under Treasury Regulation Section 1.409A-1(c)(2) are terminated and liquidated with respect to each participant that experienced the Change in Control, so that under the terms of the termination and liquidation all such participants are required to receive all amounts of compensation deferred under the terminated agreements, methods, programs, and other arrangements within 12 months of the date all necessary action to terminate and liquidate the agreements, methods, programs, and other arrangements are taken.

(b) Other Accelerations Upon a Change in Control. Except as otherwise provided under a Participant's election under Section 5.2(b)(3) or upon the termination and liquidation of the Plan in the Compensation and Benefits Committee's sole discretion pursuant to subsection (a) hereof, distributions from a Participant's Account will not be made upon a Change in Control.

5.12 Pre-Effective Date Accounts.

Notwithstanding the foregoing provisions of this Article V, in the event of any inconsistency between these distribution provisions and the distribution terms applicable to any amounts in Participant Accounts that are attributable to (i) Deferral Elections with respect to compensation earned prior to the Effective Date, and any related Matching Contributions, (ii) Supplemental Company Contributions or DC SERP Contributions for any Plan Year that began prior to the Effective Date, or (iii) Executive Contributions credited to Accounts prior to the Effective Date, under the terms of the Plan as in effect prior to the Effective Date or under the terms of a Participant's election made in accordance therewith (collectively, "Pre-Effective Date Distribution Terms"), such Pre-Effective Date Distribution Terms shall control with respect to the payment of any such amounts.

ARTICLE VI
CLAIMS

6.1 Participant Rights.

If a Participant has any grievance, complaint or claim concerning any aspect of the operation or administration of the Plan, including but not limited to claims for benefits, (referred to herein as "claim" or "claims") the Participant will submit the claim in accordance with the procedures set forth in this Article VI. All such claims must be submitted within the "applicable limitations period." The "applicable limitations period" will be 1 year, beginning on (i) in the case of any payment, the date on which the payment was made, or (ii) for all other claims, the date on which the action complained of occurred. Additionally, upon denial of an appeal pursuant to Section 6.3 hereof, a Participant will have 1 year within which to bring suit for any grievance complaint or claim related to such denied appeal; any such suit initiated after such 1-year period will be precluded.

6.2 Initial Claim.

Claims for benefits under the Plan may be filed with the Retirement Committee on forms or in such other written documents, as the Retirement Committee may prescribe. The Retirement Committee will furnish to the claimant written notice of the disposition of a claim within 90 days (45 days in the case of a claim regarding Total Disability) after the application therefor is filed; provided, if special circumstances require an extension of time for processing the claim, the Retirement Committee will furnish written notice of the extension to the claimant prior to the end of the initial 90-day period (45-day period in the case of a claim regarding Total Disability), and such extension will not exceed one additional, consecutive 90-day period (30-day period in the case of a claim regarding Total Disability, provided, if matters beyond the control of the Retirement Committee require an additional extension of time for processing the claim, the Retirement Committee will furnish written notice of the second extension to the claimant prior to the end of the initial 30-day extension period, and such extension will not exceed an additional, consecutive 30-day period). In the event the claim is denied, the notice of the disposition of the claim will provide the specific reasons for the denial, citations of the pertinent provisions of the Plan, and, where appropriate, an explanation as to how the claimant can perfect the claim and/or submit the claim for review.

6.3 Appeal.

Any Participant or Beneficiary who has been denied a benefit will be entitled, upon request to the Retirement Committee, to appeal the denial of his claim. The claimant (or his duly authorized representative) may review pertinent documents related to the Plan in the Retirement Committee's possession in order to prepare the appeal. The request for review, together with a written statement of the claimant's position, must be filed with the Retirement Committee no later than 60 days (180 days in the case of a claim regarding Total Disability) after receipt of the written notification of denial of a claim provided for in Section 6.2. The Retirement Committee's decision will be made within 60 days (45 days in the case of a claim regarding Total Disability) following the filing of the request for review and will be communicated in writing to the claimant; provided, if special circumstances require an extension of time for processing the appeal, the Retirement Committee will furnish written notice to the claimant prior to the end of the initial 60-day period (45-day period in the case of a claim regarding Total Disability), and such an extension will not exceed one additional 60-day period (45-day period in the case of a claim regarding Total Disability). With respect to a claim regarding Total Disability, the Retirement Committee's review will not afford deference to the initial adverse benefit determination and will be conducted by an individual who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual. If unfavorable, the notice of the decision will explain the reasons for denial and indicate the provisions of the Plan or other documents used to arrive at the decision.

6.4 Satisfaction of Claims.

Any payment to a Participant or Beneficiary will to the extent thereof be in full satisfaction of all claims hereunder against the Retirement Committee, the Compensation and Benefits Committee, and GPI, any of whom may require such Participant or Beneficiary, as a condition to such payment, to execute a receipt and release therefor in such form as determined by the Retirement Committee, Compensation and Benefits Committee, or GPI. If receipt and release is required but the Participant or Beneficiary (as applicable) does not provide such receipt and release in a timely enough manner to permit a timely distribution in accordance with the general timing of distribution provisions in the Plan, such payment will be forfeited.

ARTICLE VII
SOURCE OF FUNDS; TRUST

7.1 Source of Funds.

Except as provided in this Section and Section 7.2 (relating to the Trust), GPI will provide the benefits described in the Plan from its general assets. However, to the extent that funds in such Trust allocable to the benefits payable under the Plan are sufficient, the Trust assets may be used to pay benefits under the Plan. If such Trust assets are not sufficient to pay all benefits due under the Plan, then GPI will have the obligation, and the Participant or Beneficiary, who is due such benefits, will look to GPI to provide such benefits.

7.2 Trust.

(a) Establishment. To the extent determined by GPI, GPI will transfer to the Trustee the funds necessary to fund benefits accrued hereunder to the Trustee to be held and administered by the Trustee pursuant to the terms of the Trust Agreement. Except as otherwise provided in the Trust Agreement, each transfer into the Trust Fund will be irrevocable as long as GPI has any liability or obligations under the Plan to pay benefits, such that the Trust property is in no way subject to use by GPI; provided, it is the intent of GPI that the assets held by the Trust are and will remain at all times subject to the claims of the general creditors of GPI.

(b) Distributions. Pursuant to the Trust Agreement, the Trustee will make payments to Plan Participants and Beneficiaries in accordance with a payment schedule provided by GPI. GPI will make provisions for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plan and will pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by GPI.

(c) Status of the Trust. No Participant or Beneficiary will have any interest in the assets held by the Trust or in the general assets of GPI other than as a general, unsecured creditor. Accordingly, GPI will not grant a security interest in the assets held by the Trust in favor of the Participants, Beneficiaries or any creditor.

7.3 Funding Prohibition under Certain Circumstances.

Notwithstanding anything in this Article VII to the contrary, no assets will be set aside to fund benefits under the Plan if such setting aside would be treated as a transfer of property under Code Section 83 pursuant to Code Section 409A(b).

ARTICLE VIII
RETIREMENT COMMITTEE

8.1 Retirement Committee.

(a) Adoption of Charter. The Compensation and Benefits Committee may approve a Charter for the Retirement Committee which sets forth procedures regarding the governance and maintenance of the Retirement Committee and, to the extent not inconsistent with the Plan, the rights, duties, responsibilities of the Retirement Committee with respect to the Plan.

(b) Retirement Committee. The Retirement Committee will have all rights, duties, and responsibilities as provided in the Charter and the Plan, and will be governed in accordance with the Charter.

8.2 Rights and Duties.

The Retirement Committee will administer the Plan and will have all powers necessary to enable it to properly to carry out its duties as set forth in the Charter and the Plan, including (but not limited to) the following:

(a) To construe, interpret and administer the Plan;

(b) To the extent not delegated to the Recordkeeper, to make determinations required by the Plan, including, but not limited to, determinations of whether an individual is in a class of employees designated (either by the terms of the Plan or by the Compensation and Benefits Committee) as eligible to participate in the Plan, and to maintain records regarding Participants' and Beneficiaries' benefits hereunder;

(c) To the extent not delegated to the Recordkeeper, to compute and certify to GPI the amount and kinds of benefits payable to Participants and Beneficiaries, and to determine the time and manner in which such benefits are to be paid;

(d) To authorize all disbursements by GPI pursuant to the Plan or the Trust Agreement;

(e) To the extent not delegated to the Recordkeeper, to maintain all the necessary records of the administration of the Plan;

(f) To make and publish such rules for the regulation of the Plan as are not inconsistent with the terms hereof;

(g) To delegate to other individuals or entities, including, but not limited to, the Recordkeeper, from time to time the performance of any of its duties or responsibilities hereunder; and

(h) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan.

The Retirement Committee will have the exclusive right to construe and interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters will be final and conclusive on all parties.

8.3 Compensation, Indemnity and Liability.

The Retirement Committee and its members will serve as such without bond and without compensation for services hereunder. All expenses of the Retirement Committee will be paid by GPI. No member of the Retirement Committee will be liable for any act or omission of any other member of the Retirement Committee, or for any act or omission on his own part, excepting his own willful misconduct. GPI will indemnify and hold harmless the Retirement Committee and each member thereof against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the committee, excepting only expenses and liabilities arising out of his own willful misconduct.

ARTICLE IX
AMENDMENT AND TERMINATION

9.1 Amendments.

The provisions of the Plan may be amended at any time and from time to time by the Compensation and Benefits Committee or its authorized delegate (including, to the extent provided in the Charter, the Retirement Committee). An amendment to the Plan may modify its terms in any respect whatsoever; provided, no such action may reduce the amount already credited to a Participant's Account without the affected Participant's written consent. All Participants and Beneficiaries will be bound by such amendment.

9.2 Plan Freeze or Termination.

(a) Freezing Plan Benefits. The Compensation and Benefits Committee will have the right, in its sole discretion, to impose a permanent or temporary freezing of the Plan at any time, such that the Plan will remain in effect with respect to existing Account balances without permitting any new contributions; provided, such a freeze may not cancel any Participant's Deferral Election except as otherwise provided under Section 3.5.

(b) Plan Termination. The Compensation and Benefits Committee expects to continue the Plan but reserves the right to discontinue and terminate the Plan at any time, for any reason, subject to the restrictions provided under Code Section 409A. Any action to terminate the Plan will be taken by the Compensation and Benefits Committee or its authorized delegate in the form of a written Plan amendment executed by a duly authorized officer of GPHC. If the Plan is terminated, each Participant's Account will be distributed in a single-sum payment in cash as soon as practicable after the date the Plan is terminated. The amount of any such distribution will be determined as of the Valuation Date such termination distribution is to be processed. Such termination will be binding on all Participants and Beneficiaries. Notwithstanding the foregoing, the cancellations of Participants' Deferral Elections and distributions of Accounts will be made upon termination of the Plan (including any partial termination relating to a specified group of Participants) only to the extent permitted under Code Section 409A.

ARTICLE X
<u>MISCELLANEOUS</u>

10.1 <u>Beneficiary Designation</u>.

(a) <u>General</u>. Participants will designate and from time to time may re-designate their Beneficiaries in such form and manner as the Retirement Committee may determine.

(b) <u>No Designation or Designee Dead or Missing</u>. In the event that:

(1) a Participant dies without designating a Beneficiary;

(2) the Beneficiary designated by a Participant is not surviving when a payment is to be made to such person under the Plan, and no contingent Beneficiary has been designated; or

(3) the Beneficiary designated by a Participant cannot be located by the Retirement Committee within a reasonable time before the latest date for payment to such Beneficiary pursuant to Article V;

then, in any of such events, the Beneficiary of such Participant with respect to any benefits that remain payable under the Plan will be the Participant's Surviving Spouse, if any, and if not, the estate of the Participant.

(c) <u>Forfeiture of Benefits by Certain Individuals</u>. Notwithstanding anything to the contrary in the Plan, no payment of benefits will be made under any provision of the Plan to any individual with respect to whom such amount would otherwise be payable if, by virtue of such individual's involvement in the death of the Participant or Beneficiary, such individual's entitlement to any interest in assets of the deceased could be denied (whether or not there is in fact any such entitlement) under any applicable law, state or federal, including without limitation laws governing intestate succession, wills, jointly-owned property, bonds, and life insurance. For purposes of the Plan, any such individual will be deemed to have predeceased the Participant or Beneficiary, as applicable. To the extent consistent with Code Section 409A and the guidance issued thereunder, the Retirement Committee may withhold distribution of benefits otherwise payable under the Plan for such period of time as is necessary or appropriate under the circumstances to make a determination with regard to the application of this Section.

10.2 <u>Distribution pursuant to a Domestic Relations Order</u>.

(a) <u>Distribution Due to Domestic Relations Order</u>. Upon receipt of a valid domestic relations order requiring the distribution of all or a portion of a Participant's Account to an alternate payee, the Retirement Committee will cause GPI to pay a distribution to such alternate payee. The distribution will be completed as soon as administratively practicable after the Retirement Committee determines that the order meets the elements of a valid domestic relations order, as set forth in subsection (b) hereof, or if later, when the terms of the order have been modified to meet such elements. No distribution will be completed unless and until the order constitutes a valid domestic relations order.

(b) **Requirements of a Domestic Relations Order**. For purposes of this Section, a court order will be considered a valid domestic relations order if it relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a Participant, and is made pursuant to the domestic relations law of a state. The order should clearly identify the name of the Participant and the alternate payee, the Plan, and the amount or percentage of the Participant's Account to be paid to the alternate payee, or the manner in which such amount or percentage is to be determined. The order may not require payment of a type or form of benefit other than as provided in subsection (a) hereof, payment of increased benefits or benefits to which the Participant does not have a vested right, or payment of benefits required to be paid to another alternate payee under another order previously determined to be a valid domestic relations order.

(c) **Domestic Relations Order Review Authority**. The Retirement Committee will have authority to review and determine whether a court order meets the conditions of this Section, and to issue and adopt procedures that may be helpful in administering this Section.

10.3 **Headings**.

The headings of the various articles and sections in the Plan are solely for convenience and will not be relied upon in construing any provisions hereof. Any reference to a section refers to a section of the Plan unless specified otherwise.

10.4 **Gender and Number**.

Use of any gender in the Plan will be deemed to include all genders when appropriate, and use of the singular number will be deemed to include the plural when appropriate, and vice versa in each instance.

10.5 **Assignment of Benefits**.

Except as provided in Section 10.2, the right of a Participant or his Beneficiary to receive payments under the Plan may not be anticipated, alienated, sold, assigned, transferred, pledged, encumbered, attached or garnished by creditors of such Participant or Beneficiary, except by will or by the laws of descent and distribution and then only to the extent permitted under the terms of the Plan.

10.6 **Legally Incompetent**.

The Retirement Committee, in its sole discretion, may direct that payment to be made directly to an incompetent or disabled person, whether incompetent or disabled because of minority or mental or physical disability, or to the guardian of such person or to the person having legal custody of such person or to such other person as the Retirement Committee may otherwise determine, without further liability with respect to or in the amount of such payment either on the part of GPI or the Retirement Committee.

10.7 Governing Law.

The Plan will be construed, administered and governed in all respects in accordance with applicable federal law (including ERISA) and, to the extent not preempted by federal law, in accordance with the laws of the State of Delaware. If any provisions of this instrument are held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof will continue to be fully effective.

10.8 Tax Effects.

The Plan is intended to comply with Code Section 409A and the regulations and other guidance issued thereunder such that no Participant shall be subject to early taxation or penalties thereunder. The Plan will be interpreted consistent with this intent. However, notwithstanding anything in the Plan or any summary or information regarding the Plan to the contrary, each Participant shall be solely responsible for all taxes due with respect to his benefits under the Plan, including, but not limited to, any federal, state or local income tax, any employment tax and any tax penalties, specifically including, but not limited to, tax penalties imposed under Code Section 409A. GPI retains the full discretion to apply the tax laws as it deems appropriate from time to time and makes no representation or guaranty that benefits under the Plan will have any specific tax effect or receive any specific tax treatment.

EXHIBIT A
SPECIAL PROVISIONS

A - 1 Executive Contributions. As soon as administratively practicable after the date of commencement of employment of Stephen Scherger ("Scherger") with the Plan Sponsor, the Plan Sponsor caused to be credited to an Account for Scherger under the Plan a onetime Executive Contribution of One Million and no/100 Dollars ($1,000,000.00). Such amount and any earnings and/or losses with respect to such amount shall be subject to all applicable terms and conditions of the Plan.

A - 2 Special Vesting Schedules. Notwithstanding anything in Section 3.14 to the contrary, and without regard to subsections (d) through (g) thereof, the Executive Contribution granted to Scherger described in B-1 is 100% vested.

A-3 Special Timing Designations. Subject to the provisions of Article V, the Executive Contribution granted to Scherger will be paid upon the date that is 6 months after the date he Separates from Service.

A - 4 Special Form Designations. Subject to the provisions of Article V, the Executive Contribution granted to Scherger will be distributed in the form of 5 annual installment payments.

Exhibit 31.1

CERTIFICATION

I, Michael P. Doss certify that:

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

/s/ Michael P. Doss

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

October 25, 2017

Exhibit 31.2

CERTIFICATION

I, Stephen R. Scherger certify that:

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

/s/ STEPHEN R. SCHERGER

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

October 25, 2017

Exhibit 32.1

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

The undersigned hereby certifies that, to my knowledge, the Quarterly Report on Form 10-Q for the period ended September 30, 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

October 25, 2017

Exhibit 32.2

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

The undersigned hereby certifies that, to my knowledge, the Quarterly Report on Form 10-Q for the period ended September 30, 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
October 25, 2017