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 March 31, 2019

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 April 22, 2019, there were 295,280,408 shares of the registrant's Common Stock, par value $0.01 per share, outstanding.

Information Concerning Forward-Looking Statements

Certain statements regarding the expectations of Graphic Packaging Holding Company (“GPHC” and, together with its subsidiaries, the “Company”), including, but not limited to, the availability of net operating losses to offset U.S. federal income taxes and the timing related to the Company's future U.S. federal income tax payments, reclassification of gains on derivative instruments, capital investment, depreciation and amortization, interest expense, pension expense, pension plan contributions, and postretirement health care benefit payments in this report constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company’s historical experience and its present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and product substitution, the Company’s ability to implement its business strategies, including strategic acquisitions, the Company's ability to successfully integrate acquisitions, 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 2018 Annual Report on Form 10-K, and in other filings with the Securities and Exchange Commission.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended March 31,	
In millions, except per share amounts	2019	2018
Net Sales	$ 1,505.9	$ 1,477.4
Cost of Sales	1,239.8	1,253.5
Selling, General and Administrative	124.7	122.7
Other Expense, Net	1.2	0.9
Business Combinations, Gain on Sale of Assets and Shutdown and Other Special Charges, Net	6.2	26.3
Income from Operations	134.0	74.0
Nonoperating Pension and Postretirement Benefit (Expense) Income	(0.1)	4.2
Interest Expense, Net	(35.0)	(28.8)
Loss on Modification or Extinguishment of Debt	—	(1.9)
Income before Income Taxes and Equity Income of Unconsolidated Entity	98.9	47.5
Income Tax Expense	(21.0)	(5.1)
Income before Equity Income of Unconsolidated Entity	77.9	42.4
Equity Income of Unconsolidated Entity	0.2	0.3
Net Income	78.1	42.7
Net Income Attributable to Noncontrolling Interest	(20.2)	(12.8)
Net Income Attributable to Graphic Packaging Holding Company	$ 57.9	$ 29.9
Net Income Per Share Attributable to Graphic Packaging Holding Company — Basic	$ 0.19	$ 0.10
Net Income Per Share Attributable to Graphic Packaging Holding Company — Diluted	$ 0.19	$ 0.10
Cash Dividends Declared Per Share	$ 0.075	$ 0.075

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

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

In millions	Three Months Ended March 31, 2019			
	Graphic Packaging Holding Company	Noncontrolling Interest	Redeemable Noncontrolling Interest	Total
Net Income	$ 57.9	$ 15.6	$ 4.6	$ 78.1
Other Comprehensive (Loss) Income, Net of Tax:				
Derivative Instruments	(0.4)	(0.1)	—	(0.5)
Pension and Postretirement Benefit Plans	1.2	0.2	0.1	1.5
Currency Translation Adjustment	3.9	0.9	0.2	5.0
Total Other Comprehensive Income, Net of Tax	4.7	1.0	0.3	6.0
Total Comprehensive Income	$ 62.6	$ 16.6	$ 4.9	$ 84.1

In millions	Three Months Ended March 31, 2018			
	Graphic Packaging Holding Company	Noncontrolling Interest	Redeemable Noncontrolling Interest	Total
Net Income	$ 29.9	$ 9.9	$ 2.9	$ 42.7
Other Comprehensive (Loss) Income, Net of Tax:				
Derivative Instruments	(0.6)	(0.2)	—	(0.8)
Pension and Postretirement Benefit Plans	0.5	0.1	0.1	0.7
Currency Translation Adjustment	16.0	3.2	0.9	20.1
Total Other Comprehensive Income, Net of Tax	15.9	3.1	1.0	20.0
Total Comprehensive Income	$ 45.8	$ 13.0	$ 3.9	$ 62.7

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	March 31, 2019	December 31, 2018
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 62.3	$ 70.5
Receivables, Net	647.9	572.9
Inventories, Net	1,072.0	1,014.4
Other Current Assets	54.7	106.0
Total Current Assets	1,836.9	1,763.8
Property, Plant and Equipment, Net	3,204.8	3,239.7
Goodwill	1,468.0	1,460.6
Intangible Assets, Net	507.8	523.8
Other Assets	273.7	71.3
Total Assets	$ 7,291.2	$ 7,059.2
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	$ 49.0	$ 52.0
Accounts Payable	612.8	711.6
Compensation and Employee Benefits	121.3	154.4
Other Accrued Liabilities	239.1	254.3
Total Current Liabilities	1,022.2	1,172.3
Long-Term Debt	3,129.8	2,905.1
Deferred Income Tax Liabilities	475.1	462.2
Accrued Pension and Postretirement Benefits	108.5	107.5
Other Noncurrent Liabilities	264.4	117.8
Redeemable Noncontrolling Interest (Note 14)	285.9	275.8
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; 295,337,812 and 299,891,585 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	2.9	3.0
Capital in Excess of Par Value	1,918.1	1,944.4
Retained Earnings	13.6	10.0
Accumulated Other Comprehensive Loss	(373.2)	(377.9)
Total Graphic Packaging Holding Company Shareholders' Equity	1,561.4	1,579.5
Noncontrolling Interest	443.9	439.0
Total Equity	2,005.3	2,018.5
Total Liabilities and Shareholders' Equity	$ 7,291.2	$ 7,059.2

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

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

Three months ended March 31, 2019

	Common Stock							
In millions, except share amounts	Shares	Amount	Capital in Excess of Par Value	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
Balances at December 31, 2018	**299,807,779**	**$ 3.0**	**$ 1,944.4**	**$ 10.0**	**$ (377.9)**	**$ 439.0**	**$ 2,018.5**
Net Income	—	—	—	57.9	—	15.6	73.5
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	(0.4)	(0.1)	(0.5)
Pension and Postretirement Benefit Plans	—	—	—	—	1.2	0.2	1.4
Currency Translation Adjustment	—	—	—	—	3.9	0.9	4.8
Repurchase of Common Stock(a)	(5,033,426)	(0.1)	(27.2)	(32.2)	—	—	(59.5)
Dividends Declared	—	—	—	(22.1)	—	—	(22.1)
Reclassification of Redeemable Noncontrolling Interest for Share Repurchases	—	—	—	—	—	(6.7)	(6.7)
Distribution of Membership Interest	—	—	—	—	—	(5.0)	(5.0)
Recognition of Stock-Based Compensation, Net	—	—	0.9	—	—	—	0.9
Issuance of Shares for Stock-Based Awards	530,196	—	—	—	—	—	—
Balances at March 31, 2019	**295,304,549**	**$ 2.9**	**$ 1,918.1**	**$ 13.6**	**$ (373.2)**	**$ 443.9**	**$ 2,005.3**

(a) Includes 33,263 shares repurchased but not yet settled as of March 31, 2019.

Three months ended March 31, 2018

	Common Stock							
In millions, except share amounts	Shares	Amount	Capital in Excess of Par Value	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
Balances at December 31, 2017	**309,715,624**	**$ 3.1**	**$ 1,683.6**	**$ (56.0)**	**$ (338.8)**	**$ —**	**$ 1,291.9**
NACP Combination	—	—	395.1	—	—	439.8	834.9
Net Income	—	—	—	29.9	—	9.9	39.8
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	(0.6)	(0.2)	(0.8)
Pension and Postretirement Benefit Plans	—	—	—	—	0.5	0.1	0.6
Currency Translation Adjustment	—	—	—	—	16.0	3.2	19.2
Dividends Declared	—	—	—	(23.3)	—	—	(23.3)
Distribution of Membership Interest	—	—	—	—	—	(3.6)	(3.6)
Recognition of Stock-Based Compensation, Net	—	—	(0.9)	—	—	—	(0.9)
Issuance of Shares for Stock-Based Awards	563,903	—	—	—	—	—	—
Balances at March 31, 2018	**310,279,527**	**$ 3.1**	**$ 2,077.8**	**$ (49.4)**	**$ (322.9)**	**$ 449.2**	**$ 2,157.8**

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

In millions	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 78.1	$ 42.7
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:		
Depreciation and Amortization	117.1	109.8
Deferred Income Taxes	12.4	(3.1)
Amount of Postretirement Expense Greater (Less) Than Funding	2.4	(1.2)
Gain on the Sale of Assets	—	(1.5)
Other, Net	3.3	8.9
Changes in Operating Assets and Liabilities	(385.4)	(345.7)
Net Cash Used in Operating Activities	(172.1)	(190.1)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Spending	(73.0)	(88.9)
Packaging Machinery Spending	(7.0)	(3.2)
Acquisition of Businesses, Net of Cash Acquired	(2.0)	(3.5)
Beneficial Interest on Sold Receivables	279.5	282.6
Beneficial Interest Obtained in Exchange for Proceeds	(153.3)	(138.0)
Other, Net	(1.0)	(2.3)
Net Cash Provided by Investing Activities	43.2	46.7
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Common Stock	(60.0)	—
Payments on Debt	(9.1)	(125.0)
Borrowings under Revolving Credit Facilities	775.2	610.9
Payments on Revolving Credit Facilities	(548.9)	(323.5)
Repurchase of Common Stock related to Share-Based Payments	(4.0)	(4.0)
Debt Issuance Costs	—	(7.9)
Dividends and Distributions Paid to GPIP Partner	(30.1)	(23.2)
Other, Net	(2.6)	—
Net Cash Provided by Financing Activities	120.5	127.3
Effect of Exchange Rate Changes on Cash	0.2	1.2
Net Decrease in Cash and Cash Equivalents	(8.2)	(14.9)
Cash and Cash Equivalents at Beginning of Period	70.5	67.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 62.3	$ 52.5
Non-cash Investing Activities:		
Beneficial Interest (Sold) Obtained in Exchange for Trade Receivables	$ (142.9)	$ 287.5
Non-cash Investment in NACP Combination	—	1,235.7
Non-cash Investing Activities	$ (142.9)	$ 1,523.2
Non-cash Financing Activities:		
Non-cash Financing of NACP Combination	$ —	$ 660.0
Non-Cash Financing Activities	$ —	$ 660.0

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, foodservice and other consumer products companies. The Company operates on a global basis, is one of the largest producers of folding cartons in the United States ("U.S.") and holds leading market positions in coated-recycled paperboard ("CRB"), coated unbleached kraft paperboard ("CUK") and solid bleached sulfate paperboard ("SBS").

The Company's customers include many of the world's most widely recognized companies and brands with prominent market positions in beverage, food, foodservice, 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 facilities, its proprietary carton and packaging designs, and its commitment to quality and service.

On January 1, 2018, GPHC, a Delaware corporation, International Paper Company, a New York corporation ("IP"), Graphic Packaging International Partners, LLC, a Delaware limited liability company formerly known as Gazelle Newco LLC and a wholly owned subsidiary of the Company ("GPIP"), and Graphic Packaging International, LLC, a Delaware limited liability company formerly known as Graphic Packaging International, Inc. and a subsidiary of GPIP ("GPIL"), completed a series of transactions pursuant to an agreement dated October 23, 2017, among the foregoing parties (the "Transaction Agreement"). Pursuant to the Transaction Agreement (i) a wholly owned subsidiary of the Company transferred its ownership interest in GPIL to GPIP; (ii) IP transferred its North America Consumer Packaging ("NACP") business to GPIP, which was then subsequently transferred to GPIL; (iii) GPIP issued membership interests to IP, and IP was admitted as a member of GPIP; and (iv) GPIL assumed certain indebtedness of IP (the "NACP Combination"). For more information regarding the NACP Combination, see "*Note 1 — Nature of Business and Summary of Significant Accounting Policies*" of the Notes to Consolidated Financial Statements of the Company's 2018 Form 10-K.

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, 2018. 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.

The Company has reclassified the presentation of certain prior period information to conform to the current presentation. This reclassification had no impact on operating income.

For a summary of the Company's significant accounting policies, please refer to GPHC's Form 10-K for the year ended December 31, 2018.

Revenue Recognition

The Company has two primary activities, the manufacturing and converting of paperboard, from which it generates revenue from contracts with customers. Revenue is disaggregated primarily by geography and type of activity as further explained in "*Note 12-Segments.*" All reportable segments and the Australia and Pacific Rim operating segments recognize revenue under the same method, allocate transaction price using similar methods, and have similar economic factors impacting the uncertainty of revenue and related cash flows.

Revenue is recognized on the Company's annual and multi-year supply contracts when the Company satisfies the performance obligation by transferring control over the product or service to a customer, which is generally based on shipping terms and passage of title under the point-in-time method of recognition. For the three months ended March 31, 2019 and 2018, the Company recognized $1,501.6 million and $1,472.2 million, respectively, of revenue from contracts with customers.

The transaction price allocated to each performance obligation consists of the stand alone selling price, estimates of rebates and other sales or contract renewal incentives, and cash discounts and sales returns ("Variable Consideration") and excludes sales tax. Estimates are made for Variable Consideration based on contract terms and historical experience of actual results and are applied to the performance obligations as they are satisfied. Purchases by the Company's principal customers are manufactured and shipped with minimal lead time, therefore performance obligations are generally satisfied shortly after manufacturing and shipment. The Company uses standard payment terms that are consistent with industry practice.

The Company's contract assets consist primarily of contract renewal incentive payments to customers which are amortized over the period in which performance obligations related to the contract renewal are satisfied. As of March 31, 2019 and December 31, 2018 contract assets were $22.6 million and $19.6 million, respectively. The Company's contract liabilities consist principally of rebates, and as of March 31, 2019 and December 31, 2018 were $34.3 million and $42.5 million, respectively.

The Company did not have a material amount relating to backlog orders at March 31, 2019 or December 31, 2018.

Accounts Receivable and Allowances

The Company has entered into agreements 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"). The loss on sale is not material and is included in Other Expense, Net on the Condensed Consolidated Statement of Operations. The following table summarizes the activity under these programs as of March 31, 2019 and 2018, respectively:

In millions	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Receivables Sold and Derecognized	$ 811.2	$ 844.8
Proceeds Collected on Behalf of Financial Institutions	504.1	833.7
Net Proceeds Paid to Financial Institutions	(28.8)	(128.7)
Deferred Purchase Price[(a)]	4.3	240.4
Pledged Receivables	144.2	—

(a) Included in Other Current Assets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

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 three months ended March 31, 2019 and 2018, the Company sold receivables of approximately $32 million and $30 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, at March 31, 2019 and December 31, 2018, were approximately $470 million and $602 million, respectively.

Capital Allocation Plan

On February 21, 2019, the Company's board of directors declared a regular quarterly dividend of $0.075 per share of common stock paid on April 5, 2019 to shareholders of record as of March 15, 2019.

On January 28, 2019 the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to $500 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 "2019 share repurchase program"). The previous $250 million share repurchase program was authorized on January 10, 2017 (the "2017 share repurchase program"). During the first three months of 2019, the Company repurchased 5,033,426 shares of its common stock at an average price of $11.82, under the 2017 share repurchase program. The Company did not repurchase any shares of its common stock during the three months ended March 31, 2018. As of March 31, 2019, the Company has approximately $531 million available for additional repurchases under the 2019 share repurchase program and the 2017 share repurchase program.

Business Combinations, Gain on Sale of Assets and Shutdown and Other Special Charges, Net

The following table summarizes the transactions recorded in Business Combinations, Gain on Sale of Assets and Shutdown and Other Special Charges, Net in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
In millions	**2019**	**2018**
Charges Associated with Business Combinations	$ 2.1	$ 27.0
Shutdown and Other Special Charges	4.1	0.8
Gain on Sale of Assets	—	(1.5)
Total	$ 6.2	$ 26.3

On September 30, 2018, the Company acquired substantially all the assets of the foodservice business of Letica Corporation, a subsidiary of RPC Group PLC ("Letica Foodservice"), a producer of paperboard-based cold and hot cups and cartons. The acquisition included two facilities located in Clarksville, Tennessee and Pittston, Pennsylvania. Letica Foodservice is included in the Americas Paperboard Packaging reportable segment.

On June 12, 2018, the Company acquired substantially all the assets of PFP, LLC and its related entity, PFP Dallas Converting, LLC (collectively, "PFP"), a converter focused on the production of paperboard based air filter frames. The acquisition included two facilities located in Lebanon, Tennessee and Lancaster, Texas. PFP is included in the Americas Paperboard Packaging reportable segment.

On January 1, 2018, the Company completed the NACP Combination. The NACP business produces SBS paperboard and paper-based foodservice products. The NACP business included two SBS mills located in Augusta, Georgia and Texarkana, Texas (included in Paperboard Mills reportable segment), three converting facilities in the U.S. (included in Americas Paperboard Packaging reportable segment) and one in the United Kingdom ("U.K.") (included in the Europe Paperboard Packaging reportable segment).

PFP and Letica Foodservice are referred to collectively as the "2018 Acquisitions."

Charges associated with all acquisitions are included in Charges Associated with Business Combinations in the table above.

During 2019, the Company began a three-year program to dismantle and dispose of idle and abandoned assets primarily at the paperboard mills. Expected charges for this program are approximately $40 million. Charges associated with this program are included in Shutdown and Other Special Charges in the table above.

Adoption of New Accounting Standards

Effective January 1, 2019, the Company adopted Accounting Standards Update ("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 adoption of this standard did not have a material impact on the Company's financial position, results of operations and cash flows.

Effective January 1, 2019, the Company adopted ASU No. 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The amendment allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the 2017 Tax Cuts and Job Act ("The Act"). The Company adopted the amendment effective January 1, 2019 and elected not to reclassify the income tax effects of The Act from other comprehensive income to retained earnings. The Company's policy with respect to stranded income tax effects in accumulated other comprehensive income (loss) is to release these effects using the aggregate portfolio approach.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842) ("ASC 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 Company adopted ASC 842 effective January 1, 2019, prospectively. The adoption of this standard had a material impact on the Company's financial position, with no material impact on the results of operations and cash flows (see *"Note 5 - Leases"*).

Accounting Standards Not Yet Adopted

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.

NOTE 2 — INVENTORIES, NET

Inventories, Net by major class:

In millions	March 31, 2019	December 31, 2018
Finished Goods	$ 457.2	$ 426.9
Work in Progress	104.0	102.2
Raw Materials	341.4	319.9
Supplies	169.4	165.4
Total	$ 1,072.0	$ 1,014.4

NOTE 3 — BUSINESS COMBINATIONS

As disclosed in *"Note 1 - General Information,"* the Company completed the NACP Combination, and the PFP and Letica Foodservice acquisitions in 2018.

The Company paid approximately $129 million for the PFP and Letica Foodservice acquisitions using existing cash and borrowings under its revolving line of credit.

Total consideration for the NACP Combination, including debt assumed of $660 million, was $1.8 billion.

The acquisition accounting for the NACP Combination and PFP acquisition was completed on December 31, 2018.

During the quarter ended March 31, 2019, the acquisition accounting for Letica Foodservice was finalized, resulting in an approximately $5 million reduction in the value of property plant and equipment.

During 2019, Net Sales and Loss from Operations for the Letica Foodservice and PFP acquisitions were $33.8 million and $2.1 million, respectively.

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 2018 Form 10-K.

Long-Term Debt is comprised of the following:

In millions	March 31, 2019	December 31, 2018
Senior Notes with interest payable semi-annually at 4.125%, effective rate of 4.17%, payable in 2024	$ 300.0	$ 300.0
Senior Notes with interest payable semi-annually at 4.875%, effective rate of 4.92%, payable in 2022	250.0	250.0
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.77%, payable in 2021	425.0	425.0
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (3.93% at March 31, 2019) payable through 2023	1,423.5	1,432.6
Senior Secured Revolving Facilities with interest payable at floating rates (3.60% at March 31, 2019) payable in 2023	622.8	399.0
Capital Lease and Financing Obligations	127.7	122.9
Other	31.3	26.5
Total Long-Term Debt	3,180.3	2,956.0
Less: Current Portion	40.6	40.3
	3,139.7	2,915.7
Less: Unamortized Deferred Debt Issuance Costs	9.9	10.6
Total	$ 3,129.8	$ 2,905.1

At March 31, 2019, 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)]	$ 1,450.0	$ 542.0	$ 884.8
Senior Secured International Revolving Credit Facility	177.4	80.8	96.6
Other International Facilities	66.3	39.7	26.6
Total	$ 1,693.7	$ 662.5	$ 1,008.0

(a) In accordance with its debt agreements, the Company's availability under its revolving credit facilities has been reduced by the amount of standby letters of credit issued of $23.2 million as of March 31, 2019. These letters of credit are primarily used as security against its self-insurance obligations and workers' compensation obligations. These letters of credit expire at various dates through 2019 unless extended.

The Credit Agreement is guaranteed by GPIP and certain domestic subsidiaries, and the 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022 and 4.125% Senior Notes due 2024 are guaranteed by GPHC. For additional information on the financial statements of GPIP, see "*Note 14 - Guarantor Condensed Consolidating Financial Statements*" of the Notes to the Condensed Consolidated Financial Statements of GPIL in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed with the Securities and Exchange Commission.

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 March 31, 2019, the Company was in compliance with the covenants in the Credit Agreement and the Indentures.

NOTE 5 — LEASES

Effective January 1, 2019 the Company adopted ASC 842, which requires recognition of a right-of-use asset and lease liability for all leases at the commencement date based on the present value of lease payments over the lease term. Additional qualitative and quantitative disclosures regarding the Company's leasing arrangements are also required. The Company adopted ASC 842 prospectively and elected the package of transition practical expedients that does not require reassessment of: (1) whether any existing or expired contracts are or contain leases, (2) lease classification and (3) initial direct costs. In addition, the Company has elected other available practical expedients to not separate lease and nonlease components, which consist principally of common area maintenance charges, for all classes of underlying assets and to exclude leases with an initial term of 12 months or less.

The Company determines if a contract is or contains a lease at inception. The Company has operating and finance leases for warehouses, corporate and regional offices, and machinery and equipment. The Company enters into lease contracts ranging from one to 25 years with the majority of leases having terms of three toseven years, many of which include options to extend in various increments. Variable lease costs consist primarily of variable warehousing costs, common area maintenance, taxes, and insurance. The Company’s leases do not have any significant residual value guarantees or restrictive covenants.

As the implicit rate is not readily determinable for most of the Company’s leases agreements, the Company uses an estimated incremental borrowing rate to determine the initial present value of lease payments. These discount rates for leases are calculated using the Company's credit spread adjusted for current market factors, including fixed rate swaps, LIBOR, and foreign currency rates.

The components of lease costs are as follows:

In millions	**Three Months Ended March 31, 2019**
Finance lease costs:	
Amortization of right-of-use asset	$ 1.8
Interest on lease liabilities	1.9
Operating lease costs	16.0
Short-term lease costs	3.6
Variable lease costs	1.0
Total lease costs, net	$ 24.3

Supplemental cash flow information related to leases was as follows:

In millions	**Three Months Ended March 31, 2019**
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 15.6
Operating cash flows from finance leases	1.8
Financing cash flows from finance leases	0.8
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	16.0
Finance leases	5.6

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Supplemental balance sheet information related to leases was as follows:

In millions, except lease term and discount rate	Balance Sheet Classification	March 31, 2019
Operating Leases:		
Operating lease right-of-use asset	Other Assets	$ 199.7
Current operating lease liabilities	Other Current Liabilities	$ 53.3
Noncurrent operating lease liabilities	Other Noncurrent Liabilities	150.1
Total operating lease liabilities		$ 203.4
Finance Leases:		
Property, Plant and Equipment		$ 132.2
Accumulated depreciation		(6.4)
Property, Plant and Equipment, net		$ 125.8
Current finance lease liabilities	Short-Term Debt and Current Portion of Long-Term Debt	4.1
Noncurrent finance lease liabilities	Long-Term Debt	123.6
Total finance lease liabilities		$ 127.7
Weighted Average Remaining Lease Term (Years)		
Operating leases		5
Finance leases		18
Weighted Average Discount Rate		
Operating leases		4.22%
Finance leases		5.54%

Maturities of lease liabilities are as follows:

In millions		
Year ending December 31,	**Operating Leases**	**Finance Leases**
2019 (excluding the three months ended March 31, 2019)	$ 49.5	$ 8.8
2020	54.6	11.6
2021	42.2	11.7
2022	32.2	11.3
2023	25.1	11.4
Thereafter	38.9	157.0
Total lease payments	242.5	211.8
Less imputed interest	(39.1)	(84.1)
Total	$ 203.4	$ 127.7

NOTE 6 — STOCK INCENTIVE PLANS

The Company has one active equity compensation plan from which new grants may be made, the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (the "2014 Plan"). Under the 2014 Plan, the Company may grant stock options, stock appreciation rights, restricted stock, restricted stock units ("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 contain some combination of service, performance and market objectives based on various financial targets and relative total shareholder return that must be met for the shares to vest.

Data concerning RSUs granted in the first three months of 2019 is as follows:

	RSUs	Weighted Average Grant Date Fair Value Per Share
RSUs — Employees	1,992,718	$ 12.28

During the three months ended March 31, 2019 and 2018, $4.9 million and $3.1 million, respectively, were charged to compensation expense for stock incentive plans.

During the three months ended March 31, 2019 and 2018, 0.5 million and 0.6 million shares were issued, respectively. The shares issued were primarily related to RSUs granted during 2016 and 2015, respectively.

NOTE 7 — 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 March 31,		Three Months Ended March 31,	
In millions	2019	2018	2019	2018
Components of Net Periodic Cost:				
Service Cost	$ 3.3	$ 4.6	$ 0.1	$ 0.2
Interest Cost	11.5	10.5	0.4	0.3
Administrative Expenses	0.1	0.1	—	—
Expected Return on Plan Assets	(13.8)	(16.0)	—	—
Amortization:				
Prior Service Cost (Credit)	—	0.1	(0.1)	(0.1)
Actuarial Loss (Gain)	2.5	1.4	(0.5)	(0.5)
Net Periodic Cost (Benefit)	$ 3.6	$ 0.7	$ (0.1)	$ (0.1)

Employer Contributions

The Company made contributions of $0.6 million and $1.3 million to its pension plans during the first three months of 2019 and 2018, respectively. The Company expects to make contributions of approximately $10 million for the full year 2019. During 2018, the Company made $5.8 million of contributions to its pension plans.

The Company made postretirement health care benefit payments of $0.5 million and $0.5 million during the first three months of 2019 and 2018, respectively. The Company estimates its postretirement health care benefit payments for the full year 2019 to be approximately $2 million. During 2018, the Company made postretirement health care benefit payments of $1.9 million.

NOTE 8 — 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, and presented in the same line of the income statement expected for the hedged item.

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 2018 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 March 31, 2019:

Start	End	*(In Millions)* Notional Amount	Weighted Average Interest Rate
04/03/2018	01/01/2020	$150.0	2.25%
04/03/2018	10/01/2020	$150.0	2.36%
12/03/2018	01/01/2022	$120.0	2.92%
12/03/2018	01/04/2022	$80.0	2.79%

During the first three months of 2019 and 2018, 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 and resulting gain or loss reclassified into Cost of Sales concurrently with the recognition of the commodity consumed. The Company has hedged approximately 50% and 20% of its expected natural gas usage for the remainder of 2019 and all of 2020, respectively.

During the first three months of 2019 and 2018, there were no 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, Net or Net Sales, when appropriate.

At March 31, 2019, multiple forward exchange contracts existed that expire on various dates through the remainder of 2019. Those purchased forward exchange contracts outstanding at March 31, 2019 and December 31, 2018, when aggregated and measured in U.S. dollars at contractual rates at March 31, 2019 and December 31, 2018, had notional amounts totaling $38.1 million and $51.6 million, respectively.

No amounts were reclassified to earnings during the first three months of 2019 or during 2018 in connection with forecasted transactions that were considered probable of not occurring and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there were no amounts excluded from the measure of effectiveness.

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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 and intercompany loans denominated in foreign currencies in order to manage risks associated with variability in cash flows that may be adversely affected by changes in exchange rates. At March 31, 2019 and December 31, 2018, multiple foreign currency forward exchange contracts existed, with maturities ranging up toeighteen months . Those foreign currency exchange contracts outstanding at March 31, 2019 and December 31, 2018, when aggregated and measured in U.S. dollars at exchange rates atMarch 31, 2019 and December 31, 2018, had net notional amounts totaling $84.5 million and $62.2 million, respectively. Unrealized gains and losses resulting from these contracts are recognized inOther Expense, Net and approximately offset corresponding recognized but unrealized gains and losses on the remeasurement of these accounts receivable.

Fair Value of Financial Instruments

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

As of March 31, 2019, 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 following table summarizes the fair value of the Company's derivative instruments:

	Derivative Assets		Derivative Liabilities	
In millions	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Derivatives designated as hedging instruments:				
Interest rate contracts	$ 0.4	$ 0.8	$ 4.3	$ 2.7
Foreign currency contracts	0.6	—	0.1	0.5
Commodity contracts	0.9	—	—	0.2
Total Derivatives	$ 1.9	$ 0.8	$ 4.4	$ 3.4

The fair values of the Company's other financial assets and liabilities atMarch 31, 2019 and December 31, 2018 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 $3,054.0 million and $2,762.5 million as compared to the carrying amounts of$3,052.6 million and $2,833.1 million as of March 31, 2019 and December 31, 2018, 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.

Effect of Derivative Instruments

The pre-tax effect of derivative instruments in cash flow hedging relationships in the Company's Condensed Consolidated Statements of Operations for thethree months ended March 31, 2019 and 2018 is as follows:

	Amount of Loss (Gain) Recognized in Accumulated Other Comprehensive Loss			Amount of Loss (Gain) Recognized in Statement of Operations	
	Three Months Ended March 31,			Three Months Ended March 31,	
In millions	2019	2018	Location in Statement of Operations	2019	2018
Commodity Contracts	$ (0.9)	$ (0.6)	Cost of Sales	$ 0.1	$ (0.2)
Foreign Currency Contracts	(1.1)	2.1	Other Expense, Net	(0.7)	0.4
Interest Rate Swap Agreements	2.0	(0.7)	Interest Expense, Net	—	(0.3)
Total	$ —	$ 0.8		$ (0.6)	$ (0.1)

The effect of derivative instruments not designated as hedging instruments on the Company's Condensed Consolidated Statements of Operations for the years ended March 31, 2019 and 2018 is as follows:

		Three Months Ended March 31,	
In millions		**2019**	**2018**
Foreign Currency Contracts	Other Expense, Net	$ (0.1)	$ (1.0)

Accumulated Derivative Instruments Income (Loss)

The following is a rollforward of pre-tax Accumulated Derivative Instruments Income (Loss) which is included in the Company's Condensed Consolidated Balance Sheet as of March 31, 2019:

In millions	
Balance at December 31, 2018	$ (1.9)
Reclassification to Earnings	(0.6)
Current Period Change in Fair Value	—
Balance at March 31, 2019	$ (2.5)

A t March 31, 2019, the Company expects to reclassify $0.5 million of 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 9 — INCOME TAXES

Substantially all of the Company's operations are held through its majority investment in GPIP, a subsidiary that is classified as a partnership for U.S. income tax purposes and is generally not subject to domestic income tax expense. As a result, the consolidated financial statements exclude the domestic tax effect of the earnings attributable to the minority partner's interest in GPIP.

During the three months ended March 31, 2019, the Company recognized Income Tax Expense of $21.0 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $98.9 million. The effective tax rate for thethree months ended March 31, 2019 is lower than the statutory rate primarily due to the tax effect of income attributable to noncontrolling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions.

During the three months ended March 31, 2018, the Company recognized Income Tax Expense of $5.1 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $47.5 million. The effective tax rate for thethree months ended March 31, 2018 was lower than the statutory rate primarily due to the tax effect of income attributable to non-controlling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions. In addition, the Company recorded a discrete benefit of approximately $4 million during the three months ended March 31, 2018 to reflect indirect impacts of the NACP Combination.

As of December 31, 2018, the Company had approximately $168 million of Net Operating Losses ("NOLs") for U.S. federal income tax purposes which may be used to offset future taxable income. Based on these NOLs and other tax benefits, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2021.

NOTE 10 — ENVIRONMENTAL AND LEGAL MATTERS

Environmental Matters

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

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

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

Legal Matters

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

NOTE 11 — RELATED PARTY TRANSACTIONS

In connection with the NACP Combination, the Company entered into agreements with IP for transition services, fiber procurement fees and corrugated products and ink supply. Payments to IP for the three months ended March 31, 2019 under these agreements were $0.1 million, $2.8 million (related to pass through wood purchases of approximately $62 million) and $6.3 million, respectively. Payments to IP for the three months ended March 31, 2018 under these agreements were $7.5 million, $3.0 million (related to pass through wood purchases of approximately$47 million) and $7.4 million, respectively. In addition, approximately $0.6 million and $3.0 million of payments were made for purchases unrelated to these agreements for the three months ended March 31, 2019 and 2018, respectively.

NOTE 12 — SEGMENT INFORMATION

On January 1, 2018, the Company aggregated the three converting plants from the NACP Combination with America's Converting operating segment into one reportable segment. The Company has three reportable segments as follows:

Paperboard Mills includes the eight North American paperboard mills which produce primarily CRB, CUK, and SBS, which 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, primarily folding cartons, sold primarily to Consumer Packaged Goods ("CPG") companies, and cups, lids and food containers sold primarily to foodservice companies and quick-service restaurants ("QSR"), all serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging, primarily 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.*"

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Segment information is as follows:

In millions	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
NET SALES:		
Paperboard Mills	$ 275.5	$ 278.4
Americas Paperboard Packaging	1,022.8	990.8
Europe Paperboard Packaging	173.8	174.6
Corporate/Other/Eliminations[a]	33.8	33.6
Total	$ 1,505.9	$ 1,477.4
INCOME (LOSS) FROM OPERATIONS:		
Paperboard Mills	$ (4.0)	$ (6.7)
Americas Paperboard Packaging	125.6	112.0
Europe Paperboard Packaging	19.2	14.7
Corporate and Other[b]	(6.8)	(46.0)
Total	$ 134.0	$ 74.0
DEPRECIATION AND AMORTIZATION:		
Paperboard Mills	$ 56.2	$ 51.5
Americas Paperboard Packaging	43.7	41.0
Europe Paperboard Packaging	11.8	12.5
Corporate and Other	5.4	4.8
Total	$ 117.1	$ 109.8

(a) Includes Revenue from contracts with customers for the Australia and Pacific Rim operating segments, which isnot material.
(b) Includes expenses related to business combinations, gain on sale of assets and shutdown and other special charges.

For more information regarding the Company's business segments, see "*Note 15 — Business Segment and Geographic Area Information*" of the Notes to Consolidated Financial Statements of the Company's 2018 Form 10-K.

NOTE 13 — EARNINGS PER SHARE

In millions, except per share data	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Net Income Attributable to Graphic Packaging Holding Company	$ 57.9	$ 29.9
Weighted Average Shares:		
Basic	297.5	310.6
Dilutive Effect of RSUs	0.7	0.7
Diluted	298.2	311.3
Income Per Share — Basic	$ 0.19	$ 0.10
Income Per Share — Diluted	$ 0.19	$ 0.10

NOTE 14 — REDEEMABLE NONCONTROLLING INTEREST

For information regarding the Company's Redeemable Noncontrolling Interest, see "*Note 14 — Redeemable Noncontrolling Interest*" of the Notes to Consolidated Financial Statements of the Company's 2018 Form 10-K.

At March 31, 2019, the redeemable noncontrolling interest was determined as follows:

In millions		
Balance at December 31, 2018	$	275.8
Net Income Attributable to Redeemable Noncontrolling Interest		4.6
Other Comprehensive Loss, Net of Tax		0.3
Reclassification to Redeemable Noncontrolling Interest for Share Repurchases[a]		6.7
Distributions of Membership Interest		(1.5)
Balance at March 31, 2019	$	285.9

[a] Represents reclassification of 887,543 common units from Equity to Redeemable Noncontrolling Interest as a result of the Company's repurchase of common outstanding shares during the first quarter of 2019.

Redeemable Noncontrolling Interest is recorded at the greater of carrying amount or redemption value at the end of each period. The redemption value is determined by the closing price of the Company's common stock.

NOTE 15 — ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in the components of Accumulated Other Comprehensive Income (Loss) attributable to GPHC for the three months ended March 31, 2019 are as follows[a]:

In millions	Derivatives Instruments	Pension and Postretirement Benefit Plans	Currency Translation Adjustments	Total
Balance at December 31, 2018	$ (11.3)	$ (246.1)	$ (120.5)	$ (377.9)
Other Comprehensive Income before Reclassifications	—	—	5.0	5.0
Amounts Reclassified from Accumulated Other Comprehensive (Loss) Income[b]	(0.5)	1.5	—	1.0
Net Current-period Other Comprehensive (Loss) Income	(0.5)	1.5	5.0	6.0
Less:				
Net Current-period Other Comprehensive (Income) Loss Attributable to Noncontrolling Interest [c]	0.1	(0.3)	(1.1)	(1.3)
Balance at March 31, 2019	$ (11.7)	$ (244.9)	$ (116.6)	$ (373.2)

[a] All amounts are net-of-tax.
[b] See following table for details about these reclassifications.
[c] Includes amounts related to redeemable noncontrolling interest which are separately classified outside of permanent equity in the mezzanine section of the Condensed Consolidated Balance Sheets.

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The following represents reclassifications out of Accumulated Other Comprehensive Income (Loss) for the three months ended March 31, 2019:

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	$ 0.1		Cost of Sales
Foreign Currency Contracts	(0.7)		Other Expense, Net
Interest Rate Swap Agreements	—		Interest Income, Net
	(0.6)		Total before Tax
	0.1		Tax Expense
	$ (0.5)		Net of Tax
Amortization of Defined Benefit Pension Plans:			
Prior Service Costs	$ —	(a)	
Actuarial Losses	2.5	(a)	
	2.5		Total before Tax
	(0.5)		Tax Benefit
	$ 2.0		Net of Tax
Amortization of Postretirement Benefit Plans:			
Prior Service Credits	$ (0.1)	(a)	
Actuarial Gains	(0.5)	(a)	
	(0.6)		Total before Tax
	0.1		Tax Expense
	$ (0.5)		Net of Tax
Total Reclassifications for the Period	$ 1.0		

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

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTSOF 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 2019 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, cups, lids, foodservice containers and packaging machines, either as an integrated solution or separately. Cartons, carriers and containers are designed to protect and hold products. Product offerings include a variety of laminated, coated and printed packaging structures that are produced from the Company's coated recycled board ("CRB"), coated unbleached kraft ("CUK") and solid bleached sulfate ("SBS"). Innovative designs and combinations of paperboard, films, foils, metallization, holographics and embossing are customized to the individual needs of the customers.

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

Significant Factors That Impact The Company's Business

Impact of Inflation/Deflation. The Company's cost of sales consists primarily of energy (including natural gas, fuel oil and electricity), pine and hardwood pulp, chemicals, secondary fibers, purchased paperboard, aluminum foil, ink, plastic films and resins, depreciation expense and labor. Costs increased in the first three months of 2019 by $27.2 million, compared to the first three months of 2018. The higher costs in thethree months ended March 31, 2019 were due to wood ($12.5 million), labor and benefit costs ($9.0 million), external board ($2.3 million), corrugated ($1.2 million), energy ($0.6 million), freight ($0.4 million) and other costs, net ($2.3 million), partially offset by lower secondary fiber cost ($1.1 million).

Because the price of natural gas experiences significant volatility, the Company has entered into contracts designed to manage risks associated with future variability in cash flows caused by changes in the price of natural gas. The Company has entered into natural gas swap contracts to hedge prices for a portion of its expected usage for the remainder of 2019 and all of 2020. Since negotiated sales contracts and the market largely determine the pricing for its products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur.

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

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

Competition and Market Factors. As some products can be packaged in different types of materials, the Company's sales are affected by competition from other manufacturers' CRB, CUK, SBS, folding box board, and recycled clay-coated news. Additional substitute products also include plastic, shrink film and corrugated containers. In addition, while the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time to time, and the Company may not be successful in renewing on favorable terms or at all. The Company works to maintain market share through efficiency, product innovation and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

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

Debt Obligations. The Company had an aggregate principal amount of $3,188.7 million of outstanding debt obligations as of March 31, 2019. This debt has consequences for the Company, as it requires a portion of cash flow from operations to be used for the payment of principal and interest, exposes the Company to the risk of increased interest rates and may restrict the Company's ability to obtain additional financing. Covenants in the Company's Amended and Restated Credit Agreement, the Term Loan Credit Agreement and Indentures may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends, make other restricted payments and make acquisitions or other investments. The Amended and Restated Credit Agreement and the Term Loan Credit Agreement also require compliance with a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio. The Company's ability to comply in future periods with the financial covenants will depend on its ongoing financial and operating performance, which in turn will be subject to many other factors, many of which are beyond the Company's control. See "Covenant Restrictions" in "Financial Condition, Liquidity and Capital Resources" for additional information regarding the Company's debt obligations.

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

OVERVIEW OF FIRST QUARTER 2019 RESULTS

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

- Net Sales for the three months ended March 31, 2019, increased $28.5 million or 1.9% to $1,505.9 million from $1,477.4 million for the three months ended March 31, 2018, due to the 2018 Acquisitions discussed below and higher selling prices, partially offset by unfavorable foreign currency exchange rates and lower volumes for open market and converting.

- Income from Operations for the three months ended March 31, 2019 increased $60.0 million or 81.1% to $134.0 million from $74.0 million for the three months ended March 31, 2018 due to the higher selling prices and cost savings through continuous improvement and other programs, partially offset by higher inflation and unfavorable foreign currency exchange rates.

Acquisitions

- On September 30, 2018, the Company acquired substantially all the assets of the foodservice business of Letica Corporation, a subsidiary of RPC Group PLC ("Letica Foodservice"), a producer of paperboard-based cold and hot cups and cartons. The acquisition included two facilities located in Clarksville, Tennessee and Pittston, Pennsylvania.

- On June 12, 2018, the Company acquired substantially all the assets of PFP, LLC and its related entity, PFP Dallas Converting, LLC (collectively, "PFP"), a converter focused on the production of paperboard-based air filter frames. The acquisition included two facilities located in Lebanon, Tennessee and Lancaster, Texas. PFP and Letica Foodservice are referred to collectively as the "2018 Acquisitions."

Capital Allocations

- On February 21, 2019, the Company's board of directors declared a regular quarterly dividend of $0.075 per share of common stock paid on April 5, 2019 to shareholders of record as of March 15, 2019.

- On January 28, 2019 the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to $500 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 "2019 share repurchase program"). The previous $250 million share repurchase program was authorized on January 10, 2017 (the "2017 share repurchase program"). During the first three months of 2019, the Company repurchased 5,033,426 shares of its common stock at an average price of $11.82, all under the 2017 share repurchase program. The Company did not repurchase any shares of its common stock during the three months ended March 31, 2018. As of March 31, 2019, the Company has approximately $531 million available for additional repurchases under the 2019 share repurchase program and the 2017 share repurchase program.

RESULTS OF OPERATIONS

	Three Months Ended March 31,	
In millions	2019	2018
Net Sales	$ 1,505.9	$ 1,477.4
Income from Operations	134.0	74.0
Nonoperating Pension and Postretirement Benefit (Expense) Income	(0.1)	4.2
Interest Expense, Net	(35.0)	(28.8)
Loss on Modification or Extinguishment of Debt	—	(1.9)
Income before Income Taxes and Equity Income of Unconsolidated Entity	98.9	47.5
Income Tax Expense	(21.0)	(5.1)
Income before Equity Income of Unconsolidated Entity	77.9	42.4
Equity Income of Unconsolidated Entity	0.2	0.3
Net Income	$ 78.1	$ 42.7

FIRST QUARTER 2019 COMPARED WITH FIRST QUARTER 2018

Net Sales

	Three Months Ended March 31,			
In millions	2019	2018	Increase	Percent Change
Consolidated	$ 1,505.9	$ 1,477.4	$ 28.5	1.9%

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

	Three Months Ended March 31,					
		Variances				
In millions	2018	Price	Volume/Mix	Exchange	Total	2019
Consolidated	$ 1,477.4	$ 32.2	$ 16.7	$ (20.4)	$ 28.5	$ 1,505.9

The Company's Net Sales for the three months ended March 31, 2019 increased by $28.5 million or 1.9% to $1,505.9 million from $1,477.4 million for the three months ended March 31, 2018, due to higher selling prices and Net Sales of $33.8 million from the 2018 Acquisitions. These increases were offset by unfavorable foreign currency exchange rates, primarily the Euro and British Pound and lower open market and converting volumes. The higher selling prices are the result of announced price increases which benefit open market sales as well as inflationary pass throughs in the converting businesses. Core converting volumes were down, primarily in dry and frozen foods, away from home, including cups, and cereal, partially offset by new product introductions and higher beverage volumes.

Income from Operations

	Three Months Ended March 31,			
In millions	2019	2018	Increase	Percent Change
Consolidated	$ 134.0	$ 74.0	$ 60.0	81.1%

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

	Three Months Ended March 31,							
		Variances						
In millions	2018	Price	Volume/Mix	Inflation	Exchange	Other [(a)]	Total	2019
Consolidated	$ 74.0	$ 32.2	$ (5.2)	$ (27.2)	$ (3.2)	$ 63.4	$ 60.0	$ 134.0

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

Income from Operations for the three months ended March 31, 2019 increased $60.0 million or 81.1% to $134.0 million from $74.0 million for the three months ended March 31, 2018 due to cost savings through continuous improvement programs, benefits from completed capital projects and synergies, the higher selling prices, and lower expenses related to acquisitions and integration activities. These increases were partially offset by inflation and unfavorable foreign currency exchange rates. Inflation for the three months ended March 31, 2019 increased due to wood ($12.5 million), labor and benefit costs ($9.0 million), external board ($2.3 million), corrugated ($1.2 million), energy ($0.6 million), freight ($0.4 million) and other costs, net ($2.3 million), partially offset by lower secondary fiber cost ($1.1 million).

Interest Expense, Net

Interest Expense, Net was $35.0 million and $28.8 million for the three months ended March 31, 2019 and 2018, respectively. Interest Expense, Net increased due primarily to higher interest rates and average debt balances as compared to the same period in the prior year. As of March 31, 2019, approximately 49% of the Company’s total debt was subject to floating interest rates.

Income Tax Expense

During the three months ended March 31, 2019, the Company recognized Income Tax Expense of $21.0 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $98.9 million. The effective tax rate for the three months ended March 31, 2019 is different than the statutory rate primarily due to the tax effect of income attributable to noncontrolling interests as well as the mix and levels of earnings between foreign and domestic tax jurisdictions.

During the three months ended March 31, 2018, the Company recognized Income Tax Expense of $5.1 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $47.5 million. The effective tax rate for thethree months ended March 31, 2018 was different than the statutory rate primarily due to net income due to noncontrolling interest as well as the mix and levels of earnings between foreign and domestic tax jurisdictions. In addition, approximately $4 million was recorded to reflect the indirect impacts of the NACP Combination.

As of December 31, 2018, the Company had approximately $168 million of Net Operating Losses (“NOLs”) for U.S. federal income tax purposes which may be used to offset future taxable income. Based on these NOLs and other tax benefits, the Company does not expect to be a meaningful U.S. federal cash taxpayer until 2021.

Segment Reporting

The Company has three reportable segments as follows:

Paperboard Mills includes the eight North American paperboard mills which produce primarily CRB, CUK, and SBS, which 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 and cups, lids, and food containers sold primarily to consumer packaged goods, quick-service restaurants and foodservice companies serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging primarily folding cartons sold primarily to consumer packaged goods 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.*"

	Three Months Ended March 31,	
In millions	**2019**	**2018**
NET SALES:		
Paperboard Mills	$ 275.5	$ 278.4
Americas Paperboard Packaging	1,022.8	990.8
Europe Paperboard Packaging	173.8	174.6
Corporate/Other/Eliminations[a]	33.8	33.6
Total	$ 1,505.9	$ 1,477.4
INCOME (LOSS) FROM OPERATIONS:		
Paperboard Mills	$ (4.0)	$ (6.7)
Americas Paperboard Packaging	125.6	112.0
Europe Paperboard Packaging	19.2	14.7
Corporate and Other[b]	(6.8)	(46.0)
Total	$ 134.0	$ 74.0

(a) Includes Revenue from contracts with customers for the Australia and Pacific Rim operating segments, which is not material.

(b) Includes expenses related to business combinations, gain on sale of assets and shutdown and other special charges.

2019 COMPARED WITH 2018

First Quarter 2019 Compared to First Quarter 2018

Paperboard Mills

Net Sales were down slightly from prior year as increased selling prices were offset by lower open market volume of CRB and SBS as the Company internalized more SBS paperboard.

Loss from Operations decreased due to the increased selling prices and productivity improvements, including benefits from capital projects, partially offset by higher inflation and market downtime taken for SBS. The higher inflation was primarily due to wood, chemicals, freight, and labor and benefits offset by lower prices for secondary fiber.

Americas Paperboard Packaging

Net Sales increased due to the 2018 Acquisitions, and higher selling prices. Core volumes were down slightly as sales for new product introductions and beverage were offset by lower volume for certain consumer products, primarily dry and frozen food, away from home, including cups, and cereal, while global beverage volumes increased.

Income from Operations increased due to the higher selling prices and cost savings through continuous improvement and other cost savings programs, partially offset by higher inflation, primarily for labor and benefits, external board, secondary fiber and corrugate.

Europe Paperboard Packaging

Net Sales decreased slightly as increased volumes for beverage and consumer products and higher selling prices, were offset by unfavorable foreign currency exchange rates. The volumes reflect the increase in multi-pack beverages and a shift from plastics into paperboard solutions.

Income from Operations increased due to the increased volumes and higher selling prices, partially offset by higher inflation, primarily labor and benefits, 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

	Three Months Ended March 31,	
In millions	**2019**	**2018**
Net Cash Used in Operating Activities	$ (172.1)	$ (190.1)
Net Cash Provided by Investing Activities	$ 43.2	$ 46.7
Net Cash Provided by Financing Activities	$ 120.5	$ 127.3

Effective January 1, 2018, the Company adopted ASU No. 2016-15, *Statement of Cash Flows (Topic 230); Classification of Certain Cash Receipts and Cash Payments,* which required the Company to classify consideration received for beneficial interest obtained for transferring trade receivables as investing activities instead of operating activities.

Net cash used in operating activities for the first three months of 2019 totaled $172.1 million, compared to $190.1 million for the same period in 2018. The decrease was due primarily to improved operations as compared to the same period in the prior year, partially offset by an increase in inventory. Pension contributions for the first three months of 2019 and 2018 were $0.6 million and $1.3 million, respectively.

Net cash provided by investing activities for the first three months of 2019 totaled $43.2 million, compared to $46.7 million for the same period in 2018. Capital spending was $80.0 million and $92.1 million in 2019 and 2018, respectively. In 2019, the Company paid the remaining $2.0 million for the Letica acquisition. Net beneficial interest decreased by $18.4 million as a result of the restructuring of certain of the Company's securitization programs. In 2018, the Company paid $3.5 million for acquisitions, which included $1.1 million for the U.K. entity in the NACP Combination and $2.4 million for the working capital true up for the Seydaco acquisition. Net cash receipts related to the accounts receivable securitization and sale programs were $126.2 million and $144.6 million in 2019 and 2018, respectively.

Net cash provided by financing activities for the first three months of 2019 totaled $120.5 million, compared to $127.3 million for the same period in 2018. Current year activities include net borrowings under revolving credit facilities of $226.3 million, primarily for capital spending, the repurchase of common stock, and debt payments of $9.1 million. The Company also paid dividends and distributions of $30.1 million and withheld $4.0 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units. In the prior year period, the Company had net borrowings under revolving credit facilities of $287.4 million and made payments on debt of $125.0 million. In addition, the Company paid dividends of $23.2 million and withheld $4.0 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, the funding of its capital expenditures, ongoing operating costs, working capital, share repurchases and dividend payments. Principal and interest payments under the term loan facilities and the revolving credit facilities, together with principal and interest payments on the Company's 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022 and 4.125% Senior Notes due 2024 (the “Notes”), represent liquidity requirements for the Company. Based upon current levels of operations, anticipated cost savings and expectations as to future growth, the Company believes that cash generated from operations, together with amounts available under its revolving credit facilities and other available financing sources, will be adequate to permit the Company to meet its debt service obligations, necessary capital expenditure program requirements and ongoing operating costs and working capital needs, although no assurance can be given in this regard. The Company's future financial and operating performance, ability to service or refinance its debt and ability to comply with the covenants and restrictions contained in its debt agreements (see “Covenant Restrictions” below) will be subject to future economic conditions, including conditions in the credit markets, and to financial, business and other factors, many of which are beyond the Company's control, and will be substantially dependent on the selling prices and demand for the Company's products, raw material and energy costs, and the Company's ability to successfully implement its overall business and profitability strategies.

The Company has entered into agreements 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"). The loss on sale is not material and is included in Other Expense, Net line item on the Condensed Consolidated Statement of Operations. The following table summarizes the activity under these programs as of March 31, 2019 and March 31, 2018, respectively:

	Three Months Ended March 31,	
In millions	2019	2018
Receivables Sold and Derecognized	$ 811.2	$ 844.8
Proceeds Collected on Behalf of Financial Institutions	504.1	833.7
Net Proceeds Paid to Financial Institutions	(28.8)	(128.7)
Deferred Purchase Price[(a)]	4.3	240.4
Pledged Receivables	144.2	—

(a) Included in Other Current Assets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

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 three months ended March 31, 2019 and 2018, the Company sold receivables of approximately $32 million and $30 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, were approximately $470 million and $602 million as of March 31, 2019 and December 31, 2018, respectively.

Covenant Restrictions

Covenants contained in the Amended and Restated Credit Agreement, the Term Loan Credit Agreement (collectively, 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 Third Amended and Restated Credit Agreement, which contains the definitions of these covenants, was filed as an exhibit to the Company's Form 8-K filed on January 2, 2018.

The Credit Agreement requires that the Company maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At March 31, 2019, the Company was in compliance with such covenant and the ratio was 2.91 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At March 31, 2019, the Company was in compliance with such covenant and the ratio was 8.29 to 1.00.

As of March 31, 2019, 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 three months of 2019 was $80.0 million compared to $92.1 million in the first three months of 2018. 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, closures or sales of facilities may necessitate further investigation and may result in remediation at those facilities. The Company has established reserves for those facilities or issues where liability is probable and the costs are reasonably estimable.

For further discussion of the Company’s environmental matters, see "*Note 10 - 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, 2018.

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 2019 is expected to be approximately $320 million and is expected to relate principally to the Company’s process capability improvements (approximately $270 million), acquiring capital spares (approximately $40 million), and producing packaging machinery (approximately $10 million).

The Company also expects the following in 2019:

- Depreciation and amortization expense between $430 million and $440 million, excluding approximately $10 million of pension amortization.
- Interest expense of $135 million to $145 million, including approximately $4 million to $5 million of non-cash interest expense associated with amortization of debt issuance costs.
- Pension plan contributions of $10 million to $12 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, 2018. There have been no significant developments with respect to derivatives or exposure to market risk during the first three months of 2019. 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, 2018 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Financial Condition, Liquidity and Capital Resources*."

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management has carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934, as amended. Based upon such evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of March 31, 2019.

Remediation of Previously Identified Material Weakness in Internal Control Over Financial Reporting

In connection with the Company's evaluation of the effectiveness of internal control over financial reporting as of December 31, 2018, management determined that certain management review controls and documentation, related to the accounting for business combinations, were not properly designed and executed.

While this deficiency in controls did not result in a material misstatement of the Company's 2018 consolidated financial statements, the Company concluded this deficiency represented a material weakness in internal controls over financial reporting as of December 31, 2018. As noted below, this material weakness was remediated in the first quarter of 2019.

Remediation Process

In order to remediate the material weakness in internal control related to accounting for business combinations, management designed, executed and maintained appropriate documentation related to internal controls over business combination accounting related to a business combination that was consummated on September 30, 2018, for which acquisition accounting was preliminary at December 31, 2018. These new controls included documentation to evidence the effective design and functioning of internal controls related to various aspects of accounting for business combinations, including controls related to the identification of acquired assets and liabilities and related fair value estimations and assumptions, including projected financial information. The implementation and related documentation of these internal controls were completed by the end of the first quarter of 2019. Accordingly, management concluded this material weakness was remediated as of March 31, 2019.

Changes in Internal Control over Financial Reporting

Other than as noted above, there was no change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2019 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 10 - 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, 2018.

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 2017 and 2019 share repurchase programs announced on January 10, 2017 and January 28, 2019, respectively. Management is allowed to purchase up to $250 million and $500 million of the Company's issued and outstanding common stock per the 2017 and 2019 programs, respectively.

During the first quarter of 2019, the Company purchased shares of its common stock under the 2017 program through a broker in the open market as follows:

Issuer Purchases of Equity Securities

Period (2019)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Program (a)
January 1, through January 31,	2,679,537	$ 11.35	35,535,580	4,941,842
February 1, through February 28,	570,609	$ 12.27	36,106,189	4,322,500
March 1, through March 31,	1,783,280	$ 12.37	37,889,469	2,421,472
Total	5,033,426	$ 11.82		

(a) Related to the 2017 share repurchase program and based on the closing price of the Company's common stock at the end of each period.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	2018 US Graphic Packaging International Pension Plan Master Document, dated March 15, 2019, as amended and restated effective January 1, 2019.
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	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 23, 2019
/s/ DEBORAH R. FRANK Deborah R. Frank	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	April 23, 2019

2018 US GRAPHIC PACKAGING INTERNATIONAL PENSION PLAN

MASTER DOCUMENT

(Amended and Restated Effective January 1, 2019)

2018 US GRAPHIC PACKAGING INTERNATIONAL PENSION PLAN
MASTER DOCUMENT
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Article I
HISTORY, ORGANIZATION, AND CONSTRUCTION

1.1 History.

Prior to January 1, 2019, the Plan Sponsor maintained the 2018 US Graphic Packaging International Pension Plan (the "Plan") and the GPI US Consolidated Pension Plan (the "Consolidated Plan"). Certain participants in the Consolidated Plan were eligible to continue accruing benefits under the Consolidated Plan as of December 31, 2018 (the "Active Population"), and, as of December 31, 2018, the Consolidated Plan's records for certain terminated participants in the Field Container Company, L.P. and Related Entities Pension Subplan of the Consolidated Plan were missing Social Security Numbers, first and middle names, dates of hire and termination, addresses, vesting service and benefit service (the "Participants Missing Identifying Data"). Effective as of the close of business on December 31, 2018, the portions of the Consolidated Plan that covered the Active Population and the Participants Missing Identifying Data were spun-off and merged into the Plan.

1.2 Purpose and Intent.

The Plan Sponsor maintains the Plan to provide retirement benefits for eligible employees and their beneficiaries. The Plan Sponsor intends that the Plan constitute a qualified pension plan under the provisions of Code Section 401(a), and the associated Trust is intended to be tax-exempt under Code Section 501(a). The Plan is also intended to meet the requirements of ERISA and shall be interpreted, wherever possible, to comply with the terms of the Code and ERISA. The Plan Sponsor further intends that this Plan will continue to be maintained by it for the above purposes indefinitely, subject always, however, to the rights reserved in the Plan Sponsor to amend and terminate the Plan as set forth herein.

1.3 Effect of Restatement.

Notwithstanding anything contained in the Plan, any Subplan, or any appendix or other subdivision of the Plan to the contrary, this amendment and restatement of the Plan generally is intended only to document the merger described in Section 1.1; it is not intended, nor shall it be construed, to increase or decrease any benefits accrued under the Plan or the Consolidated Plan prior to the Effective Date, except those provided in prior amendments to the Plan or the Consolidated Plan or pursuant to the terms of an applicable collective bargaining agreement.

1.4 Organization of the Plan.

(a) Master Document. This Master Document contains the basic provisions of the Plan that apply to all Participants of the Plan are contained in this Master Document.

(b) Subplans. The substantive benefit provisions of the Plan are contained in the following "Subplans," containing the provisions that are unique to each such group of Participants that is covered by the Plan:

(i) 2018 US Graphic Packaging International Pension Subplan;

(ii) Graphic Packaging Retirement Subplan;

(iii) Riverwood International Employees Retirement Subplan;

(iv) Riverwood International Hourly Retirement Subplan;

(v) Altivity Packaging Pension Subplan for Hourly Employees;

(vi) Field Container Company, L.P. and Related Entities Pension Subplan; and

(vii) Mid-America Packaging Retirement Subplan.

(c) Appendices and other Subdivisions. Subplans of the Plan may be further comprised of appendices or other subdivisions that contain additional provisions providing for specific benefits to one or more groups of Participants.

1.5 Limited Participation.

Notwithstanding anything herein or in any Subplan to the contrary, participation in (i) the Graphic Packaging Retirement Subplan; (ii) the Riverwood International Employees Retirement Subplan; (iii) the Riverwood International Hourly Retirement Subplan; (iv) the Altivity Packaging Pension Subplan for Hourly Employees; (v) the Field Container Company, L.P. and Related Entities Pension Subplan; and (vi) the Mid-America Packaging Retirement Subplan of the Plan shall be limited to Participants who are in the Active Population and Participants Missing Identifying Data. Participants in the Consolidated Plan who were not in Active Population or who were not Participants Missing Identifying Data were not merged into the Plan and continued to participate in the Consolidated Plan.

1.6 Construction.

Unless expressly stated otherwise, the provisions of each Subplan, and each other appendix or subdivision thereof, shall be construed to apply only with respect to such Subplan, appendix or subdivision. Except as expressly set forth in a Subplan, or any appendix or other subdivision thereof, to the extent that a Participant accrues a benefit under more than one Subplan, or appendix or other subdivision thereof (such as due to a change in employment location or classification), his or her benefit shall be separately determined under each such Subplan, or appendix or other subdivision thereof, taking into account only the period of employment and (if applicable) compensation earned while eligible under such Subplan, or appendix or other subdivision thereof.

With the exception of Article II, to the extent that any provisions of any Subplan, appendix or other subdivision thereof conflict with the provisions of the Master Document, the provisions contained in the Master Document shall control. Additionally, unless otherwise indicated or determined by the Retirement Committee in its sole discretion, to the extent that any subject matter with respect to the operation of the Plan is addressed in this Master Document, any contrary or additional provisions contained in any Subplan, appendix or other subdivision thereof shall be superseded by the Master Document.

1.7 Single Plan.

This Master Document and the Subplans of the Plan shall comprise a “single plan” within the meaning of Code Section 414(b)(1), and, subject to the requirements of Code Section 414(l), all assets held in the Trust Fund or in any other trust or insurance contract established for purposes of funding the Plan shall be available to pay benefits to all Participants and Beneficiaries who are entitled to benefits under any Subplan of the Plan.

ARTICLE II
DEFINITIONS

The following terms, alphabetically arranged, when used in the Master Document and initially capitalized as below indicated shall have the following respective meanings; provided however, that unless otherwise indicated expressly, or by context, such terms shall not supersede any meanings ascribed to such initially capitalized terms in any Subplan, appendix or other subdivision thereof:

2.1 Accrued Benefit means the monthly retirement benefit determined on a date of determination in accordance with the benefit formula set forth in each Subplan, payable in the normal form for unmarried Participants commencing on or after normal retirement age.

2.1 Active Population means the participants in the Consolidated Plan who were eligible to continue accruing benefits under the Consolidated Plan as of December 31, 2018.

2.2 Affiliate means any company which is (a) a member of a controlled group of corporations (as defined in Section 414(b) of the Code), which also includes the Plan Sponsor as a member of such controlled group of corporations; (b) any trade or business under common control (as defined in Section 414(c) of the Code) with the Plan Sponsor; (c) any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Plan Sponsor; and (d) any other entity required to be aggregated with the Plan Sponsor pursuant to regulations under Section 414(o) of the Code.

2.3 Beneficiary means the person or persons designated by a Participant or by operation of this Plan to receive any benefits that may be payable under this Plan following the death of the Participant.

2.4 Board of Directors means the Board of Directors of the Plan Sponsor.

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

2.6 Code means the Internal Revenue Code of 1986, as amended, or any successor statute. In the event an amendment to the Code renumbers a section of the Code referred to in this Plan, any such reference to such section automatically shall become a reference to such section as renumbered.

2.1 Consolidated Plan means the GPI US Consolidated Pension Plan.

2.2 Effective Date means January 1, 2019.

2.3 Employee has the meaning ascribed in the applicable Subplan, appendix or subdivision of the Plan.

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

2.5 Master Document means this document, which contains the basic provisions of the Plan that apply to all Participants of the Plan.

2.6 Normal Retirement Date has the meaning prescribed to such term in the applicable Subplan.

2.7 Participant means any Employee who has met the eligibility requirements set forth in the applicable Subplan, appendix or subdivision of the Plan, and any former Employee who is entitled to a benefit under the Plan. As used in a particular Subplan, appendix or other subdivision of the Plan, the term Participant refers to an Employee who has met the eligibility requirements set forth in such Subplan, appendix or other subdivision of the Plan, or is entitled to a benefit under such Subplan, appendix or subdivision of the Plan.

2.1 Participant Missing Identifying Data means a terminated participant in the Field Container Company, L.P. and Related Entities Pension Subplan of the Consolidated Plan for whom the Consolidated Plan's records were missing, as of December 31, 2018, a Social Security Number, a first and middle name, dates of hire and termination, an address, vesting service and benefit service.

2.2 Participating Company means (a) the Plan Sponsor and (b) any Affiliate of the Plan Sponsor or any division or other business unit within an Affiliate (with the consent of the Plan Sponsor) whose Employees participate in this Plan.

2.3 Plan means the 2018 US Graphic Packaging International Pension Plan; provided however, any references to "Plan" in any Subplan, appendix or other subdivision thereof shall mean the Subplan, appendix or other subdivision as necessary to effect the appropriate meaning of such reference in the context of which it is used, as determined in the sole discretion of the Retirement Committee.

2.4 Plan Sponsor means Graphic Packaging International, LLC or any successor by merger, purchase, or otherwise.

2.5 Plan Year means the 12-month period ending on each December 31.

2.6 Retirement Committee means the committee which is maintained and governed in accordance with the Charter to administer and supervise the Plan as provided in Article III. The Retirement Committee shall be a "named fiduciary" within the meaning of Section 402(a) of ERISA and shall carry out the duties of the "plan administrator" of the Plan as imposed by ERISA.

2.7 Spouse means, effective June 26, 2013, with respect to a Participant, the person who is treated as married to such Participant under the laws of the U.S. jurisdiction or foreign jurisdiction that sanctioned such marriage. The determination of a Participant's Spouse will be made as of the date of such Participant's death. In addition, a Participant's former Spouse will be treated as his Spouse to the extent provided under a qualified domestic relations order, as defined in Code Section 414(p).

2.8 Subplan means a portion of the Plan providing for specific benefits to one or more groups of Participants, as described in Section 1.4.

2.9 Trust or Trust Agreement means each agreement entered into between the Plan Sponsor and a Trustee governing the Trust Fund, and all amendments thereto.

2.10 Trust Fund means the Graphic Packaging International, LLC Master Pension Trust.

2.11 Trustee means the trustee or trustees from time to time acting under the provisions of the Trust Agreement.

ARTICLE III
ADMINISTRATION OF THE PLAN

3.1 Adoption of Charter.

The Board of Directors may adopt a Charter 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, and responsibilities of the Retirement Committee with respect to the Plan.

3.2 Administration of Retirement Committee.

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

3.3 Authority of Retirement Committee.

Subject to the limitations of the Plan, the Retirement Committee shall establish rules for the administration of the Plan and the transaction of its business. All actions of the Retirement Committee shall be in accordance with the Charter. The Retirement Committee, in addition to such duties and powers as provided in the Charter, shall maintain accounts reflecting the financial transactions of the Plan, and shall recommend, implement and monitor investment policy guidelines and objectives as approved by the Board of Directors. The Retirement Committee shall submit a report periodically to the Board of Directors giving the status of the Fund regarding the satisfaction of the investment objectives.

The Retirement Committee shall have discretionary authority to determine eligibility for benefits and to construe the terms of the Plan, which shall include, but not be limited to, determination of:

(a) an individual's eligibility for Plan participation,

(b) the right to and amount of any benefit payable under the Plan, and

(c) the date on which any individual ceases to be a Participant.

The Retirement Committee shall have discretionary authority to decide disputed claims in accordance with its interpretation of the terms of the Plan. The determination of the Retirement Committee as to any disputed question or claim shall be conclusive and final.

3.4 Prudent Conduct.

The members of the Retirement Committee shall use that degree of care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of a similar situation.

3.5 Construction of Plan.

The Retirement Committee will take such steps as are considered necessary and appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as the consequence of an administrative error. Such remedial steps may include, but are not limited to, taking any voluntary corrective action under any correction program available through the Internal Revenue Service, the Department of Labor or other administrative agency. The Retirement Committee, in its sole and full discretion, will interpret the Plan and will determine the questions arising in the administration, interpretation and application of the Plan. The Retirement Committee will endeavor to act, whether by general rules or by particular decisions, so as not to discriminate in favor of or against any person and so as to treat all persons in similar circumstances uniformly. The Retirement Committee will correct any defect, reconcile any inconsistency or supply any omission with respect to the Plan.

3.6 Actuary.

The Retirement Committee shall maintain such data as may be necessary for actuarial valuations of the liabilities of the Plan. At the request of the Board of Directors, the Retirement Committee shall submit a report each year to the Board of Directors, giving a brief account of the operation of the Plan during the past year, and a copy of that report shall be filed in the office of the Plan, where it shall be open to inspection by any Participant of the Plan. As an aid to the Retirement Committee in fixing the rate of contributions payable to the Plan, the actuary designated by the Retirement Committee shall prepare annual actuarial valuations of the contingent assets and liabilities of the Plan, and shall submit to the Retirement Committee the recommended Plan Sponsor contribution.

3.7 Service in More Than One Fiduciary Capacity.

Any individual, entity or group of persons may serve in more than one fiduciary capacity with respect to the Plan and/or the Trust Fund of the Plan.

3.8 Limitation of Liability.

The Plan Sponsor, the Board of Directors, the members of the Retirement Committee, and any officer, employee or agent of the Plan Sponsor shall not incur any liability individually or on behalf of any other individuals, or on behalf of the Plan Sponsor for any act, or failure to act, made in good faith in relation to the Plan or the Trust Fund of the Plan. However, this limitation shall not act to relieve any such individual or the Plan Sponsor from a responsibility or liability for any breach of fiduciary responsibility, obligation or duty under Part 4, Title I of ERISA.

3.9 Indemnification.

The Plan Sponsor, the members of the Retirement Committee, the Board of Directors, and the officers, employees and agents of the Plan Sponsor shall be indemnified against any and all liabilities arising by reason of any act, or failure to act, in relation to the Plan or the Trust Fund of the Plan, including, without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan or the Trust Fund of the Plan, and any and all amounts paid in any compromise or settlement relating to the Plan or the Trust Fund of the Plan, except for actions or failures to act made in bad faith. The foregoing indemnification shall be made from the Trust Fund to the extent permitted under applicable law; otherwise, from the assets of the Plan Sponsor.

3.10 Expenses of Administration.

All expenses that arise in connection with the administration of the Plan, including but not limited to the compensation of the Trustee, administrative expenses and proper charges and disbursements of the Trustee and compensation and other expenses and charges of any actuary, counsel, accountant, specialist, or other person who has been retained by the Plan Sponsor or the Retirement Committee in connection with the administration thereof, shall be paid from the Trust Fund to the extent not paid by the Plan Sponsor.

ARTICLE IV
TERMINATION, AMENDMENT AND ADOPTION

4.1 Amendment of Plan.

The Board of Directors (or, to the extent provided in the Charter, the Retirement Committee) reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the Plan. However, no amendment shall make it possible for any part of the Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the Plan prior to the satisfaction of all liabilities with respect to such persons. No amendment shall be made which has the effect of decreasing the Accrued Benefit of any Participant or of reducing the nonforfeitable percentage of the Accrued Benefit of a Participant below the nonforfeitable percentage computed under the Plan as in effect on the date on which the amendment is adopted or, if later, the date on which the amendment becomes effective. For purposes of this Section, a plan amendment that has the effect of (i) eliminating or reducing an early retirement benefit or retirement-type subsidy, or (ii) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. Notwithstanding the preceding sentences, a Participant's accrued benefit, early retirement benefit, retirement-type subsidy, or optional form of payment may be reduced to the extent permitted under Code Section 412(c)(8) (for Plan Years beginning on or before December 31, 2007) or Code Section 412(d)(2) (for Plan Years beginning after December 31, 2007), or to the extent permitted under Section 1.411(d)-(3) and (4) of the U. S. Treasury Department regulations.

4.2 Merger or Consolidation.

The Plan may not be merged or consolidated with, and its assets or liabilities may not be transferred to, any other plan unless each person entitled to benefits under the Plan would, if the resulting plan were then terminated, receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer if the Plan had then terminated. The transactions referenced in this Section shall be carried out under the provisions of Code Section 414(l).

4.3 Additional Participating Companies.

(a) Participation. If any company is now or becomes a subsidiary or associated company of the Plan Sponsor, the Retirement Committee may, at its discretion and upon appropriate action, include the employees of that company in the membership of the Plan upon appropriate action by that company necessary to adopt the Plan. In that event, or if any persons become Employees of the Plan Sponsor or an Affiliate as the result of merger or consolidation or as the result of acquisition of all or part of the assets or business of another company, the Retirement Committee shall determine to what extent, if any, credit shall be granted for previous service with the subsidiary, associated or other company, but subject to the continued qualification of the Plan and Trust under the Code.

(b) Ending Participation. Any subsidiary or associated company may terminate its participation in the Plan upon appropriate action by it, in which event the portion of the Trust Fund of the Plan held on account of Participants in the employ of that company shall be determined by the Retirement Committee and shall be applied as provided in Section 4.4 if the Plan should be terminated, or shall be segregated by the Trustee as a separate trust, pursuant to certification to the Trustee by the Retirement Committee, continuing the Plan as a separate plan for the employees of that company, under which the board of directors of that company shall succeed to all the powers and duties of the Board of Directors, including the appointment of the members of the Retirement Committee. Notwithstanding the above, the Board of Directors may refuse to approve such a termination of participation by a subsidiary or associated company if it determines that such action could jeopardize the qualified status of the Plan.

4.4 Termination of Plan.

The Board of Directors may terminate the Plan for any reason at any time. In case of termination of the Plan, the rights of Participants to the benefits accrued under the Plan to the date of the termination, to the extent then funded (or, if greater, protected by law), shall be nonforfeitable. The Trust Fund shall be used for the exclusive benefit of persons entitled to benefits under the Plan as of the date of termination, except as otherwise provided in the Plan. However, any Trust Fund assets not required to satisfy liabilities of the Plan for benefits, that arise out of any variation between actual requirements and expected actuarial requirements, shall be returned to the Plan Sponsor. The Retirement Committee shall determine, on the basis of actuarial valuation, the share of the Trust Fund of the Plan allocable to each person entitled to benefits under the Plan in accordance with Section 4044 of ERISA or corresponding provision of any applicable law in effect at the time. In the event of a partial termination of the Plan, the vesting provisions of this Section shall be applicable to the Participants affected by that partial termination.

ARTICLE V
CONTRIBUTIONS

5.1 Company Contributions.

It is the intention of the Plan Sponsor to continue the Plan, and make (or cause to be made by Participating Companies) the contributions that are necessary to maintain the Plan on a sound actuarial basis, and meet the minimum funding standards prescribed by law. However, subject to the provisions of Article IV hereof, the Plan Sponsor may discontinue its contributions for any reason at any time. Any forfeitures shall be used to reduce the Plan Sponsor's contributions otherwise payable.

5.2 Return of Contributions.

Company contributions to the Plan are conditioned upon their deductibility under Section 404 of the Code. If all or part of the

Plan Sponsor's deductions for contributions to the Plan are disallowed by the Internal Revenue Service, the portion of the contributions to which that disallowance applies shall be returned to the Plan Sponsor without interest, but reduced by any investment loss attributable to those contributions. The return shall be made within one year after the date of the disallowance of deduction.

The Plan Sponsor may recover without interest the amount of its contributions to the Plan made on account of a mistake-of-fact, reduced by any investment loss attributable to those contributions, provided recovery is made within one year after the date of those contributions.

5.3 Participant Contributions.

No contributions shall be accepted from any Participant.

ARTICLE VI
MANAGEMENT OF FUNDS

6.1 Trustee.

The Trust Fund shall be held by a Trustee, or Trustees, appointed from time to time by the Retirement Committee under the Trust Agreement as adopted, or as amended, by the Retirement Committee. Neither the Retirement Committee nor the Plan Sponsor shall have liability for the payment of benefits under the Plan or for the administration of the Trust Fund paid over to the Trustee or Trustees.

6.2 Exclusive Benefit Rule.

Except as otherwise provided in the Plan, no part of the corpus or income of the Trust Fund of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and other persons entitled to benefits under the Plan, before the satisfaction of all liabilities with respect to them. No person shall have any interest in, or right to, any part of the earnings of the Trust Fund, or any interest in, or right to, any part of the assets held under the Plan, except as and to the extent expressly provided in the Plan.

6.3 Appointment of Investment Manager.

Except as provided in this section, the Trustee shall have the power and authority to manage and invest the assets of the Trust. The Retirement Committee may, at its discretion, appoint one or more investment managers (within the meaning of Section 3(38) of ERISA) to manage (including the power to acquire and dispose of) all or part of the assets of the Plan, as the Retirement Committee shall designate. In that event, authority over and responsibility for the management of the assets so designated shall be the sole responsibility of that investment manager and shall relieve the Trustee of any responsibility therefor.

ARTICLE VII
MISCELLANEOUS

7.1 Nonalienation and Qualified Domestic Relations Orders.

(a) Except as required by any applicable law or subsections (b) and (c) below, no benefit under the Plan shall in any manner be anticipated, assigned or alienated, and any attempt to do so shall be void. However, payment shall be made in accordance with the provisions of any judgment, decree, or order which meets the following conditions:

(i) creates for, or assigns to, an alternate payee the right to receive all or a portion of the Participant's benefits under the Plan for the purpose of providing child support, alimony payments or marital property rights to that alternate payee;

(ii) is made pursuant to a state domestic relations law;

(iii) does not require the Plan to provide any type of benefit, or any option, not otherwise provided under the Plan; and

(iv) otherwise meets the requirements of Section 206(d) of ERISA, as amended, as a "qualified domestic relations order" ("QDRO"), as determined by the Retirement Committee.

In determining the benefit payable to the alternate payee, the portion of the Participant's benefit payable to the alternate payee at the date that benefits are scheduled to commence under the QDRO shall be actuarially adjusted to reflect the difference in ages between the Participant and the alternate payee. The actuarial adjustment for this purpose, as well as for the purpose of determining the actuarial equivalent of a benefit commencing prior to the Participant's Normal Retirement Date, if applicable, shall be based on the interest rate and mortality table specified in the applicable Subplan, appendix or other subdivision thereof for purposes of converting a life annuity to an optional form of annuity (other than a level income option) under the terms of the Plan in effect on the alternate payee's benefit commencement date. Notwithstanding anything herein to the contrary, if the present value of any series of payments meeting the criteria set forth in clauses (i) through (iv) above amounts to $5,000 or less, an actuarially equivalent lump sum payment, shall be made in lieu of the series of payments. Such actuarially equivalent lump sum payment shall be determined on the basis of the appropriate factors for the relevant Subplan used for a form of payment that is subject to the provisions of Section 417(e)(3) of the Code.

For purposes of the Plan, an "alternate payee" means a spouse, former spouse, child or dependent of a Participant who is entitled, pursuant to a qualified domestic relations order and the provisions of this paragraph (a), to receive a payment of all or a portion of a

Participant’s Accrued Benefit under the Plan.

(b) A Participant’s benefit under the Plan shall be offset by the amount the Participant is required to pay to the Plan under the circumstances set forth in Code Section 401(a)(13)(C).

(c) A Participant’s benefit under the Plan shall be distributed as required because of the enforcement of a federal tax levy made pursuant to Code Section 6331 or the collection by the United States on a judgment resulting from an unpaid tax assessment.

7.2 Conditions of Employment Not Affected by Plan.

The establishment of the Plan shall not confer upon any Employee or other person any legal rights to a continuation of employment, nor shall it interfere with the rights of the Plan Sponsor or a Participating Company to discharge any Employee or to treat him without regard to the effect which that treatment might have upon him as a Participant or potential Participant of the Plan.

7.3 Facility of Payment.

If the Retirement Committee shall find that a Participant or other person entitled to a benefit is unable to care for his affairs because of illness or accident, or because he is a minor, the Retirement Committee may direct that any benefit due him (unless claim shall have been made for the benefit by a duly appointed legal representative) be paid to his Spouse, child, parent or other blood relative, or to a person with whom he resides. Any payment so made shall be a complete discharge of the liabilities of the Plan for that benefit.

7.4 Information.

Each Participant or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the Plan, shall file with the Retirement Committee the information that it shall require to establish his rights and benefits under the Plan.

7.5 Construction.

(a) The Plan shall be construed, regulated and administered under ERISA, as in effect from time to time, and the laws of the State of Georgia, except where ERISA controls.

(b) The masculine pronoun shall include the feminine.

(c) The titles and headings of the articles and sections in the Plan are for convenience only. In case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

(d) The Retirement Committee shall have full power and authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be issued or adopted by the Board of Directors, to interpret the provisions and supervise the administration of the Plan, including the power to remedy possible ambiguities, inconsistencies or omissions. Such determinations shall be conclusive.

7.6 Prevention of Escheat.

If the Retirement Committee cannot ascertain the whereabouts of any person to whom a payment is due under the Plan, the Retirement Committee may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person as shown on the records of the Retirement Committee his Participating Company. If such person has not made written claim for payment within three months of the date of the mailing, the Retirement Committee may, if it so elects and upon receiving advice from counsel to the Plan, direct that such payment and all remaining payments otherwise due such person be canceled on the records of the Plan and the amount thereof applied to reduce the contributions of the Plan Sponsor. Upon such cancellation, the Plan shall have no further liability therefor except that, in the event such person or his beneficiary later notifies the Retirement Committee of his whereabouts and requests the payment or payments due to him under the Plan, the amount so applied shall be paid to him in accordance with the provisions of the Plan.

7.7 Electronic Transmission of Notices to Participants.

Notwithstanding any provision of the Plan to the contrary, any notice required to be distributed to Participants, Beneficiaries, and alternate payees pursuant to the terms of the Plan may, at the direction of the Retirement Committee, be transmitted electronically to the extent permitted by, and in accordance with any procedures set forth in, applicable law and regulations.

7.8 Limitation on Benefits in the Event of a Liquidity Shortfall.

Notwithstanding any provisions of the Plan to the contrary, in the event the Plan has a liquidity shortfall within the meaning of Code Section 401(a)(32), the Trustee shall, as directed by the Plan Sponsor, cease payment during the period of such liquidity shortfall of (a) any payment in excess of the monthly amount payable under a single life annuity [plus any social security supplements described in Code Section 411(a)(9)] to any Participant or Beneficiary whose benefit commencement date occurs during such period, (b) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits, or (c) any other payment specified in regulations promulgated under Code Section 401(a)(32).

7.9 Limitations Applicable if the Plan’s AFTAP is Less Than 80 Percent or if the Plan Sponsor is in Bankruptcy.

(a) Limitations Applicable if the Plan’s AFTAP is Less Than 80 Percent, but not Less Than 60 Percent . Notwithstanding any other provisions of the Plan, if the Plan’s Adjusted Funding Target Attainment Percentage (“AFTAP”) for a Plan Year is less than 80 percent (or would be less than 80 percent to the extent described in Section 7.9(a)(2) below) but is not less than 60 percent, then the limitations set forth in this Section 7.9(a) apply.

(1) 50 Percent Limitation on Single-Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments. A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

(A) 50 percent of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or

(B) 100 percent of the PBGC maximum benefit guarantee amount (as defined in Treasury Regulation Section 1.436-1(d)(3)(iii)(C)).

The limitation set forth in this Section 7.9(a)(1) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Participant or Beneficiary as of the annuity starting date because of the application of the requirements of this Section 7.9(a)(1), the Participant or Beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Treasury Regulation Section 1.436-1(d)(3)(iii)(D)). The Participant or Beneficiary may also elect any other optional form of benefit otherwise available under the Plan on that annuity starting date that would satisfy the 50 percent/PBGC maximum benefit guarantee amount limitation described in this Section 7.9(a)(1), or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan. During a period when the restrictions of this subsection apply to the Plan, Participants and Beneficiaries are permitted to elect payment in any optional form of benefit otherwise available under the Plan that provides for the current payment of the unrestricted portion of the benefit (as described in Treasury Regulation Section 1.436-1(d)(3)(iii)(D)), with a delayed commencement for the restricted portion of the benefit (subject to other applicable qualification requirements, such as Code Sections 411(a)(11) and 401(a)(9)).

(2) Plan Amendments Increasing Liability for Benefits. No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall take effect in a Plan Year if the AFTAP for the Plan Year is:

(A) Less than 80 percent; or

(B) 80 percent or more, but would be less than 80 percent if the benefits attributable to the amendment were taken into account in determining the AFTAP.

The limitation set forth in this Section 7.9(a)(2) does not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Participants covered by the amendment.

(b) Limitations Applicable if the Plan's AFTAP is Less Than 60 Percent . Notwithstanding any other provisions of the Plan, if the Plan's AFTAP for a Plan Year is less than 60 percent (or would be less than 60 percent to the extent described in Section 7.9(b)(2) below), then the limitations in this Section 7.9(b) apply.

(1) Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted. A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. The limitation set forth in this Section 7.9(b)(1) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.

(2) Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted to be Paid. An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the AFTAP for the Plan Year is:

(A) Less than 60 percent; or

(B) 60 percent or more, but would be less than 60 percent if the AFTAP were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100 percent.

(3) Benefit Accruals Frozen. Benefit accruals under the Plan shall cease as of the applicable Section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this Section 7.9(b)(3), then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits.

(c) Limitations Applicable if the Plan Sponsor is in Bankruptcy. Notwithstanding any other provisions of the Plan, a Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single-sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date that occurs during any period in which the Plan Sponsor is a debtor in a case under Title 11, United States Code, or similar federal or state law, except for payments made within a Plan Year with an annuity starting date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's AFTAP for that Plan Year is not less than 100 percent. In addition, during such period in which the Plan Sponsor is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's AFTAP for that Plan Year is not less than 100 percent. The limitation set forth in this Section 7.9(c) does not apply to any payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.

(d) Provisions Applicable After Limitations Cease to Apply.

(1) Resumption of Prohibited Payments. If a limitation on prohibited payments under Section 7.9(a)(1), (b)(1), or (c) applied to the Plan as of a Section 436 measurement date, but that limit no longer applies to the Plan as of a later Section 436 measurement date, then that limitation does not apply to benefits with annuity starting dates that are on or after that later Section 436 measurement date.

(2) Resumption of Benefit Accruals. If a limitation on benefit accruals under Section 7.9(b)(3) applied to the Plan as of a Section 436 measurement date, but that limitation no longer applies to the Plan as of a later Section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on service on or after that later Section 436 measurement date, except as otherwise provided under the Plan. In addition, benefit accruals that were not permitted to accrue because of the application of subsection 7.9(b)(3) shall be restored when that limitation ceases to apply if the continuous period of the limitation was 12 months or less and the Plan's enrolled actuary certifies that the AFTAP for the Plan Year would not be less than 60 percent taking into account any restored benefit accruals for the prior Plan Year. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor Regulation 29 C.F.R. Section 2530.204-2(c) and (d).

(3) Shutdown and Other Unpredictable Contingent Event Benefits. If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of Section 7.9(b)(2), but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the AFTAP for the Plan Year that meets the requirements of Treasury Regulation Section 1.436-1(g)(5)(ii)(B)), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to Section 7.9(b)(2)). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

(4) Treatment of Plan Amendments That Do Not Take Effect. If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of Section 7.9(a)(2) or (b)(3), but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the AFTAP for the Plan Year that meets the requirements of Treasury Regulation Section 1.436-1(g)(5)(ii)(C)), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.

(e) Notice Requirement. See ERISA Section 101(j) for rules requiring the plan administrator of a single employer defined benefit pension plan to provide a written notice to Participants and Beneficiaries within 30 days after certain specified dates if the Plan has become subject to a limitation described in Section 7.9(a)(1), (b), or (c).

(f) Methods to Avoid or Terminate Benefit Limitations. See Code Section 436(b)(2), (c)(2), (e)(2), and (f) and Treasury Regulation Section 1.436-1(f) for rules relating to employer contributions and other methods to avoid or terminate the application of the limitations set forth in Section 7.9(a) through Section 7.9(c) for a plan year. In general, the methods a Plan Sponsor may use to avoid or terminate one or more of the benefit limitations under Section 7.9(a) through Section 7.9(c) for a Plan Year include employer contributions and elections to increase the amount of Plan assets which are taken into account in determining the AFTAP, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain of the benefit limitations, or providing security to the Plan.

(g) Special Rules.

(1) Rules of Operation for Periods Prior to and After Certification of Plan's AFTAP.

(A) In General. Code Section 436(h) and Treasury Regulation Section 1.436-1(h) set forth a series of presumptions that apply (i) before the Plan's enrolled actuary issues a certification of the Plan's AFTAP for the Plan Year and (ii) if the Plan's enrolled actuary does not issue a certification of the Plan's AFTAP for the Plan Year before the first day of the tenth month of the Plan Year (or if the Plan's enrolled actuary issues a range certification for the Plan Year pursuant to Treasury Regulation Section 1.436-1(h)(4)(ii) but does not issue a certification of the specific AFTAP for the Plan by the last day of the Plan Year). For any period during which a presumption under Code Section 436(h) and Treasury Regulation Section 1.436-1(h) applies to the Plan, the limitations under Section 7.9(a) through Section 7.9(c) are applied to the Plan as if the AFTAP for the Plan Year were the presumed AFTAP determined under the rules of Code Section 436(h) and Treasury Regulation Section 1.436-1(h)(1), (2), or (3). These presumptions are set forth in Section

7.9(g)(1)(B) through Section 7.9(g)(1)(D).

(B) Presumption of Continued Underfunding Beginning First Day of Plan Year. If a limitation under Section 7.9(a), (b), or (c) applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the AFTAP for the Plan for the current Plan Year, or, if earlier, the date Section 7.9(g)(1)(C) or (D) applies to the Plan:

(i) The AFTAP of the Plan for the current Plan Year is presumed to be the AFTAP in effect on the last day of the preceding Plan Year; and

(ii) The first day of the current Plan Year is a Section 436 measurement date.

(C) Presumption of Underfunding Beginning First Day of Fourth Month. If the Plan's enrolled actuary has not issued a certification of the AFTAP for the Plan Year before the first day of the fourth month of the Plan Year and the Plan's AFTAP for the preceding Plan Year was either at least 60 percent but less than 70 percent or at least 80 percent but less than 90 percent, or is described in Treasury Regulation Section 1.436-1(h)(2)(ii), then, commencing on the first day of the fourth month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the AFTAP for the Plan for the current Plan Year, or, if earlier, the date Section 7.9(g)(1)(D) applies to the Plan:

(i) The AFTAP of the Plan for the current Plan Year is presumed to be the Plan's AFTAP for the preceding Plan Year reduced by 10 percentage points; and

(ii) The first day of the fourth month of the current Plan Year is a Section 436 measurement date.

(D) Presumption of Underfunding on and After First Day of Tenth Month. If the Plan's enrolled actuary has not issued a certification of the AFTAP for the Plan Year before the first day of the tenth month of the Plan Year (or if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to Treasury Regulation Section 1.436-1(h)(4)(ii) but has not issued a certification of the specific AFTAP for the Plan by the last day of the Plan Year), then, commencing on the first day of the tenth month of the current Plan Year and continuing through the end of the Plan Year:

(i) The AFTAP of the Plan for the current Plan Year is presumed to be less than 60 percent; and

(ii) The first day of the tenth month of the current Plan Year is a Section 436 measurement date.

(2) New Plans, Plan Termination, Certain Frozen Plans, and Other Special Rules.

(A) First Five Plan Years. The limitations in Sections 7.9(a)(2), (b)(2), and (b)(3) do not apply to a new plan for the first five plan years of the plan, determined under the rules of Code Section 436(i) and Treasury Regulation Section 1.436-1(a)(3)(i).

(B) Plan Termination. The limitations on prohibited payments in Sections 7.9(a)(1), (b)(1), and (c) do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this section of the Plan do not cease to apply as a result of termination of the Plan.

(C) Exception to Limitations on Prohibited Payments Under Certain Frozen Plans. The limitations on prohibited payments set forth in Sections 7.9(a)(1), (b)(1), and (c) do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005 and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any Participants. This Section 7.9(g)(2)(C) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a Plan amendment that increases benefits takes effect.

(D) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability. During any period in which none of the presumptions under Section 7.9(g)(1) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's AFTAP for the Plan Year, the limitations under Section 7.9(a)(2) and Section 7.9(b)(2) shall be based on the inclusive presumed AFTAP for the Plan, calculated in accordance with the rules of Treasury Regulation Section 1.436-1(g)(2)(iii).

(3) Special Rules Under PRA 2010.

(A) Payments Under Social Security Leveling Options. For purposes of determining whether the limitations under Section 7.9(a)(1) or (b)(1) apply to payments under a social security leveling option, within the meaning of Code Section 436(j)(3)(C)(i), the AFTAP for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Code Section 436(j)(3) and any Treasury Regulation or other published guidance thereunder issued by the Internal Revenue Service.

(B) Limitation on Benefit Accruals. For purposes of determining whether the accrual limitation under Section 7.9(b)(3) applies to the Plan, the AFTAP for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Code Section 436(j)(3) (except as provided under Section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

(4) Interpretation of Provisions. The limitations imposed by this Section 7.9 shall be interpreted and administered in accordance with Code Section 436 and Treasury Regulation Section 1.436-1.

(h) Definitions. The definitions in the following Treasury Regulations apply for purposes of this Section 7.9: Section 1.436-1(j)(1) defining AFTAP; Section 1.436-1(j)(2) defining annuity starting date; Section 1.436-1(j)(6) defining prohibited payment; Section 1.436-1(j)(8) defining Section 436 measurement date; and Section 1.436-1(j)(9) defining an unpredictable contingent event and an unpredictable contingent event benefit.

(i) Effective Date. The rules in Section 7.9(a) through Section 7.9(h) are effective for Plan Years beginning after December 31, 2009, or such later date as permitted by law (including those provisions relating to plans maintained pursuant to collective bargaining agreements).

IN WITNESS WHEREOF, the Graphic Packaging International, LLC Retirement Committee has caused this Plan to be duly executed this 15th day of March, 2019.

GRAPHIC PACKAGING INTERNATIONAL, LLC RETIREMENT COMMITTEE MEMBERS

By: /s/ STEPHEN R. SCHERGER
Stephen R. Scherger

By: /s/ BRAD ANKERHOLZ
Brad Ankerholz

By: /s/ DEBBIE FRANK
Debbie Frank

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

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)

April 23, 2019

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 Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

April 23, 2019

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 March 31, 2019 of Graphic Packaging Holding Company (the “Company”) filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael P. Doss

Name: Michael P. Doss,
Title: President and Chief Executive Officer
April 23, 2019

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 March 31, 2019 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: Executive Vice President and Chief Financial Officer
April 23, 2019