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

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

COMMISSION FILE NUMBER: 001-33988

Graphic Packaging Holding Company
(Exact name of registrant as specified in its charter)

Delaware	**26-0405422**
(State of incorporation)	*(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:

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

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

Securities registered pursuant to Section 12(g) of the Act:
None

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

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

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

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

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

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

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

The aggregate market value of voting and non-voting common equity held by non-affiliates at June 30, 2016 was approximately $4 billion.

As of February 6, 2017 there were approximately 312,090,853 shares of the registrant's Common Stock, $0.01 par value per share outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive Proxy Statement for the 2017 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

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

PART I

ITEM 1. *BUSINESS*

Overview

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

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

Acquisitions and Dispositions

2016

On April 29, 2016, the Company acquired Colorpak Limited ("Colorpak"), a leading folding carton supplier in Australia and New Zealand. Colorpak operates three folding carton facilities that convert paperboard into folding cartons for the food, beverage and consumer product markets. The folding carton facilities are located in Melbourne, Australia, Sydney, Australia and Auckland, New Zealand.

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

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

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

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

2015

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

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

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

The Carded, Cascades, and Rose City transactions are all referred to collectively as the "North American Acquisitions."

2014

On June 30, 2014, the Company sold its multi-wall bag business. Products included multi-wall bags, such as pasted valve, pinched bottom, sewn open mouth and woven polypropylene, and coated paper. Key end-markets included food and agriculture, building and industrial materials, chemicals, minerals, and pet foods.

On May 23, 2014, the Company acquired Benson Box Holdings Limited ("Benson"), a leading food, beverage, and retail packaging company in the United Kingdom. Benson operates four folding carton facilities that convert paperboard into folding cartons for the food, beverage and healthcare industries.

On February 3, 2014, the Company sold its labels business.

Capital Allocation Plan and Equity Offerings

Capital Allocation Plan

On February 4, 2015, the Company's board of directors authorized a share repurchase program to allow management to purchase up to $250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. During 2016, the Company repurchased 13.2 million shares, or approximately $169 million, of its common stock under this program at an average price of $12.77. During 2015, the Company repurchased 4.6 million shares, or approximately $63 million at an average price of $13.60. At December 31, 2016, the Company had approximately $18 million remaining under this share repurchase program.

On January 10, 2017, the board of directors authorized a new $250 million share repurchase program.

During 2016 and 2015, the Company's board of directors declared a regular quarterly dividend per share of common stock to shareholders of record as follows:

2016

Date Declared	Record Date	Payment Date	Dividend Per Share
February 25, 2016	March 15, 2016	April 5, 2016	$0.05
May 25, 2016	June 15, 2016	July 5, 2016	$0.05
July 29, 2016	September 15, 2016	October 5, 2016	$0.05
October 24, 2016	December 15, 2016	January 5, 2017	$0.075

During 2016, the Company declared and paid cash dividends of $71.7 million and $64.4 million, respectively.

2015

Date Declared	Record Date	Payment Date	Dividend Per Share
February 4, 2015	March 15, 2015	April 5, 2015	$0.05
May 20, 2015	June 15, 2015	July 5, 2015	$0.05
July 30, 2015	September 15, 2015	October 5, 2015	$0.05
November 19, 2015	December 15, 2015	January 5, 2016	$0.05

During 2015, the Company declared and paid cash dividends of $65.5 million and $49.3 million, respectively.

Equity Offerings

During the first and second quarters of 2014, certain shareholders of the Company sold approximately 30 million and 43.7 million shares of common stock in two secondary public offerings at $9.85 and $10.45 per share, respectively. The shares were sold by certain affiliates of TPG Capital, L.P., certain Coors family trusts and the Adolph Coors Foundation, Clayton, Dubilier & Rice Fund V Limited Partnership, and Old Town, S.A., referred to collectively as the "Selling Stockholders." Following the completion of the offering in the second quarter, these Selling Stockholders no longer held shares of the Company's common stock.

Products

The Company reports its results in three segments:

Paperboard Mills includes the seven North American paperboard mills which produce primarily CUK and CRB. The majority of the paperboard is consumed internally to produce paperboard packaging for the Americas and Europe Paperboard Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers.

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

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

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

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

Paperboard Packaging

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

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

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

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

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

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

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

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

- beverage multiple-packaging — multi-packs for beer, soft drinks, energy drinks, teas, water and juices;
- active microwave technologies — substrates that improve the preparation of foods in the microwave; and

- easy opening and closing features — dispensing features, pour spouts and sealable liners.

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

Paperboard Mills and Converting Plants

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

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

Below is the production at each of the Company's paperboard mills during2016:

Location	Product	# of Machines	2016 Net Tons Produced
West Monroe, LA	CUK	2	788,820
Macon, GA	CUK	2	664,683
Kalamazoo, MI	CRB	2	485,608
Battle Creek, MI	CRB	2	208,236
Middletown, OH	CRB	1	162,355
Santa Clara, CA	CRB	1	137,017
East Angus, Québec	CRB	1	72,218
West Monroe, LA	Corrugated Medium	1	125,501

The Company consumes most of its coated board output in its carton converting operations, which is an integral part of the customer value proposition. I n 2016, approximately 85% of mill production of CUK and CRB was consumed internally.

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

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

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

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

Joint Venture

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

Marketing and Distribution

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

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

During 2016, the Company did not have any one customer that represented 10% or more of its net sales.

Competition

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

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

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

Raw Materials

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

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

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

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

Energy

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

Backlog

Orders from the Company's principal customers are manufactured and shipped with minimal lead time. The Company did not have a material amount relating to backlog orders at December 31, 2016 or 2015.

Seasonality

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

Research and Development

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

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

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

Patents and Trademarks

As of December 31, 2016, the Company had a large patent portfolio, presently owning, controlling or holding rights to more than 2,000 U.S. and foreign patents, with more than 600 U.S. and foreign patent applications currently pending. The Company's patent portfolio consists primarily of patents relating to packaging machinery, manufacturing methods, structural carton designs, active microwave packaging technology and barrier protection packaging. These patents and processes are significant to the Company's operations and are supported by trademarks such as Fridge Vendor®, IntegraPak™, MicroFlex-Q® , MicroRite®, Quilt Wave®, Qwik Crisp®, Tite-Pak®, and Z-Flute®. The Company takes significant steps to protect its intellectual property and proprietary rights.

Culture and Employees

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

As of December 31, 2016, the Company had approximately 13,000 employees worldwide, of which approximately 51% were represented by labor unions and covered by collective bargaining agreements or covered by works councils in Europe. As of December 31, 2016, 170 of the Company's employees were working under expired contracts, which are currently being negotiated, and 379 were covered under collective bargaining agreements that expire within one year. The Company considers its employee relations to be satisfactory.

Environmental Matters

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

The Company does not have material capital expenditures for environmental control or compliance.

Available Information

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

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

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

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

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

Limitations on the availability of, and increases in, the costs of raw materials, including petroleum-based materials, energy, wood, transportation and other necessary goods and services, could have an adverse effect on the Company's financial results. Because negotiated sales contracts and the market largely determine the pricing for its products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur.

The Company uses productivity improvements to reduce costs and offset inflation. These include global continuous improvement initiatives that use statistical process control to help design and manage many types of activities, including production and maintenance. The Company's ability to realize anticipated savings from these improvements is subject to significant operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement cost savings plans, it may not be able to continue to compete successfully against other manufacturers. In addition, any failure to generate the anticipated efficiencies and savings could adversely affect the Company's financial results.

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

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

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

The Company competes with other paperboard manufacturers and carton converters, both domestically and internationally. The Company's products compete with those made from other manufacturers' CUK board, as well as SBS and CRB, and other board substrates. Substitute products include plastic, shrink film and corrugated containers. In addition, while the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time to time, and the Company may not be successful in renewing such contracts on favorable terms or at all. The Company works to maintain market share through efficiency, product innovations and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

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

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

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

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

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

The Company could experience material disruptions at our facilities.

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

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

The Company has converting plants in 11 countries outside of the U.S. and sells its products worldwide. For 2016, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 23% of the Company’s net sales. The Company’s revenues from foreign sales fluctuate with changes in foreign currency exchange rates. The Company pursues a currency hedging program in order to reduce the impact of foreign currency exchange fluctuations on financial results. At December 31, 2016, approximately 20% of its total assets were denominated in currencies other than the U.S. dollar.

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

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

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

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

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

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

The Company is subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations, including those governing discharges to air, soil and water, the management, treatment and disposal of hazardous substances, the investigation and remediation of contamination resulting from releases of hazardous substances, and the health and safety of employees. The Company cannot currently assess the impact that future emission standards, climate control initiatives and enforcement practices will have on the Company's operations and capital expenditure requirements. Environmental liabilities and obligations may result in significant costs, which could negatively impact the Company's financial position, results of operations or cash flows. See Note 13 in the Notes to Consolidated Financial Statements included herein under “Item 8., Financial Statements and Supplementary Data.”

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

As of December 31, 2016, the Company had an aggregate principal amount of $2,167.8 million of outstanding debt. Because of the Company's debt level, a portion of its cash flows from operations will be dedicated to payments on indebtedness and the Company's ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be restricted in the future.

Additionally, the Company’s Second Amended and Restated Credit Agreement dated October 1, 2014 (as amended, 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”) may prohibit or restrict, among other things, the disposal of assets, the incurrence of additional indebtedness (including guarantees), payment of dividends, share repurchases, loans or advances and certain other types of transactions. These restrictions could limit the Company’s flexibility to respond to changing market conditions and competitive pressures. The debt obligations and restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs.

Approximately 33% of the Company’s debt is subject to variable rates of interest and exposes the Company to increased debt service obligations in the event of increased interest rates.

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

The Company's cash flows may be adversely impacted by the Company's pension funding obligations. The Company's pension funding obligations are dependent upon multiple factors resulting from actual plan experience and assumptions of future experience. The Company has unfunded obligations of $163.4 million under its domestic and foreign defined benefit pension plans. The funded status of these plans is dependent upon various factors, including returns on invested assets, the level of certain market interest rates and the discount rate used to determine the pension obligations. Unfavorable returns on the plan assets or unfavorable changes in applicable laws or regulations could materially change the timing and amount of required plan funding, which would reduce the cash available to the Company for other purposes.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

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ITEM 2. *PROPERTIES*

Headquarters

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

Operating Facilities

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

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

North American Converting Plants:

Atlanta, GA[a]
Carol Stream, IL
Centralia, IL
Charlotte, NC
Cobourg, Ontario[a]
Elk Grove, IL [a][b]
Fort Smith, AR [b]
Gordonsville, TN[a]
Gresham, OR[a]
Hamel, MN
Irvine, CA
Kalamazoo, MI
Kendallville, IN
Lawrenceburg, TN
Lumberton, NC
Marion, OH
Menasha, WI[c]
Mississauga, Ontario[a]
Mitchell, SD
Monterrey, Mexico[a]
Newton, IA
North Portland, OR
Oroville, CA[a]
Pacific, MO
Perry, GA
Piscataway, NJ[a][d]
Queretaro, Mexico[a]
Renton, WA[c]
Solon, OH
Staunton, VA
Tijuana, Mexico[a]
Tuscaloosa, AL
Vancouver, WA[a]
Valley Forge, PA
Wayne, NJ
Wausau, WI
West Monroe, LA [b]
Winnipeg, Manitoba

International Converting Plants:

Auckland, New Zealand[a]
Bremen, Germany[a]
Bristol, United Kingdom
Coalville, United Kingdom[a]
Gateshead, United Kingdom[a]
Hoogerheide, Netherlands
Newcastle Upon Tyne, United Kingdom[a]
Igualada, Barcelona, Spain
Jundiai, Sao Paulo, Brazil
Leeds, United Kingdom
Masnieres, France[a]
Melbourne, Australia[a]
Portlaoise, Ireland[a]
Sneek, Netherlands
Sydney, Australia[a]

Note:

(a) Leased facility.
(b) Multiple facilities in this location.
(c) Facility closed during 2016 and is classified as Asset Held for Sale.
(d) Facility closed during 2016.

ITEM 3. ***LEGAL PROCEEDINGS***

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. See Note 13 in the Notes to Consolidated Financial Statements included herein under "Item 8., Financial Statements and Supplementary Data."

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

Not Applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instruction G.(3) of Form 10-K, the following list is included as an unnumbered item in Part I of this Report in lieu of being included in the definitive proxy statement that will be filed within 120 days after December 31, 2016.

Michael P. Doss, 50, is the President and Chief Executive Officer of Graphic Packaging Holding Company. Prior to January 1, 2016, Mr. Doss held the position of President and Chief Operating Officer from May 20, 2015 through December 31, 2015 and Chief Operating Officer from January 1, 2014 until May 19, 2015. Prior to these positions he served as the Executive Vice President, Commercial Operations of Graphic Packaging Holding Company. Prior to this Mr. Doss held the position of Senior Vice President, Consumer Packaging Division. Prior to the Altivity Transaction, he had served as Senior Vice President, Consumer Products Packaging of Graphic Packaging Corporation since September 2006. From July 2000 until September 2006, he was the Vice President of Operations, Universal Packaging Division. Mr. Doss was Director of Web Systems for the Universal Packaging Division prior to his promotion to Vice President of Operations. Since joining Graphic Packaging International Corporation in 1990, Mr. Doss has held positions of increasing management responsibility, including Plant Manager at the Gordonsville, TN and Wausau, WI plants.

Stephen R. Scherger, 52, is the Senior Vice President and Chief Financial Officer of Graphic Packaging Holding Company. From October 1, 2014 through December 31, 2014, Mr. Scherger was the Senior Vice President - Finance. From April 2012 through September 2014, Mr. Scherger served as Senior Vice President, Consumer Packaging Division. Mr. Scherger joined Graphic Packaging Holding Company in April of 2012 from MeadWestvaco Corporation, where he served as President, Beverage and Consumer Electronics. Mr. Scherger was with MeadWestvaco Corporation from 1986 to 2012 and held positions including Vice President, Corporate Strategy; Vice President and General Manager, Beverage Packaging; Vice President and CFO, Papers Group, Vice President Asia Pacific and Latin America, Beverage Packaging, CFO Beverage Packaging and other executive-level positions.

Carla J. Chaney, 46, is the Senior Vice President, Human Resources of Graphic Packaging Holding Company, a position she has held since July 15, 2013. Ms. Chaney joined Graphic Packaging Holding Company from Exide Technologies. Ms. Chaney was with Exide Technologies from February 2012 to July 2013 and served most recently as Executive Vice President, Human Resources and Communications. Prior to Exide Technologies, Ms. Chaney held a variety of leadership roles with Newell Rubbermaid, Inc. from 2004 to 2011, including Group Vice President, Human Resources for the Home & Family business segment, Regional Vice President, Human Resources, EMEA; Corporate Vice President, Global Organization and People Development; and Vice President, Human Resources, Culinary Lifestyles Business. Ms. Chaney also worked for Georgia-Pacific from 1992 to 2004.

Alan R. Nichols, 54, is the Senior Vice President, Mills Division of Graphic Packaging Holding Company. He served as Vice President, Mills from August 2008 until March 2009. From March 2008 until August 2008, Mr. Nichols was Vice President, CRB Mills. Prior to the Altivity Transaction, Mr. Nichols served as Vice President, CRB Mills for Altivity Packaging, LLC from February 2007 until March 2008 and was the Division Manufacturing Manager, Mills for Altivity Packaging and the Consumer Products Division of Smurfit-Stone Container Corporation from August 2005 to February 2007. From February 2001 until August 2005, Mr. Nichols was the General Manager of the Wabash Mill for Smurfit-Stone.

Lauren S. Tashma, 50, is the Senior Vice President, General Counsel and Secretary of Graphic Packaging Holding Company, serving in this position since February, 2014. Previously, Ms. Tashma served as Senior Vice President, General Counsel and Secretary of Fortune Brands Home & Security, Inc., where she led the legal, compliance and EHS functions. Prior to that, Ms. Tashma had various roles with Fortune Brands, Inc., including Vice President and Associate General Counsel.

Michael S. Ukropina, 50, was the Senior Vice President, Consumer Packaging Division for Graphic Packaging Holding Company from October 24, 2014 through January 4, 2017. Beginning in August 2014, Mr. Ukropina served as the Senior Vice President, Strategy. Mr. Ukropina joined the Company in August of 2014 from ASG Worldwide, a specialty consumer packaging company, where he led ASG as President and CEO from 2012 to 2014. Prior to that, Mr. Ukropina was an officer with International Paper and his work there from 1993 to 2011 included positions such as Vice President and General Manager, Shorewood Packaging; Vice President of Operations for xpedx; and Director of Finance & Planning for Industrial Packaging. During that time, Mr. Ukropina led packaging growth strategies across multiple businesses in Latin America, Europe and Asia.

Joseph P. Yost , 49, is the Senior Vice President, and President, Americas of Graphic Packaging Holding Company. Prior to January 5, 2017, Mr. Yost served as Senior Vice President, Global Beverage and Europe from September 1, 2015 to January 4, 2017, Senior Vice President, Europe from March 1, 2014 to August 31, 2015 and Senior Vice President, European Chief Integration Officer/Chief Financial Officer from February 2013 until February, 2014. From 2009 until February 2013, Mr. Yost was the Senior Vice President, Supply Chain of Graphic Packaging Holding Company. From 2006 to 2009, he served as Vice President, Operations Support, Consumer Packaging for Graphic Packaging International, Inc. Mr. Yost has also served in the following positions: Director, Finance and Centralized Services from 2003 to 2006 with Graphic Packaging International, Inc. and from 2000 to 2003 with Graphic Packaging Corporation; Manager, Operations Planning and Analysis, Consumer Products Division from 1999 to 2000 with Graphic Packaging Corporation; and other management positions from 1997 to 1999 with Fort James Corporation.

PART II

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

GPHC's common stock (together with the associated stock purchase rights) is traded on the New York Stock Exchange under the symbol "GPK." The historical range of the high and low sales price per share for each quarter of 2016 and 2015 are as follows:

	2016		2015	
	High	Low	High	Low
First Quarter	$ 13.36	$ 10.71	$ 16.14	$ 13.37
Second Quarter	13.71	11.95	15.16	13.52
Third Quarter	14.70	12.19	15.28	12.62
Fourth Quarter	14.09	12.24	14.46	12.17

On February 4, 2015, the Company's board of directors authorized a share repurchase program to allow management to purchase up to $250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. During 2016, the Company repurchased approximately 13.2 million shares, or $169 million, under this repurchase program at an average price of$12.77. During 2015, the Company repurchased 4.6 million shares, or approximately $63 million at an average price of $13.60.

During 2016 and 2015, the Company's board of directors declared a regular quarterly dividend per share of common stock to shareholders of record as follows:

2016

Date Declared	Record Date	Payment Date	Dividend Per Share
February 25, 2016	March 15, 2016	April 5, 2016	$0.05
May 25, 2016	June 15, 2016	July 5, 2016	$0.05
July 29, 2016	September 15, 2016	October 5, 2016	$0.05
October 24, 2016	December 15, 2016	January 5, 2017	$0.075

During 2016, the Company declared and paid cash dividends of$71.7 million and $64.4 million, respectively.

2015

Date Declared	Record Date	Payment Date	Dividend Per Share
February 4, 2015	March 15, 2015	April 5, 2015	$0.05
May 20, 2015	June 15, 2015	July 5, 2015	$0.05
July 30, 2015	September 15, 2015	October 5, 2015	$0.05
November 19, 2015	December 15, 2015	January 5, 2016	$0.05

During 2015, the Company declared and paid cash dividends of $65.5 million and $49.3 million, respectively. There were no dividends paid prior to 2015. GPHC depends on GPII for cash to pay dividends. Unless GPHC receives dividends, distributions or transfers from such domestic subsidiaries, it cannot pay cash dividends on its common stock, because it has no independent operations. Such dividends, distributions or transfers from GPHC's domestic subsidiaries may be restricted because the terms of the GPII's debt agreements and indentures limit its ability to make such payments to the Company. See "Item 1A-Risk Factors" and Note - 5 in the Notes to Consolidated Financial Statements in "Item 8-Financial Statements and Supplementary Data."

On February 6, 2017, there were 1,279 stockholders of record and approximately 22,000 beneficial holders of GPHC's common stock.

During the fourth quarter of 2016, pursuant to the share repurchase program described above, the Company purchased shares of its common stock as follows:

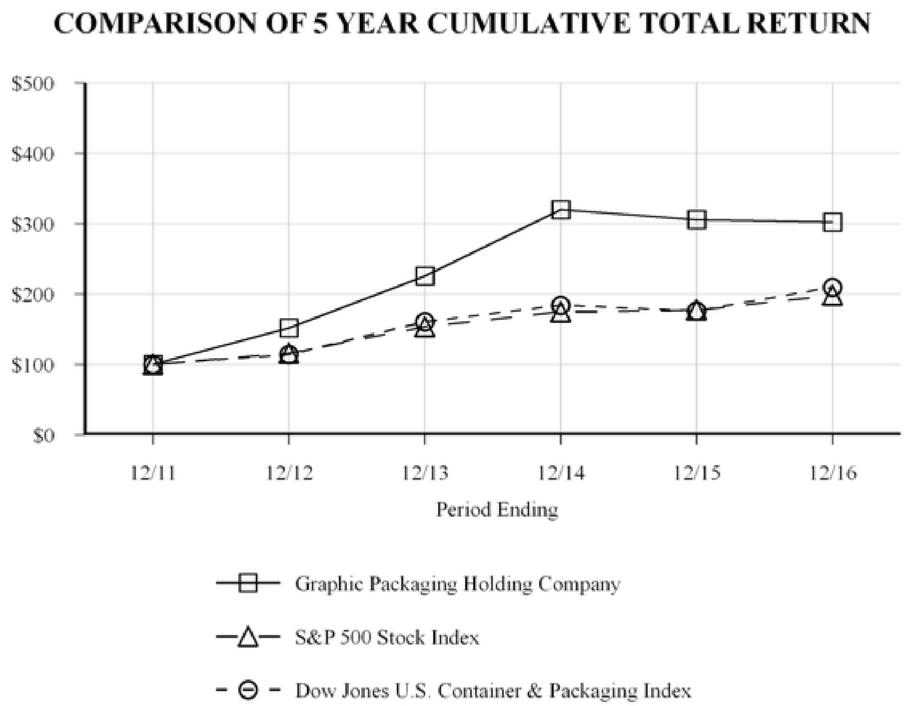
Issuer Purchases of Equity Securities

Period (2016)	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)
October 1, through October 31,	926,457	$ 13.19	13,999,960	5,374,122
November 1, through November 30,	1,906,164	$ 12.78	15,906,124	3,406,790
December 1, through December 31,	1,921,512	$ 12.71	17,827,636	1,474,270
Total	4,754,133			

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

Total Return to Stockholders

The following graph compares the total returns (assuming reinvestment of dividends) of the common stock of the Company, the Standard & Poor's ("S&P") 500 Stock Index and the Dow Jones ("DJ") U.S. Container & Packaging Index. The graph assumes $100 invested on December 31, 2011 in GPHC's common stock and each of the indices. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Graphic Packaging Holding Company	$ 100.00	$ 151.64	$ 225.35	$ 319.72	$ 305.57	$ 302.38
S&P 500 Stock Index	100.00	116.00	153.58	174.60	177.01	198.18
Dow Jones U.S. Container & Packaging Index	100.00	114.10	160.56	184.18	176.25	209.84

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

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

	Year Ended December 31,				
In millions, except per share amounts	2016	2015	2014	2013	2012
Statement of Operations Data:					
Net Sales	$ 4,298.1	$ 4,160.2	$ 4,240.5	$ 4,478.1	$ 4,337.1
Income from Operations	396.0	427.1	227.8	341.6	322.4
Net Income	228.0	230.1	89.0	146.7	120.1
Net Income (Loss) Attributable to Noncontrolling Interests	—	—	0.7	(0.1)	2.5
Net Income Attributable Graphic Packaging Holding Company	228.0	230.1	89.7	146.6	122.6
Net Income Attributable to Graphic Packaging Holding Company Per Share Basis:					
Basic	$ 0.71	$ 0.70	$ 0.27	$ 0.42	$ 0.31
Diluted	$ 0.71	$ 0.70	$ 0.27	$ 0.42	$ 0.31
Balance Sheet Data:					
(as of period end)					
Cash and Cash Equivalents	$ 59.1	$ 54.9	$ 81.6	$ 52.2	$ 51.5
Total Assets	4,603.4	4,256.1	4,137.6	4,373.1	4,482.0
Total Debt	2,151.9	1,875.5	1,957.7	2,238.3	2,317.8
Total Equity	1,056.5	1,101.7	1,012.3	1,062.3	972.3
Additional Data:					
Depreciation and Amortization	$ 299.3	$ 280.5	$ 270.0	$ 277.4	$ 266.8
Capital Spending, including Packaging Machinery	294.6	244.1	201.4	209.2	203.3

ITEM 7. ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION ANDRESULTS OF OPERATIONS***

INTRODUCTION

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

Overview of Business

Overview of 2016 Results

Results of Operations

Financial Condition, Liquidity and Capital Resources

Critical Accounting Policies

New Accounting Standards

Business Outlook

OVERVIEW OF BUSINESS

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

Prior to the sale of the Company's multi-wall bag business on June 30, 2014, the Company was also a leading supplier of flexible packaging in North America. Flexible Packaging products included multi-wall bags, such as pasted valve, pinched bottom, sewn open mouth and woven polypropylene, and coated paper. Coated paper products included institutional french fry packaging, barrier pouch rollstock and freezer paper. Key markets included food and agriculture, building and industrial materials, chemicals, minerals and pet foods.

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

Significant Factors That Impact The Company's Business and Results of Operations

Impact of Inflation/Deflation. The Company's cost of sales consists primarily of energy (including natural gas, fuel oil and electricity), pine pulpwood, chemicals, secondary fibers, purchased paperboard, aluminum foil, ink, plastic film and resins, depreciation expense and labor. Costs increased year over year by $25.0 million in 2016 and increased year over year by $9.0 million in 2015. The higher costs in 2016 were primarily due to higher labor and benefit costs ($20.6 million) secondary fiber ($10.7 million), net energy related costs ($9.8 million), and other costs ($0.8 million), partially offset by lower costs for wood ($4.8 million), chemicals ($3.6 million), freight ($3.5 million), corrugate ($3.3 million), and resin and film ($1.7 million).

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 2017. Since negotiated sales contracts and the market largely determine the pricing for its products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company may incur.

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

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

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

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

Debt Obligations. The Company had $2,167.8 million of outstanding debt obligations as of December 31, 2016. This debt has consequences for the Company, as it requires a portion of cash flow from operations to be used for the payment of principal and interest, exposes the Company to the risk of increased interest rates and restricts the Company's ability to obtain additional financing. Covenants in the Company's Credit Agreement and Indentures may also restrict, among other things, the disposal of assets, the incurrence of additional indebtedness (including guarantees), payment of dividends, loans or advances and certain other types of transactions. The Credit Agreement also requires compliance with a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio. The Company's ability to comply in future periods with the financial covenants will depend on its ongoing financial and operating performance, which in turn will be subject to many other factors, many of which are beyond the Company's control. See "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 Credit Agreement and the Indentures could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The outstanding debt obligations and the restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs.

OVERVIEW OF RESULTS

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

- Net Sales in 2016 increased by $137.9 million or 3.3%, to $4,298.1 million from $4,160.2 million in 2015 primarily due to the acquisitions discussed below, partially offset by the shut down of certain assets during 2015, unfavorable foreign exchange rates and lower pricing.

- Income from Operations in 2016 decreased by $31.1 million or 7.3%, to $396.0 million from $427.1 million in 2015 due to the lower pricing, higher inflation, higher depreciation and amortization related to purchase accounting for the acquisitions and unfavorable foreign exchange rates. These decreases were offset by net improved performance, primarily cost savings through continuous improvement programs, and the acquisitions.

Acquisitions

- On April 29, 2016, the Company acquired Colorpak Limited ("Colorpak"), a leading folding carton supplier in Australia and New Zealand. Colorpak operates three folding carton facilities that convert paperboard into folding cartons for the food, beverage and consumer product markets. The folding carton facilities are located in Melbourne, Australia, Sydney, Australia and Auckland, New Zealand.

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

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

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

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

- During 2015, the Company acquired Carded Graphics, LLC. ("Carded"), certain assets of Cascades Norampac Division ("Cascades"), Rose City Printing and Packaging Inc. ("Rose City"). These transactions are referred to collectively as the "North American Acquisitions."

Capital Allocations

- During 2016, the Company repurchased 13.2 million shares, or approximately $169 million of shares, at an average price of $12.77 in accordance with the previously announced share repurchase program. The program allows management to purchase up to $250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. As of December 31, 2016, the Company has approximately $18 million remaining under the current share repurchase program. On January 10, 2017, the Company's board of directors authorized a new $250 million share repurchase program.

- During 2016, the Company declared and paid cash dividends of $71.7 million and $64.4 million, respectively. On October 24, 2016, the Company's board of directors declared a quarterly dividend of $0.075 per common share which increased the quarterly dividend by fifty percent. The Company intends to increase the annual dividend in 2017 from $0.20 per share to $0.30 per share, subject to Board approval.

RESULTS OF OPERATIONS

In millions	Year Ended December 31, 2016	2015	2014
Net Sales	$ 4,298.1	$ 4,160.2	$ 4,240.5
Income from Operations	$ 396.0	$ 427.1	$ 227.8
Interest Expense, Net	(76.6)	(67.8)	(80.7)
Loss on Modification or Extinguishment of Debt	—	—	(14.4)
Income before Income Taxes and Equity Income of Unconsolidated Entity	$ 319.4	$ 359.3	$ 132.7
Income Tax Expense	(93.2)	(130.4)	(45.4)
Income before Equity Income of Unconsolidated Entity	$ 226.2	$ 228.9	$ 87.3
Equity Income of Unconsolidated Entity	1.8	1.2	1.7
Net Income	$ 228.0	$ 230.1	$ 89.0

2016 COMPARED WITH 2015

Net Sales

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

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

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

Income (Loss) from Operations

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

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

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

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

Interest Expense, Net

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

Income Tax Expense

During 2016, the Company recognized Income Tax Expense of $93.2 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $319.4 million. During 2015, the Company recognized Income Tax Expense of $130.4 million on Income before Income Taxes and Equity Income of Unconsolidated Entity of $359.3 million. The effective tax rate for 2016 was different than the statutory rate primarily due to an agreement executed with the Internal Revenue Service. As a result of the agreement, the Company has amended its 2011 and 2012 U.S. federal and state income tax returns resulting in the utilization of previously expired net operating loss carryforwards. The Company recorded a discrete benefit during the second quarter of 2016 of $22.4 million to reflect the changes as a reduction in its net long-term deferred tax liability. The effective tax rate was also different than the statutory tax rate due to the mix and levels between foreign and domestic earnings, including losses in jurisdictions with full valuation allowances. The Company has recognized net operating losses ("NOLs") of approximately $351 million as well as additional NOLs of approximately $107 million that are currently prohibited from recognition under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, *Compensation-Stock Compensation,* as discussed in Note 8 in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data," for U.S. federal income tax purposes, which may be used to offset future taxable income.

Equity Income of Unconsolidated Entity

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

2015 COMPARED WITH 2014

Net Sales

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

	Year Ended December 31,							
		Variances						
In millions	2014	Price	Volume/Mix	Divestitures	Foreign Exchange	2015	Increase (Decrease)	Percent Change
Consolidated	$ 4,240.5	$ (15.6)	$ 265.9	$ (221.6)	$ (109.0)	$ 4,160.2	$ (80.3)	(1.9)%

The Company's Net Sales in 2015 decreased by $80.3 million, or 1.9% to 4,160.2 million from 4,240.5 million in 2014. Excluding net sales of the divestitures of the Company's multi-wall bag and label businesses in 2014 of $221.6 million, net sales increased $141.3 million. The increase was due primarily to the North American Acquisitions and Benson acquisition of approximately $303.3 million, partially offset by unfavorable foreign currency exchange rates of $109.0 million, lower pricing due to deflationary cost pass throughs and settlements. Volumes were even with prior year as decreases due to the continuation of soft demand in key markets for certain consumer products, primarily cereal and frozen and dry foods, were offset by new products. Global beverage volumes were essentially even with prior year as declines in soft drink and big beer were offset by increases in craft beer, specialty beverage (energy drinks and teas) and open market beverage. The unfavorable currency impact was primarily in Europe and the United Kingdom.

Income (Loss) from Operations

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

	Year Ended December 31,									
		Variances								
In millions	2014	Price	Volume/Mix	Divestitures	Inflation	Foreign Exchange	Other(a)	2015	Increase (Decrease)	Percent Change
Consolidated	$ 227.8	$ (15.6)	$ 12.1	$ 178.9	$ (9.0)	$ (29.2)	$ 62.1	$ 427.1	$ 199.3	87.5%

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

The Company's Income from Operations for 2015 increased $199.3 million or 87.5%, to $427.1 million from $227.8 million for the same period in 2014 primarily due to the loss on sale of multi-wall bag in 2014, cost savings through continuous improvement programs as well as general and administrative cost savings following the divestitures in 2014 and lower integration costs and synergies related to the Benson acquisition. These increases were partially offset by unfavorable foreign currency exchange rates, inflation and the lower pricing. The inflation costs in 2015 primarily related to labor and benefits ($27.9 million) and wood ($6.8 million), partially offset by lower costs for chemicals ($8.4 million), energy ($10.0 million), primarily due to the price of natural gas, freight ($4.6 million), fiber ($0.8 million), external board ($0.8 million), and other ($1.1 million).

Interest Expense, Net

Interest Expense, Net decreased by $12.9 million to $67.8 million in 2015 from $80.7 million in 2014. Interest Expense, Net decreased due to both lower total debt levels and lower interest rates on the Company's debt. As of December 31, 2015, approximately 34% of the Company's total debt was subject to floating interest rates.

Income Tax Expense

During 2015, the Company recognized Income Tax Expense of $130.4 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of $359.3 million. During 2014, the Company recognized Income Tax Expense of $45.4 million on Income before Income Taxes and Equity Income of Unconsolidated Entities of $132.7 million. The effective tax rate for 2015 was different than the statutory rate primarily due to the mix and levels between foreign and domestic earnings, including losses in jurisdictions with full valuation allowances, as well as the effects of certain discrete tax items.

Equity Income of Unconsolidated Entity

Equity Income of Unconsolidated Entity was $1.2 million in 2015 and $1.7 million in 2014 and is related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd.

Segment Reporting

Prior to the sale of the multi-wall bag business on June 30, 2014, the Company reported its results in two reportable segments: paperboard packaging and flexible packaging. During 2015, the Company reevaluated the aggregation of operating segments into reportable segments in accordance with FASB Accounting Standards Codification ("ASC") 280 *Segment Reporting,* and concluded there are three reportable segments:

Paperboard Mills includes the seven North American paperboard mills which produce primarily CUK and CRB. The majority of the paperboard is consumed internally to produce paperboard packaging for the Americas and Europe Paperboard Packaging segments. The remaining paperboard is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment Net Sales represent the sale of paperboard 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 folding cartons sold primarily to Consumer Packaged Goods ("CPG") companies serving the food, beverage, and consumer product markets primarily in the Americas.

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

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

These segments are evaluated by the chief operating decision maker based primarily on Income from Operations, as adjusted for depreciation and amortization. The accounting policies of the reportable segments are the same as those described in Note 1 in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data."

In millions	Year Ended December 31, 2016	2015	2014
NET SALES:			
Paperboard Mills	$ 394.7	$ 480.5	$ 380.6
Americas Paperboard Packaging	3,316.9	3,049.6	3,006.7
Europe Paperboard Packaging	569.9	603.9	596.6
Flexible Packaging	—	—	215.6
Corporate/Other/Eliminations	16.6	26.2	41.0
Total	$ 4,298.1	$ 4,160.2	$ 4,240.5
INCOME (LOSS) FROM OPERATIONS:			
Paperboard Mills	$ (7.8)	$ 12.9	$ 8.5
Americas Paperboard Packaging	416.8	403.9	412.0
Europe Paperboard Packaging	25.4	40.8	32.5
Flexible Packaging [a]	—	—	(186.1)
Corporate and Other	(38.4)	(30.5)	(39.1)
Total	$ 396.0	$ 427.1	$ 227.8

[a] Includes Loss on Sale of Assets of multi-wall bag business of$171.1 million in 2014.

2016 COMPARED WITH 2015

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

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

Americas Paperboard Packaging - Sales increased primarily due to Net Sales of $277.0 million for the 2016, Carded and Cascades Acquisitions, higher global beverage volumes and new product introductions. These increases were partially offset by lower volume for certain consumer products and lower pricing.

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

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

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

2015 COMPARED WITH 2014

Paperboard Mills - Open market paperboard Net Sales and Income from Operations increased due to the acquisition of Cascades Norampac Division.

Americas Paperboard Packaging - Sales increased due to the North American Acquisitions, new product introductions and increased sales of craft beer and specialty beverage (energy drinks and teas) packaging. This increase was partially offset by soft demand for certain consumer and beverage products, primarily cereal, frozen and dried foods, soft drink and big beer, as well as unfavorable exchange rates primarily in Brazil.

Income from Operations decreased slightly due to higher inflation, which was partially offset by the acquisitions and improved operating performance.

Europe Paperboard Packaging - Sales increased due to the May 2014 Benson acquisition and new business, partially offset by unfavorable exchange rates.

Income from Operations increased due to synergies and improved operating performance.

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

	Years Ended December 31,	
In millions	2016	2015
Net Cash Provided by Operating Activities	$ 641.4	$ 589.2
Net Cash Used in Investing Activities	$ (632.5)	$ (399.8)
Net Cash Used In Financing Activities	$ (3.1)	$ (210.9)

Net cash provided by operating activities in 2016 totaled $641.4 million, compared to $589.2 million in 2015. The increase was due primarily to the 2016 Acquisitions and lower inventory balances, excluding the impact of the 2016 Acquisitions. Pension contributions in 2016 and 2015 were $51.4 million and $53.4 million, respectively.

Net cash used in investing activities in 2016 totaled $632.5 million, compared to $399.8 million in 2015. Current year activities consisted primarily of capital spending of $294.6 million and $332.7 million for the 2016 Acquisitions, net of cash acquired. In the prior year, capital spending was $244.1 million and the Company paid $163.2 million, net of cash acquired, for the North American Acquisitions.

Net cash used in financing activities in 2016 totaled $3.1 million, compared to $210.9 million used in financing activities in 2015. The Company completed its debt offering of $300 million aggregated principal amount of 4.125% senior notes due 2024 in a registered public offering and used the net proceeds to repay a portion of its outstanding borrowings of its senior secured revolving credit facility. The Company also paid dividends of $64.4 million, repurchased $164.9 million of its common stock, and withheld $11.3 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units. Current year activities also include net payments under revolving credit facilities of $35.8 million and payments on debt of $25.0 million. In the prior year, the Company made net payments under revolving credit facilities of $50.8 million and payments on debt of $25.0 million. The Company also paid dividends of $49.3 million, repurchased $63.0 million of its common stock, and withheld $21.5 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units.

Liquidity and Capital Resources

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

Senior Notes due 2021, 4.875% Senior Notes due 2022 and 4.125% Senior Notes due 2024 (the "Notes"), represent liquidity requirements for the Company. Based upon current levels of operations, anticipated cost savings and expectations as to future growth, the Company believes that cash generated from operations, together with amounts available under its revolving credit facilities and other available financing sources, will be adequate to permit the Company to meet its debt service obligations, necessary capital expenditure program requirements and ongoing operating costs and working capital needs, although no assurance can be given in this regard. The Company's future financial and operating performance, ability to service or refinance its debt and ability to comply with the covenants and restrictions contained in its debt agreements (see "Covenant Restrictions" below) will be subject to future economic conditions, including conditions in the credit markets, and to financial, business and other factors, many of which are beyond the Company's control, and will be substantially dependent on the selling prices and demand for the Company's products, raw material and energy costs, and the Company's ability to successfully implement its overall business and profitability strategies.

As of December 31, 2016, the Company had approximately $351 million of NOLs for U.S. federal income tax purposes. These NOLs generally may be used by the Company to offset taxable income earned in subsequent taxable years.

As of December 31, 2016, the Company had $53.0 million of cash in foreign jurisdictions for which deferred taxes in the U.S. have not been provided, as earnings have been deemed indefinitely reinvested outside the U.S.

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

The Company has entered into agreements for the purchasing and servicing of receivables to sell, on a revolving basis, certain trade accounts receivable balances 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 FASB Codification. During 2016, under these agreements, the Company sold and derecognized $1.3 billion of receivables, collected $1.2 billion on behalf of the financial institution, and received funding of approximately $116 million by the financial institution, resulting in deferred proceeds of approximately$31 million as of December 31, 2016. During 2015 under the agreement, the Company sold and derecognized $1.1 billion of receivables, collected approximately $920 million on behalf of the financial institution, and received funding of approximately $154 million by the financial institution, resulting in deferred proceeds of approximately$51 million as of December 31, 2015. Cash proceeds related to the sales are included in cash from operating activities on the Consolidated Statements of Cash Flows in the Changes in Operating Assets and Liabilities line item. The loss on sale is not material and is included in Other Expense (Income), Net line item on the Consolidated Statement of Operations.

The Company has also entered into various factoring and supply chain financing arrangements which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the years ended December 31, 2016 and 2015, the Company sold receivables of approximately $66 million and $129 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, were approximately $376 million and $282 million as of December 31, 2016 and 2015, respectively.

Covenant Restrictions

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

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

The Company must maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At December 31, 2016, the Company was in compliance with the Consolidated Total Leverage Ratio covenant in the Credit Agreement and the ratio was 2.63 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At December 31, 2016, the Company was in compliance with the minimum Consolidated Interest Expense Ratio covenant in the Credit Agreement and the ratio was 11.08 to 1.00.

As of December 31, 2016, 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' rating on the Company included a stable outlook.

Capital Investment

The Company’s capital investment in 2016 was $280.0 million ($294.6 million was paid), compared to $253.8 million ($244.1 million was paid) in2015. During 2016, the Company had capital spending of $232.6 million for improving process capabilities, $31.4 million for capital spares and $16.0 million for manufacturing packaging machinery.

Environmental Matters

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

For further discussion of the Company’s environmental matters, see Note 13 in the Notes to Consolidated Financial Statements included herein under “Item 8., Financial Statements and Supplementary Data.”

Contractual Obligations and Commitments

A summary of our contractual obligations and commitments as ofDecember 31, 2016 is as follows:

	Payments Due by Period				
In millions	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Debt Obligations	$ 2,149.9	$ 62.1	$ 1,111.5	$ 426.0	$ 550.3
Operating Leases	173.0	41.5	58.3	33.5	39.7
Capital Leases	27.2	2.1	3.9	3.6	17.6
Interest Payable	371.2	80.0	164.2	78.9	48.1
Purchase Obligations [a]	722.5	145.0	198.6	80.3	298.6
Pension Funding	40.0	40.0	—	—	—
Total Contractual Obligations [b]	$ 3,483.8	$ 370.7	$ 1,536.5	$ 622.3	$ 954.3

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

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

International Operations

For 2016, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately23% of the Company's net sales. The Company's revenues from export sales fluctuate with changes in foreign currency exchange rates. At December 31, 2016, approximately 20% of the Company's total assets were denominated in currencies other than the U.S. dollar. The Company has significant operations in countries that use the euro, British pound sterling, the Australian dollar, the Canadian Dollar, the Mexico Peso or the Japanese yen as their functional currencies. The effect of changes in the U.S. dollar exchange rate against these currencies produced a net currency translation adjustment loss of $58.9 million, which was recorded in Other Comprehensive (Loss) Income for the year endedDecember 31, 2016. The magnitude and direction of this adjustment in the future depends on the relationship of the U.S. dollar to other currencies. The Company pursues a currency hedging program in order to reduce the impact of foreign currency exchange fluctuations on financial results. See "Financial Instruments" below.

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

Financial Instruments

The Company pursues a currency hedging program which utilizes derivatives to reduce the impact of foreign currency exchange fluctuations on its consolidated financial results. Under this program, the Company has entered into forward exchange contracts in the normal course of business to hedge certain foreign currency denominated transactions. Realized and unrealized gains and losses on these forward contracts are included in the measurement of the basis of the related foreign currency transaction when recorded. The Company also pursues a hedging program that utilizes derivatives designed to manage risks associated with future variability in cash flows and price risk related to future energy cost increases. Under this program, the Company has entered into natural gas swap contracts to hedge a portion of its forecasted natural gas usage for 2017. Realized gains and losses on these contracts are included in the financial results concurrently with the recognition of the commodity consumed. The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facility. The Company does not hold or issue financial instruments for trading purposes. See “Item 7A., Quantitative and Qualitative Disclosure About Market Risk.”

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates, and changes in these estimates are recorded when known. The critical accounting policies used by management in the preparation of the Company’s consolidated financial statements are those that are important both to the presentation of the Company’s financial condition and results of operations and require significant judgments by management with regard to estimates used. The critical judgments by management relate to pension benefits, retained insurable risks, future cash flows associated with impairment testing for goodwill and long-lived assets, and deferred income taxes.

• *Pension Benefits*

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

The Company’s pension expense for defined benefit pension plans was$22.4 million in 2016 compared with $16.0 million in2015. Pension expense is calculated based upon a number of actuarial assumptions applied to each of the defined benefit plans. The weighted average expected long-term rate of return on pension fund assets used to calculate pension expense was 5.90% and 6.81% in 2016 and 2015, respectively. The expected long-term rate of return on pension assets was determined based on several factors, including historical rates of return, input from our pension investment consultants and projected long-term returns of broad equity and bond indices. The Company evaluates its long-term rate of return assumptions annually and adjusts them as necessary.

The Company determined pension expense using both the fair value of assets and a calculated value that averages gains and losses over a period of years. Investment gains or losses represent the difference between the expected and actual return on assets. As of December 31, 2016, the net actuarial loss was $277.8 million. These net losses may increase future pension expense if not offset by (i) actual investment returns that exceed the assumed investment returns, or (ii) other factors, including reduced pension liabilities arising from higher discount rates used to calculate pension obligations, or (iii) other actuarial gains, including whether such accumulated actuarial losses at each measurement date exceed the “corridor” determined under the *Compensation — Retirement Benefits* topic of the FASB Codification.

The discount rate used to determine the present value of future pension obligations atDecember 31, 2016 was based on a yield curve constructed from a portfolio of high-quality corporate debt securities with maturities ranging from 1 year to 30 years. Each year’s expected future benefit payments were discounted to their present value at the spot yield curve rate thereby generating the overall discount rate for the Company’s pension obligations. The weighted average discount rate used to determine the pension obligations was 4.01% and 4.41% in 2016 and 2015, respectively.

The Company’s pension income is estimated to be approximately $4 million in 2017. The estimate is based on a weighted average expected long-term rate of return of 5.78%, a weighted average discount rate of 4.01% and other assumptions. Pension expense beyond 2017 will depend on future investment performance, the Company’s contribution to the plans, changes in discount rates and other factors related to covered employees in the plans. Beginning in 2016, the Company has changed its methodology of calculating the service and interest cost components of pension expense from using a yield curve aggregate approach to using individual spot rates along the yield curve.

If the discount rate assumptions for the Company’s U.S. plans were reduced by 0.25%, pension expense would increase by $0.2 million and theDecember 31, 2016 projected benefit obligation would increase by about $30 million.

The fair value of assets in the Company’s plans was$1,115.6 million at December 31, 2016 and $1,038.9 million at December 31, 2015. The projected benefit obligations exceed the fair value of plan assets by $163.4 million million and $200.1 million as of

December 31, 2016 and 2015, respectively. The accumulated benefit obligation ("ABO") exceeded plan assets by$154.4 million at the end of 2016. At the end of 2015, the ABO exceeded the fair value of plan assets by $187.3 million.

• *Retained Insurable Risks*

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

• *Goodwill*

The Company evaluates goodwill for potential impairment annually as of October 1, as well as whenever events or changes in circumstances suggest that the fair value of a reporting unit may no longer exceeds its carrying amount. Potential impairment of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the estimated fair value of the reporting unit. As of October 1, 2016, the Company had five reporting units, four of which had goodwill.

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

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

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

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

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

The Company performed its annual goodwill impairment tests as of October 1,2016 and concluded that goodwill was not impaired.

• *Recovery of Long-Lived Assets*

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

• ***Deferred Income Taxes and Potential Assessments***

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

As of December 31, 2016, the Company has recorded a valuation allowance of $45.5 million against its net deferred tax assets in certain foreign jurisdictions and against domestic deferred tax assets related to certain state net operating loss carryforwards and federal capital loss carryforwards. As of December 31, 2015, a total valuation allowance of $44.8 million was recorded.

As of December 31, 2016, the Company has only provided for deferred U.S. income taxes on $4.9 million of undistributed earnings related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd. The Company has not provided for deferred U.S. income taxes on $17.5 million of undistributed earnings of international subsidiaries because of its intention to indefinitely reinvest these earnings outside the U.S. The determination of the amount of the unrecognized deferred U.S. income tax liability on these unremitted earnings is not practicable because of the complexities associated with the hypothetical calculation.

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

NEW ACCOUNTING STANDARDS

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

BUSINESS OUTLOOK

Total capital investment for 2017 is expected to be approximately $250 million and is expected to relate principally to the Company's process capability improvements (approximately $210 million), acquiring capital spares (approximately $25 million), and producing packaging machinery (approximately $15 million).

The Company also expects the following in 2017:

- Depreciation and amortization expense between $300 million and $320 million, excluding approximately $7 million of pension amortization.
- Interest expense of $75 million to $85 million, including approximately $5 million to $6 million of non-cash interest expense associated with amortization of debt issuance costs.
- Cash of $380 million to $400 million available for net debt reduction, dividends, and share repurchases, excluding mergers and acquisitions and capital market activities.
- Pension plan contributions of $30 million to $50 million.

ITEM 7A. ***QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK***

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

Interest Rates

The Company is exposed to changes in interest rates, primarily as a result of its short-term and long-term debt, which include both fixed and floating rate debt. The Company uses interest rate swap agreements effectively to fix the LIBOR rate on certain variable rate borrowings. At December 31, 2016, the Company had active interest rate swap agreements with an aggregate notional amount of $450 million which will mature on December 31, 2017, and a notional amount of $250 million which will mature on October 1, 2018.

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

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

	Expected Maturity Date							
In millions	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**	**Total**	**Fair Value**
Total Debt								
Fixed Rate	$ 25.0	$ 51.0	$ 375.7	$ 0.6	$ 425.4	$ 550.3	$ 1,428.0	$ 1,448.8
Average Interest Rate	1.50%	1.49%	1.50%	1.23%	4.75%	4.46%	—	—
Variable Rate	$ —	$ —	$ 684.8	$ —	$ —	$ —	$ 684.8	$ 683.9
Average Swap Rate is .6% — .1.4%	LIBOR + Spread	LIBOR + Spread	LIBOR + Spread	LIBOR + Spread	LIBOR + Spread	—		

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

	Expected Maturity Date							
In millions	**2017**	**2018**	**2019**	**2020**	**2020**	**Thereafter**	**Total**	**Fair Value**
Notional[(a)]	$ 600.0	$ 250.0	$ —	$ —	$ —	$ —	$ 850.0	$ —
Average Pay Rate	0.92%	1.16%	—%	—	—	—	—	—
Average Receive Rate	1-Month LIBOR	1-Month LIBOR		—	—	—	—	—

[(a)] For 2017, the amount includes $400 million of forward starting interest rate swaps on February 1, 2017 and maturing on December 1, 2017.

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Foreign Exchange Rates

The Company enters into forward exchange contracts to effectively hedge substantially all accounts receivable resulting from transactions denominated in foreign currencies. The purpose of these forward exchange contracts is to protect the Company from the risk that the eventual functional currency cash flows resulting from the collection of these accounts receivable will be adversely affected by changes in exchange rates. At December 31, 2016, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those forward currency exchange contracts outstanding at December 31, 2016, when aggregated and measured in U.S. dollars at December 31, 2016 exchange rates, had net notional amounts totaling $68.1 million. The Company continuously monitors these forward exchange contracts and adjusts accordingly to minimize the exposure.

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

During the years ended December 31, 2016 and 2015, there were minimal amounts reclassified to earnings in connection with forecasted transactions that were no longer considered probable of occurring and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there were no amounts excluded from the measure of effectiveness during the years ended December 31, 2016 and 2015.

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

	December 31, 2016	
In millions	Contract Amount	Fair Value
FORWARD EXCHANGE AGREEMENTS:		
Receive $US/Pay Yen	$ 15.3	$ 1.4
Weighted average contractual exchange rate	104.82	
Receive $US/Pay Euro	$ 27.9	$ 0.9
Weighted average contractual exchange rate	1.10	
Receive $US/Pay GBP	$ 12.7	$ 0.1
Weighted average contractual exchange rate	1.25	

Natural Gas Contracts

The Company has hedged a portion of its expected natural gas usage for2017. The carrying amount and fair value of the natural gas swap contracts is a net asset of $3.8 million as of December 31, 2016. Such contracts are designated as cash flow hedges and are accounted for by deferring the quarterly change in fair value of the outstanding contracts in Accumulated Other Comprehensive (Loss), Income in Shareholders' Equity. The resulting gain or loss is reclassified into Cost of Sales concurrently with the recognition of the commodity consumed. The ineffective portion of the swap contracts change in fair value, if any, would be recognized immediately in earnings.

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ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

INDEX TO FINANCIAL STATEMENTS

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

In millions, except per share amounts	Year Ended December 31, 2016	2015	2014
Net Sales	$ 4,298.1	$ 4,160.2	$ 4,240.5
Cost of Sales	3,506.2	3,371.1	3,453.3
Selling, General and Administrative	355.7	347.7	365.5
Other Expense (Income), Net	3.1	(7.7)	(3.7)
Business Combinations and Other Special Charges	37.1	22.0	197.6
Income from Operations	396.0	427.1	227.8
Interest Expense, Net	(76.6)	(67.8)	(80.7)
Loss on Modification or Extinguishment of Debt	—	—	(14.4)
Income before Income Taxes and Equity Income of Unconsolidated Entity	319.4	359.3	132.7
Income Tax Expense	(93.2)	(130.4)	(45.4)
Income before Equity Income of Unconsolidated Entity	226.2	228.9	87.3
Equity Income of Unconsolidated Entity	1.8	1.2	1.7
Net Income	$ 228.0	$ 230.1	$ 89.0
Net Income Attributable to Noncontrolling Interests	—	—	0.7
Net Income Attributable Graphic Packaging Holding Company	$ 228.0	$ 230.1	$ 89.7
Net Income Per Share Attributable to Graphic Packaging Holding Company — Basic	$ 0.71	$ 0.70	$ 0.27
Net Income Per Share Attributable to Graphic Packaging Holding Company — Diluted	$ 0.71	$ 0.70	$ 0.27

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

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

	Year Ended December 31,		
In millions	2016	2015	2014
Net Income	$ 228.0	$ 230.1	$ 89.0
Other Comprehensive Income (Loss), Net of Tax:			
Derivative Instruments	13.0	(0.7)	(6.9)
Pension and Postretirement Benefit Plans	4.0	26.8	(105.2)
Currency Translation Adjustment	(58.9)	(37.2)	(34.0)
Total Other Comprehensive Loss, Net of Tax	(41.9)	(11.1)	(146.1)
Total Comprehensive Income (Loss)	186.1	219.0	(57.1)
Comprehensive Income Attributable to Noncontrolling Interests	—	—	0.4
Comprehensive Income (Loss) Attributable to Graphic Packaging Holding Company	$ 186.1	$ 219.0	$ (56.7)

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

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS

In millions, except share and per share amounts	December 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 59.1	$ 54.9
Receivables, Net	426.8	423.9
Inventories, Net	582.9	557.1
Other Current Assets	46.1	30.9
Total Current Assets	1,114.9	1,066.8
Property, Plant and Equipment, Net	1,751.9	1,586.4
Goodwill	1,260.3	1,167.8
Intangible Assets, Net	445.3	386.7
Other Assets	31.0	48.4
Total Assets	$ 4,603.4	$ 4,256.1
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	$ 63.4	$ 36.6
Accounts Payable	466.5	457.9
Compensation and Employee Benefits	107.3	119.7
Interest Payable	15.4	9.2
Other Accrued Liabilities	127.2	108.8
Total Current Liabilities	779.8	732.2
Long-Term Debt	2,088.5	1,838.9
Deferred Income Tax Liabilities	408.0	266.7
Accrued Pension and Postretirement Benefits	202.5	247.3
Other Noncurrent Liabilities	68.1	69.3
Commitments and Contingencies (Note 12)		
SHAREHOLDERS' EQUITY		
Preferred Stock, par value $.01 per share; 100,000,000 shares authorized; no shares issued or outstanding	—	—
Common Stock, par value $.01 per share; 1,000,000,000 shares authorized; 313,533,785 and 324,688,717 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	3.1	3.2
Capital in Excess of Par Value	1,709.0	1,771.0
Accumulated Deficit	(268.0)	(326.8)
Accumulated Other Comprehensive Loss	(387.6)	(345.7)
Total Shareholders' Equity	1,056.5	1,101.7
Total Liabilities and Shareholders' Equity	$ 4,603.4	$ 4,256.1

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

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

In millions, except share amounts	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balances at December 31, 2013	**324,746,642**	**$ 3.2**	**$ 1,789.9**	**$ (542.6)**	**$ (188.2)**	**$ 1,062.3**
Net Income	—	—	—	89.7	—	89.7
Other Comprehensive Income (Loss), Net of Tax:						
Derivative Instruments	—	—	—	—	(6.9)	(6.9)
Pension and Postretirement Benefit Plans	—	—	—	—	(105.5)	(105.5)
Currency Translation Adjustment	—	—	—	—	(34.0)	(34.0)
Investment in Subsidiaries	—	—	1.5	—	—	1.5
Recognition of Stock-Based Compensation	—	—	5.1	—	—	5.1
Issuance of Shares for Stock-Based Awards	2,297,858	0.1	—	—	—	0.1
Balances at December 31, 2014	**327,044,500**	**$ 3.3**	**$ 1,796.5**	**$ (452.9)**	**$ (334.6)**	**$ 1,012.3**
Net Income	—	—	—	230.1	—	230.1
Other Comprehensive Income (Loss), Net of Tax:						
Derivative Instruments	—	—	—	—	(0.7)	(0.7)
Pension and Postretirement Benefit Plans	—	—	—	—	26.8	26.8
Currency Translation Adjustment	—	—	—	—	(37.2)	(37.2)
Repurchase of Common Stock	(4,625,211)	(0.1)	(24.4)	(38.5)	—	(63.0)
Dividends Declared	—	—	—	(65.5)	—	(65.5)
Recognition of Stock-Based Compensation	—	—	(1.1)	—	—	(1.1)
Issuance of Shares for Stock-Based Awards	2,269,428	—	—	—	—	—
Balances at December 31, 2015	**324,688,717**	**$ 3.2**	**$ 1,771.0**	**$ (326.8)**	**$ (345.7)**	**$ 1,101.7**
Net Income	—	—	—	228.0	—	228.0
Other Comprehensive Income (Loss), Net of Tax:						
Derivative Instruments	—	—	—	—	13.0	13.0
Pension and Postretirement Benefit Plans	—	—	—	—	4.0	4.0
Currency Translation Adjustment	—	—	—	—	(58.9)	(58.9)
Repurchase of Common Stock[(a)]	(13,202,425)	(0.1)	(71.2)	(97.5)	—	(168.8)
Dividends Declared	—	—	—	(71.7)	—	(71.7)
Recognition of Stock-Based Compensation	—	—	9.2	—	—	9.2
Issuance of Shares for Stock-Based Awards	1,659,493	—	—	—	—	—
Balances at December 31, 2016	**313,145,785**	**$ 3.1**	**$ 1,709.0**	**$ (268.0)**	**$ (387.6)**	**$ 1,056.5**

[(a)] Includes 388,000 shares repurchased but not yet settled.

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

GRAPHIC PACKAGING HOLDING COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
In millions	**2016**	**2015**	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	$ 228.0	$ 230.1	$ 89.0
Non-cash Items Included in Net Income:			
Depreciation and Amortization	299.3	280.5	270.0
Write-off of Deferred Debt Issuance Costs on Early Extinguishment of Debt	—	—	4.6
Amortization of Deferred Debt Issuance Costs	4.8	4.1	4.8
Deferred Income Taxes	76.7	110.0	33.1
Amount of Postretirement Expense Less Than Funding	(31.3)	(39.4)	(46.3)
Loss on the Sale of Assets, net	0.8	1.9	173.6
Asset Write-offs	1.0	0.7	7.0
Other, Net	23.6	20.3	31.0
Changes in Operating Assets and Liabilities, Net of Acquisitions and Disposition (See Note 3)	38.5	(19.0)	(40.2)
Net Cash Provided by Operating Activities	641.4	589.2	526.6
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Spending	(278.6)	(228.9)	(187.1)
Packaging Machinery Spending	(16.0)	(15.2)	(14.3)
Proceeds from Government Grant	—	—	26.9
Acquisition of Business, Net of Cash Acquired	(332.7)	(163.2)	(173.8)
Proceeds Received from Sale of Assets, Net of Selling Costs	—	—	170.8
Other, Net	(5.2)	7.5	(5.7)
Net Cash Used in Investing Activities	(632.5)	(399.8)	(183.2)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repurchase of Common Stock	(164.9)	(63.0)	—
Proceeds from Issuance of Debt	300.0	—	250.0
Retirement of Long-Term Debt	—	—	(247.7)
Payments on Debt	(25.0)	(25.0)	(214.6)
Borrowings under Revolving Credit Facilities	1,200.0	903.0	1,957.9
Payments on Revolving Credit Facilities	(1,235.8)	(953.8)	(2,012.2)
Debt Issuance Costs and Redemption and Early Tender Premiums	(5.3)	—	(16.8)
Repurchase of Common Stock related to Share-Based Payments	(11.3)	(21.5)	(14.7)
Dividends Paid	(64.4)	(49.3)	—
Other, Net	3.6	(1.3)	(10.7)
Net Cash Used In Financing Activities	(3.1)	(210.9)	(308.8)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1.6)	(5.2)	(5.2)
Net Increase (Decrease) in Cash and Cash Equivalents	4.2	(26.7)	29.4
Cash and Cash Equivalents at Beginning of Period	54.9	81.6	52.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 59.1	$ 54.9	$ 81.6

Non-cash investing activities:

	Year Ended December 31,		
In millions	**2016**	**2015**	**2014**
Total Consideration Received from the Sale of Assets	$ —	$ —	$ 181.0
Cash Proceeds Received from the Sale of Assets	—	—	170.8
Non-cash Consideration Received from the Sale of Assets	$ —	$ —	$ 10.2

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

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Nature of Business

Graphic Packaging Holding Company ("GPHC" and, together with its subsidiaries, the "Company") is a leading provider of paper-based packaging solutions for a wide variety of products to food, beverage and other consumer products companies. The Company is one of the largest producers of folding cartons in the United States ("U.S.") and holds a leading market position in coated unbleached kraft paperboard ("CUK") and coated-recycled paperboard ("CRB"). The Company's customers include some of the most widely recognized companies in the world. The Company strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost by capitalizing on its low-cost paperboard mills and converting plants, its proprietary carton and packaging designs, and its commitment to customer service.

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

Basis of Presentation and Principles of Consolidation

The Company's Consolidated Financial Statements include all subsidiaries in which the Company has the ability to exercise direct or indirect control over operating and financial policies. Intercompany transactions and balances are eliminated in consolidation. Certain reclassifications have been made to prior year amounts to conform to current year presentation.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Actual results could differ from these estimates, and changes in these estimates are recorded when known. Estimates are used in accounting for, among other things, pension benefits, retained insurable risks, slow-moving and obsolete inventory, allowance for doubtful accounts, useful lives for depreciation and amortization, impairment testing of goodwill and long-term assets, fair values related to acquisition accounting, fair value of derivative financial instruments, deferred income tax assets and potential income tax assessments, and loss contingencies.

Cash and Cash Equivalents

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

Accounts Receivable and Allowances

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

The Company has entered into agreements for the purchasing and servicing of receivables to sell, on a revolving basis, certain trade accounts receivable balances to third party financial institutions. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification" or "ASC"). During 2016, the Company sold and derecognized

$1.3 billion of receivables, collected $1.2 billion on behalf of the financial institution, and received funding of approximately $116 million by the financial institution, resulting in deferred proceeds of approximately $31 million as of December 31, 2016. During 2015, the Company sold and derecognized $1.1 billion of receivables, collected approximately $920 million on behalf of the financial institution, and received funding of approximately $154 million by the financial institution, resulting in deferred proceeds of approximately $51 million as of December 31, 2015. Cash proceeds related to the sales are included in cash from operating activities on the Consolidated Statements of Cash Flows in the Changes in Operating Assets and Liabilities line item. The loss on sale is not material and is included in Other Expense (Income), Net line item on the Consolidated Statement of Operations.

The Company has also entered into various factoring and supply chain financing arrangements which also qualify for sale accounting in accordance with the Transfers and Servicing topic of the FASB Codification. For the years ended December 31, 2016 and 2015, the Company sold receivables of approximately $66 million and $129 million respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consists principally of collection services, were approximately $376 million and $282 million as of December 31, 2016 and 2015, respectively.

Concentration of Credit Risk

The Company's cash, cash equivalents, and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are placed with financial institutions that management believes are of high credit quality. Accounts receivable are derived from revenue earned from customers located in the U.S. and internationally and generally do not require collateral. As of and for the years ended December 31, 2016 and 2015, no customer accounted for more than 10% of net sales.

Inventories

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

Property, Plant and Equipment

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

Interest is capitalized on assets under construction for one year or longer with an estimated spending of $1.0 million or more. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Capitalized interest was $1.3 million, $0.8 million and $1.6 million for the years ended December 31, 2016, 2015 and 2014, respectively.

The Company assesses its long-lived assets, including certain identifiable intangibles, for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. To analyze recoverability, the Company projects future cash flows, undiscounted and before interest, over the remaining life of such assets. If these projected cash flows are less than the carrying amount, an impairment would be recognized, resulting in a write-down of assets with a corresponding charge to earnings. The impairment loss is measured based upon the difference between the carrying amount and the fair value of the assets. The Company assesses the appropriateness of the useful life of its long-lived assets periodically.

Depreciation and Amortization

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

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

Depreciation expense, including the depreciation expense of assets under capital leases, for2016, 2015 and 2014 was $240.0 million, $227.6 million and $221.6 million, respectively.

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

Goodwill is the Company's only intangible asset not subject to amortization. The following table displays the intangible assets that continue to be subject to amortization and aggregate amortization expense as of December 31, 2016 and 2015:

	December 31, 2016			December 31, 2015		
In millions	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable Intangible Assets:						
Customer Relationships	$ 736.0	$ (321.0)	$ 415.0	$ 627.2	$ (269.0)	$ 358.2
Patents, Trademarks, Licenses, and Leases	125.1	(94.8)	30.3	119.5	(91.0)	28.5
Total	$ 861.1	$ (415.8)	$ 445.3	$ 746.7	$ (360.0)	$ 386.7

The Company recorded amortization expense for the years endedDecember 31, 2016, 2015 and 2014 of $59.3 million, $52.9 million and $48.4 million, respectively. The Company expects amortization expense for the next five years to be as follows: $58 million, $56 million, $54 million, $50 million, and $43 million.

Goodwill

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

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

Potential goodwill impairment is measured at the reporting unit level by comparing the reporting unit's carrying amount (including goodwill), to the fair value of the reporting unit. When performing the quantitative analysis, the estimated fair value of each reporting unit is determined by utilizing a discounted cash flow analysis based on the Company's forecasts, discounted using a weighted average cost of capital and market indicators of terminal year cash flows based upon a multiple of EBITDA. If the carrying amount of a reporting unit exceeds its estimated fair value, goodwill is considered potentially impaired. In determining fair value, management relies on and considers a number of factors, including but not limited to, operating results, business plans, economic projections, forecasts including future cash flows, and market data and analysis, including market capitalization. The assumptions used are based on what a hypothetical market participant would use in estimating fair value. Fair value determinations are sensitive to changes in the factors described above. There are inherent uncertainties related to these factors and judgments in applying them to the analysis of goodwill impairment.

Periodically, the Company may perform a qualitative impairment analysis of goodwill associated with each of its reporting units to determine if it is more likely than not that the carrying value of a reporting unit exceeded its fair value. As a result of its testing of goodwill as of October 1, 2016, the Company concluded goodwill was not impaired.

The following is a rollforward of goodwill by reportable segment:

In millions	Paperboard Mills	Americas Paperboard Packaging	Europe Paperboard Packaging	Total
Balance at December 31, 2014	$ 408.5	$ 644.1	$ 65.5	$ 1,118.1
Acquisition of Businesses	—	55.6	—	55.6
Foreign Currency Effects	—	(1.4)	(4.5)	(5.9)
Balance at December 31, 2015	$ 408.5	$ 698.3	$ 61.0	$ 1,167.8
Acquisition of Businesses	—	112.9	—	112.9
Foreign Currency Effects	—	(8.4)	(12.0)	(20.4)
Balance at December 31, 2016	$ 408.5	$ 802.8	$ 49.0	$ 1,260.3

Retained Insurable Risks

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

Asset Retirement Obligations

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

International Currency

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

The Company pursues a currency hedging program which utilizes derivatives to reduce the impact of foreign currency exchange fluctuations on its consolidated financial results. Under this program, the Company has entered into forward exchange contracts in the normal course of business to hedge certain foreign currency denominated transactions. Realized and unrealized gains and losses on these forward contracts are included in the measurement of the basis of the related foreign currency transaction when recorded.

Revenue Recognition

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

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

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

Shipping and Handling

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

Research and Development

Research and development costs, which relate primarily to the development and design of new packaging machines and products and are recorded as a component of Selling, General and Administrative expenses, are expensed as incurred. Expenses for the years ended December 31, 2016, 2015 and 2014 were $14.9 million, $13.8 million and $14.9 million, respectively.

Business Combinations and Other Special Charges

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

In millions	2016	2015	2014
Net Charges Associated with Business Combinations	$ 21.2	$ 14.0	$ 12.4
Other Special Charges	15.9	6.1	5.1
Loss on Sale of Assets	—	1.9	180.1
Total	$ 37.1	$ 22.0	$ 197.6

2016

On April 29, 2016, the Company acquired Colorpak Limited ("Colorpak"), a leading folding carton supplier in Australia and New Zealand. Colorpak operates three folding carton facilities that convert paperboard into folding cartons for the food, beverage and consumer product markets. The folding carton facilities are located in Melbourne, Australia, Sydney, Australia and Auckland, New Zealand.

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

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

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

2015

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

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

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

As also disclosed in Note 1 - Nature of Business and Summary of Significant Accounting Policies, the Company acquired Rose City, Cascades and Carded and are referred to collectively as the "North American Acquisitions."

2014

On June 30, 2014, the Company sold its multi-wall bag business.

On May 23, 2014, the Company acquired Benson Box Holdings Limited ("Benson"), a leading food, beverage, and retail packaging company in the United Kingdom.

On February 3, 2014, the Company sold its labels business.

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

The financial impact of the sale of a business is reflected in Loss on Sale of Assets in the table above.

Capital Allocation Plan, Equity Offerings and Share Repurchases

Capital Allocation Plan

On February 4, 2015, the Company's board of directors authorized a share repurchase program to allow management to purchase up to $250 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans. During 2016, the Company repurchased 13.2 million shares, or approximately $169 million, of its common stock under this program at an average price of $12.77. During 2015, the Company repurchased 4.6 million shares, or approximately $63 million, of its common stock under this program at an average price of $13.60. At December 31, 2016, the Company had approximately $18 million remaining under this share repurchase program.

During 2016 and 2015, the Company's board of directors declared a quarterly dividend per share of common stock to shareholders of record as follows:

2016			
Date Declared	**Record Date**	**Payment Date**	**Dividend Per Share**
February 25, 2016	March 15, 2016	April 5, 2016	$0.05
May 25, 2016	June 15, 2016	July 5, 2016	$0.05
July 29, 2016	September 15, 2016	October 5, 2016	$0.05
October 24, 2016	December 15, 2016	January 5, 2017	$0.075

During 2016, the Company declared and paid cash dividends of $71.7 million and $64.4 million, respectively.

2015			
Date Declared	**Record Date**	**Payment Date**	**Dividend Per Share**
February 4, 2015	March 15, 2015	April 5, 2015	$0.05
May 20, 2015	June 15, 2015	July 5, 2015	$0.05
July 30, 2015	September 15, 2015	October 5, 2015	$0.05
November 19, 2015	December 15, 2015	January 5, 2016	$0.05

During 2015, the Company declared and paid cash dividends of $65.5 million and $49.3 million, respectively.

Adoption of New Accounting Standards

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

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

Accounting Standards Not Yet Adopted

In August 2016, the FASB issued ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments*. This ASU provides guidance to clarify how certain cash receipts and payments should be presented in the statement of cash flows. The guidance is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted in any annual or interim period. The updated guidance requires a modified retrospective adoption. The Company is evaluating the impact of adoption on the Company's financial position, results of operations and cash flow.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation-Stock Compensation (Topic 718); Improvements to Employees Share-Based Payment Accounting*. The amendments in this ASU are part of the simplification initiative by the FASB and involve several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as equity or liabilities, forfeitures, and classification on the statement of cash flows. The amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company plans to adopt these amendments in first quarter of 2017. Under the modified retrospective method, the Company will recognize approximately $39 million in accumulated deficit and deferred tax liabilities for the previously unrecognized cumulative federal and state income tax effects of net operating loss carryforwards generated through historical excess tax benefit deductions which are currently prohibited from recognition. All other adopted amendments are not expected to have a material impact on the Company's financial position, results of operations and cash flow.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments in this ASU require an entity to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The amendments also require certain quantitative and qualitative disclosures about leasing arrangements. The amendments are effective for fiscal years beginning after December 15, 2018 and interim periods within those years. Early adoption is permitted. The updated guidance requires a modified retrospective adoption. The Company is evaluating the impact of adoption on the Company's financial position, results of operation and cash flows.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. This amendment replaces the current method of measuring inventories at lower of cost or market with a lower of cost and net realizable value method. The amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Company does not expect the adoption of this standard to have a material impact on the Company's financial position, results of operations and cash flows.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers.* Adoption of ASU No. 2014-09 requires that an entity recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On July 9, 2015, the FASB deferred the effective date by one year to December 15, 2017 for interim and annual reporting periods beginning after that date and permitted early adoption of the standard but not before the original effective date of December 15, 2016, and can be applied using a full retrospective or modified retrospective approach. The Company is adopting this standard in the first quarter of fiscal 2018 and currently expects to use the modified retrospective approach. Based on certain contractual terms with some customers, the adoption may require acceleration of revenue for products produced by the Company without an alternative use and where the Company would have a legally enforceable right of payment for production completed to date. The Company is continuing to evaluate these contractual terms, including possible modifications to certain contracts, as well as evaluating the materiality of the impact to the financial statements. Currently, the Company does not believe the adoption of the other elements of the standard will have a material impact on the Company's financial position, results of operations and cash flows.

NOTE 2. SUPPLEMENTAL BALANCE SHEET DATA

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

Receivables, Net:

In millions	2016	2015
Trade	$ 370.0	$ 344.3
Less: Allowance	(6.7)	(7.5)
	363.3	336.8
Other [(1)]	63.5	87.1
Total	$ 426.8	$ 423.9

(1) Includes a receivable of approximately $31 million and $51 million for 2016 and 2015, respectively, from the financial institution under the purchasing and servicing of receivables agreements, which is a Level 3 fair value measurement.

Inventories, Net by major class:

In millions	2016	2015
Finished Goods	$ 238.3	$ 265.5
Work in Progress	73.5	50.4
Raw Materials	187.2	163.0
Supplies	83.9	78.2
Total	$ 582.9	$ 557.1

Other Current Assets:

In millions	2016	2015
Prepaid Assets	$ 34.1	$ 30.5
Assets Held for Sale	5.0	—
Fair Value of Derivatives, current portion	7.0	0.4
Total	$ 46.1	$ 30.9

Property, Plant and Equipment, Net:

In millions	2016	2015
Property, Plant and Equipment, at Cost:		
Land and Improvements	$ 105.9	$ 101.9
Buildings	404.1	379.7
Machinery and Equipment [2]	4,137.0	3,844.3
Construction-in-Progress	106.4	156.4
	4,753.4	4,482.3
Less: Accumulated Depreciation [2]	(3,001.5)	(2,895.9)
Total	$ 1,751.9	$ 1,586.4

[2] Includes gross assets under capital lease of $25.6 million and related accumulated depreciation of $5.0 million as of December 31, 2016 and gross assets under capital lease of $8.8 million and related accumulated depreciation of $4.1 million as of December 31, 2015.

Other Assets:

In millions	2016	2015
Deferred Debt Issuance Costs, Net of Amortization of $9.3 million and $7.7 million for 2016 and 2015, respectively	$ 4.5	$ 6.1
Deferred Income Tax Assets	3.2	3.6
Pension Assets	3.0	10.4
Long-term Receivables	—	9.4
Fair Value of Derivatives, noncurrent portion	0.7	—
Other	19.6	18.9
Total	$ 31.0	$ 48.4

Other Accrued Liabilities:

In millions	2016	2015
Dividends Payable	$ 23.6	$ 16.3
Deferred Revenue	11.4	19.5
Accrued Customer Rebates	8.0	6.6
Fair Value of Derivatives, current portion	0.8	14.2
Other	83.4	52.2
Total	$ 127.2	$ 108.8

Other Noncurrent Liabilities:

In millions	2016	2015
Deferred Revenue	$ 6.7	$ 6.1
Multi-employer Plans	30.4	30.5
Workers Compensation Reserve	10.7	11.6
Other	20.3	21.1
Total	$ 68.1	$ 69.3

NOTE 3. SUPPLEMENTAL CASH FLOW INFORMATION

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

In millions	2016	2015	2014
Receivables, Net	$ 25.5	$ (1.5)	$ (25.5)
Inventories, Net	10.5	(19.7)	(50.4)
Prepaid Expenses	(1.2)	0.1	4.8
Other Assets	8.5	(12.4)	9.2
Accounts Payable	4.3	12.7	13.3
Compensation and Employee Benefits	(21.7)	(1.9)	9.6
Income Taxes	1.7	0.9	9.0
Interest Payable	5.0	(1.1)	(7.4)
Other Accrued Liabilities	12.8	(3.9)	(6.3)
Other Noncurrent Liabilities	(6.9)	7.8	3.5
Total	$ 38.5	$ (19.0)	$ (40.2)

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

In millions	2016	2015	2014
Interest	$ 64.9	$ 60.9	$ 79.1
Income Taxes	$ 14.5	$ 11.2	$ 12.2

NOTE 4. ACQUISITIONS

As disclosed in Note 1 - Nature of Business and Summary of Significant Accounting Policies, the Company acquired Colorpak, Metro, WG Anderson and G-Box which are referred to collectively as the "2016 Acquisitions" and are included in the Americas Paperboard Packaging segment.

The Company paid approximately $333 million, net of cash acquired, for the 2016 Acquisitions using existing cash and borrowings under its revolving line of credit, and assumed debt of approximately $31 million. The acquisition accounting for the 2016 Acquisitions is preliminarily based on the estimated fair values as of the purchase dates and is subject to adjustments in subsequent periods once the third party valuations are completed. Adjustments, if any, subsequent to December 31, 2016, would relate primarily to deferred taxes. Management believes that the purchase price attributable to goodwill represents the benefits expected as the acquisitions were made to continue to grow the food and beverage business, integrate paperboard from the Company's mills and to further optimize the Company's supply chain footprint.

The Company expects that the goodwill related to Metro will be deductible for tax purposes. The preliminary acquisition accounting allocation for the 2016 Acquisitions is as follows:

In millions	Amounts Recognized as of Acquisition Date	Measurement Period Adjustments	Amounts Recognized as of Acquisition Dates (as adjusted)
Purchase Price	$ 337.4	$ 6.7	$ 344.1
Assumed Debt	31.1	—	31.1
Total Purchase Consideration	$ 368.5	$ 6.7	$ 375.2
Cash and Cash Equivalents	$ 11.4	$ —	$ 11.4
Receivables, Net	39.1	—	39.1
Inventories, Net	44.7	3.3	48.0
Other Current Assets	2.8	(0.3)	2.5
Property, Plant and Equipment, Net	106.8	28.6	135.4
Intangible Assets, Net[(a)]	—	124.6	124.6
Other Assets	9.6	—	9.6
Total Assets Acquired	214.4	156.2	370.6
Current Liabilities	50.2	(1.4)	48.8
Deferred Tax Liabilities	9.0	49.0	58.0
Other Noncurrent Liabilities	—	1.5	1.5
Total Liabilities Assumed	59.2	49.1	108.3
Net Assets Acquired	155.2	107.1	262.3
Goodwill	213.3	(100.4)	112.9
Total Estimated Fair Value of Net Assets Acquired	$ 368.5	$ 6.7	$ 375.2

(a) The weighted average life of Intangibles, Net, is 7.2 years. The Intangible Assets, Net were valued using the income approach and are a Level 3 fair value measurement.

During 2016, Net Sales and Income from Operations for the 2016 Acquisitions were approximately $246 million and $0.2 million, respectively.

As also disclosed in Note 1 - Nature of Business and Summary of Significant Accounting Policies, during 2015, the Company acquired Rose City, Cascades and Carded and are referred to collectively as the "North American Acquisitions."

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

NOTE 5. DEBT

Short-Term Debt is comprised of the following:

In millions	2016	2015
Short Term Borrowings	$ 37.1	$ 10.8
Current Portion of Capital Lease Obligations	1.3	0.8
Current Portion of Long-Term Debt	25.0	25.0
Total	$ 63.4	$ 36.6

Short-term borrowings are principally at the Company's international subsidiaries. The weighted average interest rate on short-term borrowings as of December 31, 2016 and 2015 was 3.2% and 9.2%, respectively.

Long-Term Debt is comprised of the following:

In millions	2016	2015
Senior Notes with interest payable semi-annually at 4.125%, effective rate of 4.20%, payable in 2024	$ 300.0	$ —
Senior Notes with interest payable semi-annually at 4.875%, effective rate of 4.94%, payable in 2022	250.0	250.0
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.79%, payable in 2021	425.0	425.0
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (2.2% at December 31, 2016) payable through 2019	950.0	975.0
Senior Secured Revolving Credit Facilities with interest payable at floating rates (2.1% at December 31, 2016) payable in 2019	184.8	224.8
Capital Lease Obligations	17.9	1.8
Other	3.0	1.8
Total Long-Term Debt	2,130.7	1,878.4
Less: Current Portion	26.3	25.8
	2,104.4	1,852.6
Less: Unamortized Deferred Debt Issuance Costs	15.9	13.7
Total	$ 2,088.5	$ 1,838.9

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

In millions	
2017	$ 25.0
2018	51.0
2019	1,060.5
2020	0.6
2021	425.4
After 2021	550.3
Total	$ 2,112.8

Senior Notes

During November 2014, the Company completed the issuance and sale of $250 million aggregate principal amount of 4.875% Notes due 2022. The Company also redeemed 100% of $250.0 million aggregate principal of its 7.875% Senior Notes due in 2018. The notes were redeemed at a price of 103.94%. In conjunction with both of these transactions, $12.1 million of fees were expensed and are reflected as Loss on Modification or Extinguishment of Debt in the Company's Consolidated Statement of Operations. The remaining fees of $4.4 million were deferred and are being amortized using the effective interest method until maturity.

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

Credit Facilities

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

Date	Document[(a)]	Provision	Expiration	Accounting
March 2012	Amended and Restated Credit Agreement	•$1.0 billion revolving credit facility •$1.0 billion amortizing term loan facility •LIBOR plus variable spread(between 175 basis points and 275 basis points) depending on consolidated total leverage ratio	March 2017	•Charge of $8.9 million recorded in Loss on Modification or Extinguishment of Debt
December 2012	Amendment No. 1 to Credit Agreement	•$300 million incremental term loan	March 2017	•Charge of $2.1 million recorded in Loss on Modification or Extinguishment of Debt •Deferred fees of $3.1 million will be amortized
September 2013	Amendment No. 2 to Credit Agreement	•Added €75 million (approximately $100 million) revolving credit facility for borrowings in Euro and Pound Sterling and a ¥2.5 billion (approximately $25 million) revolving credit facility for borrowings in Yen. LIBOR plus variable spread (between 150 basis points and 250 basis points) depending on consolidated total leverage ratio	September 2018	•Charge of $1.2 million recorded in Loss on Modification or Extinguishment of Debt •Deferred fees of $2.2 million will be amortized
June 2014	Amendment No. 3 to Credit Agreement	•Increased revolving credit facility under which borrowings can be made in Euros or Sterling by €63 million (approximately $86 million)	September 2018	•Deferred Fees of $0.2 million will be amortized
October 2014	Second Amended and Restated Credit Agreement	•Increased the domestic revolving credit facility by $250 million and reduced the term loan by approximately $169 million. LIBOR plus variable spread (between 125 basis points and 225 basis points) depending on consolidated total leverage ratio	October 2019	•Charge of $2.3 million recorded in Loss on Modification or Extinguishment of Debt •Deferred fees of $2.4 million will be amortized

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

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

In millions	Total Commitments	Total Outstanding	Total Available
Senior Secured Domestic Revolving Credit Facility [(a)]	$ 1,250.0	$ 142.0	$ 1,085.7
Senior Secured International Revolving Credit Facility	167.0	42.8	124.2
Other International Facilities	52.6	40.1	12.5
Total	$ 1,469.6	$ 224.9	$ 1,222.4

[(a)]In accordance with its debt agreements, the Company's availability under its Revolving Credit Facility has been reduced by the amount of standby letters of credit issued of $22.3 million as of December 31, 2016. These letters of credit are primarily used as security against its self-insurance obligations and workers' compensation obligations. These letters of credit expire through mid- 2018 unless extended.

The Credit Agreement and the indentures governing the 4.75% Senior Notes due 2021, 4.875% Senior Notes due 2022 and 4.125% Senior Notes due 2024, (the “Indentures”) limit the Company’s ability to incur additional indebtedness. Additional covenants contained in the Credit Agreement and the Indentures may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the Indenture, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions could limit the Company’s ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

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

NOTE 6. STOCK INCENTIVE PLANS

The Company has one active equity compensation plan from which new grants may be made, the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (the “2014 Plan”). Under the 2014 Plan, the Company may grant stock options, stock appreciation rights, restricted stock, restricted stock units (“RSU’s”) and other types of stock-based and cash awards. Prior to the approval of the 2014 Plan and the expiration of the Graphic Packaging Holding Company Amended and Restated 2004 Stock and Incentive Compensation Plan (the “2004 Plan”) in 2014, the Company made all new grants under the 2004 Plan. Awards under the 2014 Plan and the 2004 Plan generally vest and expire in accordance with terms established at the time of grant. Shares issued pursuant to awards under the 2014 Plan and 2004 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 and 2004 Plan, all RSUs generally vest and become payable in three years from date of grant. RSUs granted to employees generally contain performance conditions based on various financial targets or service requirements that must be met for the shares to vest. Stock awards granted to non-employee directors as part of their compensation for service on the Board are unrestricted on the grant date.

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

	2016	2015	2014
RSUs — Employees	1,891,335	1,751,823	2,153,885
Weighted-average grant date fair value	$ 11.20	$ 13.28	$ 10.22
Stock Awards — Board of Directors	59,880	54,120	77,139
Weighted-average grant date fair value	$ 13.36	$ 14.78	$ 10.50

A summary of the changes in the number of unvested RSUs fromDecember 31, 2013 to December 31, 2016 is presented below:

	Shares	Weighted Average Grant Date Fair Value
Outstanding — December 31, 2013	9,836,133	$ 5.86
Granted	2,153,885	10.22
Released	(3,619,979)	5.18
Forfeited	(756,341)	7.45
Outstanding — December 31, 2014	7,613,698	$ 7.20
Granted	1,751,823	13.28
Released	(3,657,373)	5.45
Forfeited	(268,560)	9.32
Outstanding — December 31, 2015	5,439,588	$ 10.22
Granted	1,891,335	11.20
Released	(2,596,292)	7.29
Forfeited	(66,956)	12.74
Outstanding — December 31, 2016	4,667,675	$ 12.21

The initial value of the RSUs is based on the market value of the Company’s common stock on the date of grant. RSUs are recorded in Stockholders' Equity. The unrecognized expense at December 31, 2016 is approximately $25 million and is expected to be recognized over a weighted average period of2 years.

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

During 2016, 2015, and 2014, $20.2 million, $20.4 million and $18.7 million, respectively, were charged to compensation expense for stock incentive plans.

During 2016, 2015, and 2014, RSUs with an aggregate fair value of $32.0 million, $56.1 million and $38.1 million, respectively, vested and were paid out. The RSUs vested and paid out in 2016 were granted primarily during 2013.

NOTE 7. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

DEFINED BENEFIT PLANS

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

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

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

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

During the fourth quarter of 2014, the Company also partially settled obligations of certain of its defined benefit pension plans though lump sum payments. The impact of acceptance reduced the projected benefit obligation by $42.0 million, required cash payment from existing plan assets of$40.2 million, and resulted in a settlement charge of $0.8 million.

Pension and Postretirement Expense

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

	Pension Benefits			Postretirement Benefits		
	Year Ended December 31,					
In millions	2016	2015	2014	2016	2015	2014
Components of Net Periodic Cost:						
Service Cost	$ 10.0	$ 12.8	$ 12.6	$ 0.8	$ 1.0	$ 1.2
Interest Cost	43.8	54.8	57.9	1.3	1.7	2.2
Expected Return on Plan Assets	(61.3)	(74.4)	(79.8)	—	—	—
Amortization:						
Prior Service Cost (Credit)	0.8	0.7	0.7	(0.2)	(0.3)	(0.3)
Actuarial Loss (Gain)	27.3	19.7	13.2	(2.1)	(1.6)	(1.0)
Net Curtailment/Settlement Loss	1.0	1.5	0.8	—	—	—
Other	0.8	0.9	0.6	—	—	—
Net Periodic Cost	$ 22.4	$ 16.0	$ 6.0	$ (0.2)	$ 0.8	$ 2.1

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

	Pension Benefits			Postretirement Benefits		
	Year Ended December 31,					
	2016	2015	2014	2016	2015	2014
Weighted Average Assumptions:						
Discount Rate	4.41%	4.02%	4.86%	4.29%	3.95%	4.74%
Rate of Increase in Future Compensation Levels	1.49%	1.45%	1.88%	—	—	—
Expected Long-Term Rate of Return on Plan Assets	5.90%	6.81%	7.69%	—	—	—
Initial Health Care Cost Trend Rate	—	—	—	7.80 %	7.38%	7.50%
Ultimate Health Care Cost Trend Rate	—	—	—	4.50%	4.96%	4.77%
Ultimate Year	—	—	—	2024	2036	2027

Funded Status

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

	Pension Benefits		Postretirement Benefits	
In millions	2016	2015	2016	2015
Change in Benefit Obligation:				
Benefit Obligation at Beginning of Year	$ 1,239.0	$ 1,366.7	$ 40.8	$ 43.6
Service Cost	10.0	12.8	0.8	1.0
Interest Cost	43.8	54.8	1.3	1.7
Actuarial Loss (Gain)	79.3	(84.3)	(0.7)	(5.4)
Foreign Currency Exchange	(36.0)	(16.9)	0.1	(0.2)
Settlement/Curtailment (Gain)	(0.9)	(0.4)	0.3	—
Settlements	(2.9)	(61.1)	—	—
Benefits Paid	(58.4)	(55.9)	(2.1)	(2.8)
Acquisition	4.1	22.4	—	2.9
Other	1.0	0.9	0.1	—
Benefit Obligation at End of Year	$ 1,279.0	$ 1,239.0	$ 40.6	$ 40.8
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	$ 1,038.9	$ 1,092.8	$ —	$ —
Actual Return on Plan Assets	116.3	3.0	—	—
Employer Contributions	51.4	53.4	2.1	2.8
Foreign Currency Exchange	(34.6)	(15.2)	—	—
Benefits Paid	(58.4)	(55.9)	(2.1)	(2.8)
Acquisition	4.8	21.7	—	—
Settlements	(2.9)	(61.1)	—	—
Other	0.1	0.2	—	—
Fair Value of Plan Assets at End of Year	$ 1,115.6	$ 1,038.9	$ —	$ —
Plan Assets Less than Projected Benefit Obligation	$ (163.4)	$ (200.1)	$ (40.6)	$ (40.8)
Amounts Recognized in the Consolidated Balance Sheets Consist of:				
Pension Assets	$ 3.0	$ 10.4	$ —	$ —
Accrued Pension and Postretirement Benefits Liability — Current	$ (1.7)	$ (1.2)	$ (2.8)	$ (2.8)
Accrued Pension and Postretirement Benefits Liability — Noncurrent	$ (164.7)	$ (209.3)	$ (37.8)	$ (38.0)
Accumulated Other Comprehensive Income:				
Net Actuarial Loss (Gain)	$ 277.8	$ 286.6	$ (18.7)	$ (20.1)
Prior Service Cost (Credit)	$ 1.3	$ 2.3	$ (1.1)	$ (1.6)
Weighted Average Calculations:				
Discount Rate	4.01 %	4.41 %	4.10 %	4.29 %
Rates of Increase in Future Compensation Levels	1.45 %	1.49 %	—	—
Initial Health Care Cost Trend Rate	—	—	7.45 %	7.80 %
Ultimate Health Care Cost Trend Rate	—	—	4.50 %	4.50 %
Ultimate Year	—	—	2024	2024

Accumulated Benefit Obligation

The accumulated benefit obligation, ("ABO"), for all defined benefit pension plans was $1,270.0 million and $1,226.2 million at December 31, 2016 and 2015, respectively. All of the Company's defined benefit pension plans had an ABO in excess of plan assets at December 31, 2016 and 2015, except one of the U.K. plans in 2015.

Employer Contributions

The Company made contributions of $51.4 million and $53.4 million to its pension plans during 2016 and 2015, respectively. The Company also made postretirement health care benefit payments of $2.1 million and $2.8 million during 2016 and 2015, respectively. For 2017, the Company expects to make contributions of $30 to $50 million to its pension plans and approximately $3 million to its postretirement health care plans.

Pension Assets

The Company's overall investment strategy is to achieve a mix of investments for long-term growth and near-term benefit payments through diversification of asset types, fund strategies and fund managers. Investment risk is measured on an on-going basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews. The plans invest in the following major asset categories: cash, equity securities, fixed income securities, real estate and diversified growth funds. At December 31, 2016 and 2015, pension investments did not include any direct investments in the Company's stock or the Company's debt.

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

	Target	2016	2015
Cash	—%	1.3%	1.1%
Equity Securities	46.6	40.0	51.7
Fixed Income Securities	53.4	53.9	41.6
Other Investments	—	4.8	5.6
Total	100.0%	100.0%	100.0%

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

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

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

Since the plans are closed or frozen and as the funded status has improved, the Company is implementing a derisking or liability driven investment strategy. This strategy moves assets from return seeking (e.g. equities) to investments that mirror the underlying benefit obligations (fixed income).

The following tables set forth, by category and within the fair value hierarchy, the fair value of the Company's pension assets at December 31, 2016 and 2015:

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

	Fair Value Measurements at December 31, 2015			
In millions	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset Category:				
Cash [(a)]	$ 11.4	$ 5.0	$ 6.4	$ —
Equity Securities:				
Domestic [(a)]	397.1	79.8	317.3	—
Foreign [(a)]	140.1	63.5	76.6	—
Fixed Income Securities [(a)]	431.8	172.9	258.9	—
Other Investments:				
Real estate [(a)]	22.6	22.6	—	—
Diversified growth fund [(b)]	35.9	—	—	35.9
Total	$ 1,038.9	$ 343.8	$ 659.2	$ 35.9

[(a)] The Level 2 investments are held in pooled funds and fair value is determined by net asset value, based on the underlying investments, as reported on the valuation date.
[(b)] The fund invests in a combination of traditional investments (equities, bonds, and foreign exchange), seeking to achieve returns through active asset allocation over a three to five year horizon.

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

In millions	2016	2015
Balance Beginning of Period	$ 35.9	$ —
Transfers (Out) In	(35.9)	35.8
Return on Assets Held at December 31	—	0.1
Balance at December 31,	$ —	$ 35.9

Postretirement Health Care Trend Rate Sensitivity

Assumed health care cost trend rates affect the amounts reported for postretirement health care benefit plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects on 2016 data:

	One Percentage Point	
In millions	Increase	Decrease
Health Care Cost Trend Rate Sensitivity:		
Effect on Total Interest and Service Cost Components	$ 0.2	$ (0.2)
Effect on Year-End Postretirement Benefit Obligation	$ 1.8	$ (1.6)

Estimated Future Benefit Payments

The following represents the Company's estimated future pension and postretirement health care benefit payments through the year 2026:

In millions	Pension Plans	Postretirement Health Care Benefits
2017	$ 64.7	$ 2.8
2018	67.4	3.0
2019	69.6	3.1
2020	72.0	3.4
2021	74.2	3.3
2022— 2026	394.6	15.8

Amounts in Accumulated Other Comprehensive Loss Expected to Be Recognized in NetPeriodic Benefit Costs in 2017

During 2017, amounts recorded in Accumulated Other Comprehensive Loss expected to be recognized in Net Periodic Benefit Costs are as follows:

In millions	Pension Benefits	Postretirement Health Care Benefits
Recognition of Prior Service Cost	$ 0.5	$ (0.3)
Recognition of Actuarial Loss (Gain)	6.8	(2.1)

Multi-Employer Plans

Certain of the Company’s employees participate in multi-employer plans that provide both pension and other postretirement health care benefits to employees under union-employer organization agreements. Expense related to ongoing participation in these plans for the years ended December 31, 2016 and 2015 was $2.7 million and $2.1 million, respectively.

Estimated liabilities have been established related to the partial or complete withdrawal from certain multi-employment benefit plans for facilities which have been closed. At December 31, 2016, and December 31, 2015, the Company has $30.4 million and $30.5 million, respectively, recorded in Other Noncurrent Liabilities for these withdrawal liabilities which represents the Company's best estimate of the expected withdrawal liability.

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

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

The Company recorded charges of $4.3 million in 2014 related to the sale of the multi-wall bag business for partial withdrawal from the PACE Industry Union - Management Pension Fund (“PIUMPF”). There were no similar charges recorded for the year endedDecember 31, 2016 and 2015. While it is not possible to quantify the potential impact of future actions, further reductions in participation or withdrawal from these multi-employer pension plans could have a material impact on the Company’s results of operations, financial position, or cash flows.

The Company's participation in these plans for the year endedDecember 31, 2016, 2015 and 2014 is shown in the table below:

		Pension Protection Act Zone Status			Company Contributions *(in millions)*				
Multi-employer Pension Fund	**EIN/Pension Plan Number**	**2016**	**2015**	**FIP/RP Status Implemented**	**2016**	**2015**	**2014**	**Surcharged Imposed**	**Expiration Date of Bargaining Agreement**
Central States Southeast and Southwest Areas Pension Fund	36-6044243/001	Red	Red	Yes	$ 0.1	$ 0.1	$ 0.1	Yes	7/31/2018
PIUMPF [1][2]	11-6166763/001	Red	Red	Yes	0.1	—	0.3	Yes	6/16/2018
Western Conference of Teamsters Pension Trust - Northwest Area[3]	91-6145047/001	Green	Green	No	—	0.1	0.1	No	4/30/2017
Graphic Communications Conference of International Brotherhood of Teamster Pension Fund[2]	52-6118568/001	Red	Red	Yes	0.2	—	—	Yes	4/30/2016
Total					$ 0.4	$ 0.2	$ 0.5		

[1] The facility associated with this plan was divested on June 30, 2014.
[2] In 2016, the WG Anderson acquisition included facilities with these plans.
[3] The facility associated with this plan was closed in 2016.

The EIN Number column provides the Employer Identification Number (EIN). Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2016 and 2015 is for the plan's year-end at December 31, 2015 and December 31, 2014, respectively. The zone status is based on information that the Company receives from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Implemented" column indicates plans for which a Financial Improvement Plan (FIP) or Rehabilitation Plan (RP) has been implemented. The Company's share of the contributions to these plans did not exceed 5% of total plan contributions for the most recent plan year.

DEFINED CONTRIBUTION PLANS

The Company provides defined contribution plans for certain eligible employees. The Company’s contributions to the plans are based upon employee contributions, a percentage of eligible compensation, and the Company’s annual operating results. Contributions to these plans for the years ended December 31, 2016, 2015 and 2014 were $34.7 million, $29.0 million and $28.9 million, respectively.

NOTE 8. INCOME TAXES

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

	Year Ended December 31,		
In millions	2016	2015	2014
U.S.	$ 290.0	$ 307.6	$ 128.0
International	29.4	51.7	4.7
Income before Income Taxes and Equity Income of Unconsolidated Entities	$ 319.4	$ 359.3	$ 132.7

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

	Year Ended December 31,		
In millions	2016	2015	2014
Current (Expense) Benefit:			
U.S.	$ (5.1)	$ (7.9)	$ (7.5)
International	(11.4)	(12.5)	(4.8)
Total Current	$ (16.5)	$ (20.4)	$ (12.3)
Deferred (Expense) Benefit:			
U.S.	(78.8)	(110.6)	(35.0)
International	2.1	0.6	1.9
Total Deferred	$ (76.7)	$ (110.0)	$ (33.1)
Income Tax (Expense)	$ (93.2)	$ (130.4)	$ (45.4)

A reconciliation of Income Tax (Expense) Benefit on Income before Income Taxes and Equity Income of Unconsolidated Entities at the federal statutory rate of35% compared with the Company's actual Income Tax (Expense) Benefit is as follows:

	Year Ended December 31,					
In millions	2016	Percent	2015	Percent	2014	Percent
Income Tax Expense at U.S. Statutory Rate	$ (111.8)	35.0 %	$ (125.8)	35.0 %	$ (46.4)	35.0 %
U.S. State and Local Tax (Expense) Benefit	(10.0)	3.2	(11.4)	3.2	(5.9)	4.4
IRS Agreement	22.8	(7.2)	—	—	—	—
Goodwill Related to Dispositions	—	—	—	—	(8.6)	6.5
Permanent Items	(1.3)	0.5	1.7	(0.5)	(4.7)	3.5
Change in Valuation Allowance	0.5	(0.2)	1.8	(0.5)	(5.1)	3.9
International Tax Rate Differences	1.8	(0.6)	2.4	(0.7)	3.5	(2.6)
Foreign Withholding Tax	(0.2)	0.1	(0.2)	0.1	(0.1)	—
Change in Tax Rates	0.2	(0.1)	1.0	(0.3)	4.5	(3.4)
U.S. Federal & State Research Credits	3.5	(1.1)	5.5	(1.5)	20.1	(15.1)
Uncertain Tax Positions	1.2	(0.4)	(3.7)	1.0	(4.5)	3.4
Other	0.1	—	(1.7)	0.5	1.8	(1.4)
Income Tax Expense	$ (93.2)	29.2 %	$ (130.4)	36.3 %	$ (45.4)	34.2 %

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

During the fourth quarter of 2014, the Company completed a multi-year research credit study resulting in the establishment of deferred tax assets for U.S. federal and state research tax credit carryforwards of $20.1 million, for the years ended December 31, 2011 through December 31, 2014. These research tax credit carryforwards have been reduced by $4.5 million in accordance with the measurement criteria of the *Income Taxes* topic of the FASB Codification. The Company also established a valuation allowance against certain state research credit carryforwards of approximately $5 million. During 2016 and 2015, the Company established additional U.S. federal research tax credit carryforwards of $3.5 million and $5.5 million, respectively, which have been reduced by $0.7 million and $1.5 million, respectively, in accordance with the measurement criteria of the *Income Taxes* topic of the FASB Codification.

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

In millions		**2016**		**2015**
Deferred Income Tax Assets:				
Compensation Based Accruals	$	20.1	$	26.5
Net Operating Loss Carryforwards		165.3		211.5
Postretirement Benefits		88.0		103.2
Tax Credits		35.3		32.6
Other		55.4		63.4
Valuation Allowance		(45.5)		(44.8)
Total Deferred Income Tax Assets	$	318.6	$	392.4
Deferred Income Tax Liabilities:				
Property, Plant and Equipment		(334.6)		(286.1)
Goodwill		(284.5)		(279.0)
Other Intangibles		(99.6)		(86.8)
Other		(4.7)		(3.6)
Net Noncurrent Deferred Income Tax Liabilities	$	(723.4)	$	(655.5)
Net Deferred Income Tax (Liability) Asset	$	(404.8)	$	(263.1)

The Company has total deferred income tax assets, excluding valuation allowance, of $364.1 million and $437.2 million as of December 31, 2016 and 2015, respectively. The Company has total deferred income tax liabilities of $723.4 million and $655.5 million as of December 31, 2016 and 2015, respectively.

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

The Company reviewed its deferred income tax assets as of December 31, 2016 and 2015, respectively, and determined that it is more likely than not that a portion will not be realized. A valuation allowance of $45.5 million and $44.8 million at December 31, 2016 and 2015, respectively, is maintained on the deferred income tax assets for which the Company has determined that realization is not more likely than not. Of the total valuation allowance at December 31, 2016, $31.0 million relates to net deferred tax assets in certain foreign jurisdictions, $5.1 million relates to a deferred tax asset related to a U.S. federal capital loss carryforward, $6.0 million relates to research credit carryforwards in certain states, and the remaining $3.4 million relates to net operating losses in certain U.S. states. The need for a valuation allowance is made on a jurisdiction-by-jurisdiction basis. As of December 31, 2016, the Company concluded that due to cumulative pretax losses and the lack of sufficient future taxable income of the appropriate character, realization is less than more likely than not on the net deferred income tax assets related primarily to the Company's Brazil, Canada, China, France and Germany operations.

The following table represents a summary of the valuation allowances against deferred tax assets as of and for the three years ended December 31, 2016, 2015, and 2014, respectively:

	December 31,		
In millions	2016	2015	2014
Balance Beginning of Period	$ 44.8	$ 53.6	$ 52.1
Charges	1.2	—	5.1
Deductions	(0.5)	(8.8)	(3.6)
Balance at End of Period	$ 45.5	$ 44.8	$ 53.6

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

In millions	
2024	$ 108.2
2026	22.9
2027	93.0
2028	12.1
2029	114.6
Total	$ 350.8

The amounts above exclude $107.1 million of U.S. federal net operating loss carryforwards generated through excess tax benefit deductions claimed on the Company's 2011-2016 U.S. federal income tax returns, which are prohibited from being recognized currently. In accordance with ASU No. 2016-09, *Compensation-Stock Compensation (Topic 718),* the Company will recognize the cumulative federal and state income tax effects of these unrecognized net operating loss carryforwards in accumulated deficit upon adoption of ASU 2016-09 in the first quarter of 2017.

U.S. state net operating loss carryforward amounts (excluding prior year excess tax benefit deductions noted above) total $262.9 million and expire in various years through 2031.

International net operating loss carryforward amounts total $102.6 million, of which substantially all have no expiration date.

Tax Credit carryforwards total $35.3 million, of which approximately $8.7 million have no expiration date, and the remainder expire starting in 2020.

As of December 31, 2016, the Company has only provided for deferred U.S. income taxes on $4.9 million of undistributed earnings related to the Company's equity investment in the joint venture, Rengo Riverwood Packaging, Ltd. The Company has not provided for deferred U.S. income taxes on approximately $17.5 million of undistributed earnings of international subsidiaries because of its intention to indefinitely reinvest these earnings outside the U.S. The determination of the amount of the unrecognized deferred U.S. income tax liability on these unremitted earnings is not practicable because of the complexities associated with the hypothetical calculation.

Uncertain Tax Positions

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

In millions	2016	2015
Balance at January 1,	$ 9.1	$ 5.2
Additions for Tax Positions of Current Year	1.5	0.8
Additions for Tax Positions of Prior Years	1.1	3.2
Reductions for Tax Positions of Prior Years	(1.6)	(0.1)
Balance at December 31,	$ 10.1	$ 9.1

At December 31, 2016, $10.1 million of the total gross unrecognized tax benefits, if recognized, would affect the annual effective income tax rate.

The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits within its global operations in Income Tax Expense. The Company had an accrual for the payment of interest and penalties of $0.1 million and $0.6 million at December 31, 2016 and 2015, respectively.

The Company anticipates that approximately $1.2 million of the total unrecognized tax benefits at December 31, 2016 could change within the next 12 months.

The Company files income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local tax examinations for years before 2012 or non-U.S. income tax examinations for years before 2007.

NOTE 9. FINANCIAL INSTRUMENTS, DERIVATIVES AND HEDGING ACTIVITIES

The Company enters into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments under the *Derivatives and Hedging* topic of the FASB Codification and those not designated as hedging instruments under this guidance. The Company uses interest rate swaps, natural gas 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.

Interest Rate Risk

The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facility. These changes in fair value will subsequently be reclassified into earnings as a component of Interest Expense, Net as interest is incurred on amounts outstanding under the term loan facility.

The following table summarizes the Company's current interest rate swap positions for each period presented as of December 31, 2016:

Start	End	*(In Millions)* Notional Amount	Weighted Average Interest Rate
04/01/2016	02/01/2017	$450.0	1.00%
02/01/2017	12/01/2017	$450.0	0.89%
12/01/2017	10/01/2018	$250.0	1.16%

These derivative instruments are designated as cash flow hedges and, to the extent they are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings but are included in Accumulated Other Comprehensive Income (Loss). Ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs. During 2016, there were no amounts of ineffectiveness. During 2015, there were minimal amounts of ineffectiveness. During 2016 and 2015, there were no amounts excluded from the measure of effectiveness.

Commodity Risk

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

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

Foreign Currency Risk

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

At December 31, 2016 and 2015, multiple forward exchange contracts existed that expire on various dates throughout the following year. Those purchased forward exchange contracts outstanding at December 31, 2016 and 2015, when aggregated and measured in U.S. dollars at contractual rates at December 31, 2016 and 2015, had notional amounts totaling $55.9 million and $65.2 million, respectively.

No amounts were reclassified to earnings during 2016 and 2015 in connection with forecasted transactions that were no longer considered probable of occurring and there was no amount of ineffectiveness related to changes in the fair value of foreign currency forward contracts. Additionally, there were no amounts excluded from the measure of effectiveness during 2016 and 2015.

Derivatives not Designated as Hedges

The Company enters into forward exchange contracts to effectively hedge substantially all of accounts receivable resulting from transactions denominated in foreign currencies in order to manage risks associated with foreign currency transactions adversely affected by changes in exchange rates. At December 31, 2016 and 2015, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those foreign currency exchange contracts outstanding at December 31, 2016 and 2015, when aggregated and measured in U.S. dollars at exchange rates at December 31, 2016 and 2015, respectively, had net notional amounts totaling $68.1 million and $45.5 million. Unrealized gains and losses resulting from these contracts are recognized in Other Expense (Income), Net and approximately offset corresponding recognized but unrealized gains and losses on these accounts receivable.

Foreign Currency Movement Effect

For the year ended December 31, 2016, net currency exchange losses included in determining Income from Operations was $4.8 million. For the years ended December 31, 2015 and 2014, net currency exchange gains included in determining Income from Operations were $4.7 million and $1.4 million, respectively.

NOTE 10. FAIR VALUE MEASUREMENT

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

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

Valuation Hierarchy

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

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

Level 2 inputs — quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

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

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

The Company has determined that its financial assets and financial liabilities include derivative instruments which are carried at fair value and are valued using Level 2 inputs in the fair value hierarchy. The Company uses valuation techniques based on discounted cash flow analyses, which reflects the terms of the derivatives and uses observable market-based inputs, including forward rates and uses market price quotations obtained from independent derivatives brokers, corroborated with information obtained from independent pricing service providers.

Fair Value of Financial Instruments

As of December 31, 2016 and 2015, the Company had a gross derivative liability of $0.8 million and $14.2 million respectively, and a gross derivative asset of $7.7 million and $0.4 million respectively, related to interest rate, foreign currency and commodity contracts.

As of December 31, 2016, there has not been any significant impact to the fair value of the Company's derivative liabilities due to its own credit risk. Similarly, there has not been any significant adverse impact to the Company's derivative assets based on evaluation of the Company's counterparties' credit risks.

The fair values of the Company's other financial assets and liabilities at December 31, 2016 and 2015 approximately equal the carrying values reported on the Consolidated Balance Sheets except for Long-Term Debt. The fair value of the Company's Long-Term Debt (excluding capital leases and deferred financing fees) was $ 2,132.7 million and $1,891.2 million, as compared to the carrying amounts of $2,112.8 million and $1,876.6 million. The fair value of the Company's Long-Term Debt, including the Senior Notes, are based on quoted market prices (Level 2 inputs). Level 2 valuation techniques for Long-Term Debt are based on quotations obtained from independent pricing service providers.

Effect of Derivative Instruments

The pre-tax effect of derivative instruments in cash flow hedging relationships on the Company's Consolidated Statements of Operations for the year endedDecember 31, 2016 and 2015 is as follows:

	Amount of Loss (Gain) Recognized in Accumulated Other Comprehensive Loss			Amount of Loss (Gain) Recognized in Statement of Operations (Effective Portion)			Location in Statement of Operations (Ineffective Portion)	
	Year Ended December 31,		Location in Statement of Operations (Effective Portion)	Year Ended December 31,		Location in Statement of Operations (Ineffective Portion)	Year Ended December 31,	
In millions	2016	2015		2016	2015		2016	2015
Commodity Contracts	$ (5.0)	$ 13.2	Cost of Sales	$ 12.5	$ 13.8	Cost of Sales	$ (0.1)	$ (0.4)
Foreign Currency Contracts	(1.4)	(2.5)	Other Income, Net	0.5	(5.3)	Other Income, Net	—	—
Interest Rate Swap Agreements	0.4	2.0	Interest Expense, Net	2.0	3.2	Interest Expense, Net	—	—
Total	$ (6.0)	$ 12.7		$ 15.0	$ 11.7		$ (0.1)	$ (0.4)

The effect of derivative instruments not designated as hedging instruments on the Company's Consolidated Statements of Operations for the years ended December 31, 2016 and 2015 is as follows:

In millions		2016	2015
Foreign Currency Contracts	Other Expense (Income), Net	$ 3.3	$ (2.1)

Accumulated Derivative Instruments (Loss) Income

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

In millions	2016	2015	2014
Balance at January 1	$ (13.5)	$ (12.5)	$ (1.3)
Reclassification to earnings	15.0	11.7	0.8
Current period change in fair value	6.0	(12.7)	(12.0)
Balance at December 31	$ 7.5	$ (13.5)	$ (12.5)

At December 31, 2016, the Company expects to reclassify $6.9 million of pre-tax gains in the next twelve months from Accumulated Other Comprehensive (Loss) Income to earnings, contemporaneously with and offsetting changes in the related hedged exposure. The actual amount that will be reclassified to future earnings may vary from this amount as a result of changes in market conditions.

NOTE 11. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The changes in the components of Accumulated Other Comprehensive (Loss) Income attributable to Graphic Packaging Holding Company are as follows:

	Year Ended December 31,								
	2016			2015			2014		
In millions	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount	Pretax Amount	Tax Effect	Net Amount
Derivative Instruments Gain (Loss)	$ 21.0	$ (8.0)	$ 13.0	$ (1.0)	$ 0.3	$ (0.7)	$ (11.2)	$ 4.3	$ (6.9)
Pension and Postretirement Benefit Plans	7.9	(3.9)	4.0	40.0	(13.2)	26.8	(165.8)	60.3	(105.5)
Currency Translation Adjustment	(58.9)	—	(58.9)	(37.2)	—	(37.2)	(34.7)	0.7	(34.0)
Other Comprehensive (Loss) Income	$ (30.0)	$ (11.9)	$ (41.9)	$ 1.8	$ (12.9)	$ (11.1)	$ (211.7)	$ 65.3	$ (146.4)

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

	December 31,	
In millions	2016	2015
Accumulated Derivative Instruments Loss	$ (5.4)	$ (18.4)
Pension and Postretirement Benefit Plans	(235.5)	(239.5)
Currency Translation Adjustment	(146.7)	(87.8)
Accumulated Other Comprehensive Loss	$ (387.6)	$ (345.7)

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Company leases certain warehouses, operating facilities, office space, data processing equipment and plant equipment under long-term, non-cancelable contracts that expire at various dates (some of these leases are subject to renewal options and contain escalation clauses). Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) and the future minimum lease payments at December 31, 2016, are as follows:

In millions	Capital Leases	Operating Leases	Total
2017	$ 2.1	$ 41.5	$ 43.6
2018	2.1	35.7	37.8
2019	1.8	22.6	24.4
2020	1.8	17.7	19.5
2021	1.8	15.8	17.6
Thereafter	17.6	39.7	57.3
Total Minimum Lease Payments	27.2	173.0	200.2
Less: Amount Representing Interest	(9.3)	—	(9.3)
Present Value of Net Minimum Leases	$ 17.9	$ 173.0	$ 190.9

Total rental expense was approximately $35 million, $29 million, and $30 million for the years ended December 31, 2016, 2015 and 2014, respectively.

The Company has entered into other long-term contracts principally for the purchase of fiber and chip processing. The minimum purchase commitments extend beyond 2021. At December 31, 2016, total commitments under these contracts were as follows:

In millions		
2017	$	145.0
2018		121.9
2019		76.7
2020		40.2
2021		40.1
Thereafter		298.6
Total	$	722.5

NOTE 13. ENVIRONMENTAL AND LEGAL MATTERS

Environmental Matters

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

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

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

Legal Matters

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

NOTE 14. BUSINESS SEGMENT AND GEOGRAPHIC AREA INFORMATION

Prior to the sale of the multi-wall bag business on June 30, 2014, the Company reported its results in two reportable segments: paperboard packaging and flexible packaging. During 2015, the Company reevaluated the aggregation of operating segments into reportable segments in accordance with FASB ASC 280 *Segment Reporting,* and concluded there are three reportable segments:

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

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

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

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

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

The Company did not have any one customer who accounted for 10% or more of the Company's net sales during 2016, 2015 or 2014.

Business segment information is as follows:

	Year Ended December 31,		
In millions	2016	2015	2014
NET SALES:			
Paperboard Mills	$ 394.7	$ 480.5	$ 380.6
Americas Paperboard Packaging	3,316.9	3,049.6	3,006.7
Europe Paperboard Packaging	569.9	603.9	596.6
Flexible Packaging	—	—	215.6
Corporate/Other/Eliminations	16.6	26.2	41.0
Total	$ 4,298.1	$ 4,160.2	$ 4,240.5
INCOME (LOSS) FROM OPERATIONS:			
Paperboard Mills	$ (7.8)	$ 12.9	$ 8.5
Americas Paperboard Packaging	416.8	403.9	412.0
Europe Paperboard Packaging	25.4	40.8	32.5
Flexible Packaging [(a)]	—	—	(186.1)
Corporate and Other	(38.4)	(30.5)	(39.1)
Total	$ 396.0	$ 427.1	$ 227.8
CAPITAL EXPENDITURES:			
Paperboard Mills	$ 184.2	$ 145.0	$ 106.0
Americas Paperboard Packaging	52.3	50.9	45.7
Europe Paperboard Packaging	37.1	39.9	37.4
Flexible Packaging	—	—	5.6
Corporate and Other	21.0	8.3	6.7
Total	$ 294.6	$ 244.1	$ 201.4
DEPRECIATION AND AMORTIZATION:			
Paperboard Mills	$ 120.3	$ 124.7	$ 114.5
Americas Paperboard Packaging	130.4	108.9	101.0
Europe Paperboard Packaging	41.1	40.1	34.7
Flexible Packaging	—	—	11.0
Corporate and Other	7.5	6.8	8.8
Total	$ 299.3	$ 280.5	$ 270.0

[a] Includes Loss on Sale of Assets of multi-wall bag business of$171.1 million in 2014.

In millions	December 31, 2016	2015	2014
ASSETS AT DECEMBER 31:			
Paperboard Mills	$ 1,496.1	$ 1,445.0	$ 1,373.5
Americas Paperboard Packaging	2,552.1	2,157.1	2,076.8
Europe Paperboard Packaging	491.9	574.0	607.9
Corporate and Other	63.3	80.0	79.4
Total	$ 4,603.4	$ 4,256.1	$ 4,137.6

Business geographic area information is as follows:

In millions	Year Ended December 31, 2016	2015	2014
NET SALES:			
Americas[a]	$ 3,601.7	$ 3,492.6	$ 3,341.5
Europe	569.9	603.9	596.6
Asia Pacific	198.1	117.4	129.4
Corporate and Other	(71.6)	(53.7)	173.0
Total	$ 4,298.1	$ 4,160.2	$ 4,240.5

In millions	2016	2015	2014
ASSETS AT DECEMBER 31:			
Americas[a]	$ 3,923.2	$ 3,590.4	$ 3,447.0
Europe	491.9	574.0	607.9
Asia Pacific	188.3	91.7	82.7
Total	$ 4,603.4	$ 4,256.1	$ 4,137.6

[a] Includes North America and Brazil.

NOTE 15. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Results of operations for the four quarters of 2016 and 2015 are shown below.

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

	2015				
In millions, except per share amounts	First	Second	Third	Fourth	Total
Statement of Operations Data:					
Net Sales	$ 1,008.2	$ 1,057.1	$ 1,070.0	$ 1,024.9	$ 4,160.2
Gross Profit	189.6	198.0	201.9	199.6	789.1
Business Combinations and Other Special Charges	2.2	3.9	8.0	7.9	22.0
Income from Operations	105.3	110.2	110.0	101.6	427.1
Net Income	55.1	57.6	60.2	57.2	230.1
Net Income Per Share — Basic[(a)]	$ 0.17	$ 0.17	$ 0.18	$ 0.17	$ 0.70
Net Income Per Share — Diluted[(a)]	$ 0.17	$ 0.17	$ 0.18	$ 0.17	$ 0.70

[(a)] Does not cross foot due to rounding.

NOTE 16. EARNINGS PER SHARE

In millions, except per share data	Year Ended December 31, 2016	2015	2014
Net Income Attributable to Graphic Packaging Holding Company	$ 228.0	$ 230.1	$ 89.7
Weighted Average Shares:			
Basic	320.9	329.5	328.6
Dilutive effect of RSUs	0.6	1.2	1.9
Diluted	321.5	330.7	330.5
Earnings Per Share — Basic	$ 0.71	$ 0.70	$ 0.27
Earnings Per Share — Diluted	$ 0.71	$ 0.70	$ 0.27

NOTE 17. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following represents changes in Accumulated Other Comprehensive (Loss) Income by component for the year endedDecember 31, 2016 [(a)]:

In millions	Derivatives Instruments	Pension Benefit Plans	Postretirement Benefit Plans	Currency Translation Adjustments	Total
Balance at December 31, 2015	$ (18.4)	$ (255.4)	$ 15.9	$ (87.8)	$ (345.7)
Other Comprehensive Income (Loss) before Reclassifications	3.7	(12.3)	0.2	(58.9)	(67.3)
Amounts Reclassified from Accumulated Other Comprehensive Income (Loss) [(b)]	9.3	17.5	(1.4)	—	25.4
Net Current-period Other Comprehensive Income (Loss)	13.0	5.2	(1.2)	(58.9)	(41.9)
Balance at December 31, 2016	$ (5.4)	$ (250.2)	$ 14.7	$ (146.7)	$ (387.6)

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

The following represents reclassifications out of Accumulated Other Comprehensive Income for the year ended December 31, 2016:

In millions			
Details about Accumulated Other Comprehensive Income Components	**Amount Reclassified from Accumulated Other Comprehensive Income**		**Affected Line Item in the Statement Where Net Income is Presented**
Derivatives Instruments:			
Commodity Contracts	$ 12.5		Cost of Sales
Foreign Currency Contracts	0.5		Other Expense, Net
Interest Rate Swap Agreements	2.0		Interest Expense, Net
	15.0		Total before Tax
	(5.7)		Tax Benefit
	$ 9.3		Net of Tax
Amortization of Defined Benefit Pension Plans:			
Prior Service Costs	$ 0.8	(c)	
Actuarial Losses	27.3	(c)	
	28.1		Total before Tax
	(10.6)		Tax Benefit
	$ 17.5		Net of Tax
Amortization of Postretirement Benefit Plans:			
Prior Service Credits	$ (0.2)	(c)	
Actuarial Gains	(2.1)	(c)	
	(2.3)		Total before Tax
	0.9		Tax Expense
	$ (1.4)		Net of Tax
Total Reclassifications for the Period	$ 25.4		

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

NOTE 18. GUARANTOR CONSOLIDATING FINANCIAL STATEMENTS

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

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

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

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

	Year Ended December 31, 2014					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
Net Sales	$ —	$ 3,416.6	$ 7.4	$ 1,064.9	$ (248.4)	$ 4,240.5
Cost of Sales	—	2,742.4	4.0	955.3	(248.4)	3,453.3
Selling, General and Administrative	—	303.1	0.7	61.7	—	365.5
Other (Income) Expense, Net	—	(5.9)	(0.2)	2.4	—	(3.7)
Business Combinations and Other Special Charges	—	6.7	5.9	185.0	—	197.6
Income (Loss) from Operations	—	370.3	(3.0)	(139.5)	—	227.8
Interest Expense, Net	—	(74.1)	—	(6.6)	—	(80.7)
Loss on Modification or Extinguishment of Debt	—	(14.4)	—	—	—	(14.4)
Income (Loss) before Income Taxes and Equity Income of Unconsolidated Entities	—	281.8	(3.0)	(146.1)	—	132.7
Income Tax (Expense) Benefit	—	(95.6)	(8.3)	58.5	—	(45.4)
Income (Loss) before Equity Income of Unconsolidated Entities	—	186.2	(11.3)	(87.6)	—	87.3
Equity Income of Unconsolidated Entities	—	—	—	1.7	—	1.7
Equity in Net Earnings of Subsidiaries	89.0	(97.2)	(0.6)	—	8.8	—
Net Income (Loss)	$ 89.0	$ 89.0	$ (11.9)	$ (85.9)	$ 8.8	$ 89.0
Net Income (Loss) Attributable to Noncontrolling Interests	0.7	0.7	—	—	(0.7)	0.7
Net Income (Loss) Attributable to Graphic Packaging Holding Company	$ 89.7	$ 89.7	$ (11.9)	$ (85.9)	$ 8.1	$ 89.7
Comprehensive (Loss) Income Attributable to Graphic Packaging Holding Company	$ (56.7)	$ (56.7)	$ (15.9)	$ (144.4)	$ 217.0	$ (56.7)

	Year Ended December 31, 2016					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ —	$ 0.9	$ 1.2	$ 57.0	$ —	$ 59.1
Receivables, Net	—	183.7	10.1	233.0	—	426.8
Inventories, Net	—	403.8	16.1	163.0	—	582.9
Intercompany	—	1,077.5	73.3	—	(1,150.8)	—
Other Current Assets	—	36.4	—	9.7	—	46.1
Total Current Assets	—	1,702.3	100.7	462.7	(1,150.8)	1,114.9
Property, Plant and Equipment, Net	—	1,435.8	64.1	252.0	—	1,751.9
Investment in Consolidated Subsidiaries	1,362.9	—	12.3	—	(1,375.2)	—
Goodwill	—	1,098.9	55.5	105.9	—	1,260.3
Other Assets	—	314.8	65.6	95.9	—	476.3
Total Assets	$ 1,362.9	$ 4,551.8	$ 298.2	$ 916.5	$ (2,526.0)	$ 4,603.4
LIABILITIES						
Current Liabilities:						
Short-Term Debt and Current Portion of Long-Term Debt	$ —	$ 26.0	$ —	$ 37.4	$ —	$ 63.4
Accounts Payable	—	354.3	8.5	103.7	—	466.5
Interest Payable	—	15.4	—	—	—	15.4
Intercompany	306.4	—	—	913.0	(1,219.4)	—
Other Accrued Liabilities	—	163.2	3.0	68.3	—	234.5
Total Current Liabilities	306.4	558.9	11.5	1,122.4	(1,219.4)	779.8
Long-Term Debt	—	2,042.4	—	46.1	—	2,088.5
Deferred Income Tax Liabilities	—	342.1	43.3	22.6	—	408.0
Other Noncurrent Liabilities	—	245.5	—	25.1	—	270.6
EQUITY						
Total Equity	1,056.5	1,362.9	243.4	(299.7)	(1,306.6)	1,056.5
Total Liabilities and Equity	$ 1,362.9	$ 4,551.8	$ 298.2	$ 916.5	$ (2,526.0)	$ 4,603.4

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

	Year Ended December 31, 2016					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	$ 228.0	$ 228.0	$ (2.3)	$ 21.2	$ (246.9)	$ 228.0
Non-cash Items Included in Net Income (Loss):						
Depreciation and Amortization	—	233.4	12.9	53.0	—	299.3
Deferred Income Taxes	—	77.5	1.7	(2.5)	—	76.7
Amount of Postretirement Expense Less Than Funding	—	(25.8)	—	(5.5)	—	(31.3)
Loss on the Sale of Assets	—	0.7	—	0.1	—	0.8
Equity in Net Earnings of Subsidiaries	(228.0)	(25.0)	6.1	—	246.9	—
Other, Net	—	30.1	—	(0.7)	—	29.4
Changes in Operating Assets and Liabilities	—	44.9	(17.2)	10.8	—	38.5
Net Cash Provided by Operating Activities	—	563.8	1.2	76.4	—	641.4
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(239.7)	—	(38.9)	—	(278.6)
Package Machinery Spending	—	(9.4)	—	(6.6)	—	(16.0)
Acquisition of Businesses, Net of Cash Acquired	—	(173.1)	—	(159.6)	—	(332.7)
Other, Net	240.6	(166.0)	—	—	(79.8)	(5.2)
Net Cash Provided by (Used in) by Investing Activities	240.6	(588.2)	—	(205.1)	(79.8)	(632.5)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repurchase of Common Stock	(164.9)	—	—	—	—	(164.9)
Proceeds from Issuance or Modification of Debt	—	300.0	—	—	—	300.0
Payments on Debt	—	(25.0)	—	—	—	(25.0)
Borrowings under Revolving Credit Facilities	—	1,136.0	—	64.0	—	1,200.0
Payments on Revolving Credit Facilities	—	(1,143.5)	—	(92.3)	—	(1,235.8)
Debt Issuance Cost	—	(5.3)	—	—	—	(5.3)
Payments of Dividends	(64.4)	—	—	—	—	(64.4)
Repurchase of Common Stock related to Share-Based Payments	(11.3)	—	—	—	—	(11.3)
Other, Net	—	(237.0)	—	160.8	79.8	3.6
Net Cash (Used in) Provided by Financing Activities	(240.6)	25.2	—	132.5	79.8	(3.1)
Effect of Exchange Rate Changes on Cash	—	—	—	(1.6)	—	(1.6)
Net Increase in Cash and Cash Equivalents	—	0.8	1.2	2.2	—	4.2
Cash and Cash Equivalents at Beginning of Period	—	0.1	—	54.8	—	54.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ —	$ 0.9	$ 1.2	$ 57.0	$ —	$ 59.1

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

	Year Ended December 31, 2014					
In millions	Parent	Subsidiary Issuer	Combined Guarantor Subsidiaries	Combined Nonguarantor Subsidiaries	Consolidating Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net Income (Loss)	$ 89.0	$ 89.0	$ (11.9)	$ (85.9)	$ 8.8	$ 89.0
Non-cash Items Included in Net Income:						
Depreciation and Amortization	—	224.8	0.1	45.1	—	270.0
Write-off of Deferred Debt Issuance Costs on Early Extinguishment of Debt	—	4.6	—	—	—	4.6
Deferred Income Taxes	—	88.2	8.2	(63.3)	—	33.1
Amount of Postretirement Expense Less Than Funding	—	(43.7)	—	(2.6)	—	(46.3)
Equity in Net Earnings of Subsidiaries	(89.0)	97.2	0.6	—	(8.8)	—
Loss on the Sale of Assets	—	—	6.7	166.9	—	173.6
Other, Net	—	43.2	—	(0.4)	—	42.8
Changes in Operating Assets and Liabilities	—	(24.3)	3.3	(35.2)	16.0	(40.2)
Net Cash Provided by Operating Activities	—	479.0	7.0	24.6	16.0	526.6
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital Spending	—	(134.0)	(5.5)	(47.6)	—	(187.1)
Packaging Machinery Spending	—	(11.6)	—	(2.7)	—	(14.3)
Proceeds from Government Grant	—	26.9	—	—	—	26.9
Acquisition of Business	—	—	—	(190.7)	—	(190.7)
Cash Acquired Related to Business Acquisition	—	—	—	16.9	—	16.9
Proceeds from Sale of Assets, Net of Selling Costs	—	—	70.7	100.1	—	170.8
Other, Net	15.7	(5.7)	0.3	—	(16.0)	(5.7)
Net Cash Provided by (Used in) Investing Activities	15.7	(124.4)	65.5	(124.0)	(16.0)	(183.2)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from Issuance or Modification of Debt	—	250.0	—	—	—	250.0
Retirements of Long-Term Debt	—	(247.7)	—	—	—	(247.7)
Payments on Debt	—	(214.6)	—	—	—	(214.6)
Borrowings under Revolving Credit Facilities	—	1,825.2	0.9	131.8	—	1,957.9
Payments on Revolving Credit Facilities	—	(1,950.0)	(0.1)	(62.1)	—	(2,012.2)
Debt Issuance Costs	—	(16.8)	—	—	—	(16.8)
Repurchase of Common Stock Related to Share-Based Payments	(14.7)	—	—	—	—	(14.7)
Other, Net	(1.0)	—	(70.7)	61.0	—	(10.7)
Net Cash (Used in) Provided by Financing Activities	(15.7)	(353.9)	(69.9)	130.7	—	(308.8)
Effect of Exchange Rate Changes on Cash	—	—	(2.6)	(2.6)	—	(5.2)
Net Increase in Cash and Cash Equivalents	—	0.7	—	28.7	—	29.4
Cash and Cash Equivalents at Beginning of Period	—	1.3	—	50.9	—	52.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ —	$ 2.0	$ —	$ 79.6	$ —	$ 81.6

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Graphic Packaging Holding Company

We have audited the accompanying consolidated balance sheets of Graphic Packaging Holding Company as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Graphic Packaging Holding Company at December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016 in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Graphic Packaging Holding Company's internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 8, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 8, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Graphic Packaging Holding Company

We have audited Graphic Packaging Holding Company's internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Graphic Packaging Holding Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of G-Box, S.A de C.V., Walter G. Anderson, Inc., Metro Packaging & Imaging Inc., and Colorpak Limited, which are included in the 2016 consolidated financial statements of Graphic Packaging Holding Company and constituted 11%, and 34% of total and net assets, respectively, as of December 31, 2016, and 6%, and 0% of net sales and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of Graphic Packaging Holding Company also did not include an evaluation of the internal control over financial reporting of G-Box, S.A de C.V., Walter G. Anderson, Inc., Metro Packaging & Imaging Inc., and Colorpak Limited.

In our opinion, Graphic Packaging Holding Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2016 of Graphic Packaging Holding Company and our report dated February 8, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 8, 2017

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

None.

ITEM 9A. *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

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

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

Management's Report on Internal Control Over Financial Reporting

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

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

The Company's management, under the supervision of and with the participation of the President and Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016 based on criteria for effective control over financial reporting described in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2016.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2016 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

None.

ITEM 9B. ***OTHER INFORMATION***

None.

PART III

ITEM 10. ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE***

Pursuant to Instruction G(3) to Form 10-K, the information relating to Directors of the Registrant, compliance with Section 16(a) of the Exchange Act, compliance with the Company's Code of Ethics, and certain other information required by Item 10 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2016.

ITEM 11. ***EXECUTIVE COMPENSATION***

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 11 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2016.

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

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 12 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2016.

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

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 13 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2016.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

Pursuant to Instruction G(3) to Form 10-K, the information required by Item 14 is incorporated by reference to the Registrant's definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which is to be filed pursuant to Regulation 14A within 120 days after the end of the Registrant's fiscal year ended December 31, 2016.

PART IV

ITEM 15. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

a. Financial statements, financial statement schedule and exhibits filed as part of this report:

1. Consolidated Statements of Operations for each of the three years in the period ended December 31, 2016

   Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2016

   Consolidated Balance Sheets as of December 31, 2016 and 2015

   Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 2016

   Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2016

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm

2. All schedules are omitted as the information required is either included elsewhere in the consolidated financial statements herein or is not applicable.

3. Exhibits to Annual Report on Form 10-K for Year Ended December 31, 2016.

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of New Giant Corporation. Filed as Exhibit 3.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
3.2	Bylaws of Graphic Packaging Holding Company, as amended on May 20, 2015. Filed as Exhibit 3.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on May 27, 2015 and incorporated herein by reference.
3.3	Certificate of Designation Preferences and Rights of Series A Junior Participating Preferred Stock. Filed as Exhibit 3.3 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
4.1	Rights Agreement entered into between Graphic Packaging Holding Company and Wells Fargo Bank, National Association. Filed as Exhibit 4.3 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on March 10, 2008 and incorporated herein by reference.
4.2	Indenture, dated as of September 29, 2010, among Graphic Packaging International, Inc. and Graphic Packaging Holding Company, Graphic Packaging Corporation and the other Note Guarantors party thereto, as Note Guarantors, and U.S. Bank National Association, as Trustee. Filed as Exhibit 4.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on September 29, 2010 and incorporated herein by reference.
4.3	Supplemental Indenture, dated as of April 2, 2013, among Graphic Packaging International, Inc., the guarantors named therein and U.S. Bank National Association, as Trustee, relating to the 4.75% Senior Notes due 2021 of Graphic Packaging International, Inc. Filed as Exhibit 4.1 to Graphic Packaging Holding Company's Current Report on Form 8-K filed on April 2, 2013 and incorporated herein by reference.
4.4	Indenture dated as of November 6, 2014, by and among Graphic Packaging International, Inc., the guarantors named therein and U.S. Bank National Association, as trustee. Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
4.5	First Supplemental Indenture dated as of November 6, 2014 by and among Graphic Packaging International, Inc. the guarantors named therein and U.S. Bank National Association, as trustee. Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
4.6	Second Supplemental Indenture dated as of August 11, 2016 by and among Graphic Packaging International Inc., Graphic Packaging Holding Company, the other guarantors named therein and U.S. Bank National Association as trustee. Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on August 11, 2016 and incorporated herein by reference.
10.1*	GPI U.S. Consolidated Pension Plan Master Document as amended and restated, effective January 1, 2017.
10.2*	Second Amendment to the GPI Savings Plan as amended and restated, effective January 1, 2015. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on April 28, 2016 and incorporated herein by reference.
10.3*	Third Amendment to the GPI Savings Plan as amended and restated, effective January 1, 2015. Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on April 28, 2016 and incorporated herein by reference.
10.4*	Employment Agreement, dated as of July 22, 2013 by and among Graphic Packaging International, Inc., the Registrant and Carla J. Chaney. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 23, 2013 and incorporated herein by reference.

10.5*	Employment Agreement, dated as of October 26, 2009, by and among Graphic Packaging International, Inc., the Registrant and Alan Nichols. Filed as Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed on January 22, 2010 and incorporated herein by reference.
10.6*	Fourth Amendment to the GPI Savings Plan as amended and restated, effective January 1, 2015. Filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on April 28, 2016 and incorporated herein by reference.
10.7*	Amended and Restated Employment Agreement dated as of November 19, 2015 by and among Graphic Packaging International, Inc., the Registrant and Michael P. Doss. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 19, 2015 and incorporated herein by reference.
10.8*	Graphic Packaging Excess Benefit Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.22 to Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.
10.9*	Graphic Packaging Supplemental Retirement Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.23 to Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.
10.10	Form of Indemnification Agreement, dated as of September 10, 2003, entered into by and among Registrant, GPI Holding, Inc., Graphic Packaging International, Inc. and each of Jeffrey H. Coors, Stephen M. Humphrey, Kevin J. Conway, G. Andrea Botta, John D. Beckett, Harold R. Logan, Jr., John R. Miller, Robert W. Tieken, B. Charles Ames (as emeritus director) and William K. Coors (as emeritus director). Filed as Exhibit 10.30 to Graphic Packaging Corporation's Annual Report on Form 10-K filed on March 16, 2004 and incorporated herein by reference.
10.11*	Amended and Restated 2004 Stock and Incentive Compensation Plan effective May 19, 2011. Filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 8, 2011 and incorporated herein by reference.
10.12*	Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan effective as of May 21, 2014. Filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 10, 2014 and incorporated herein by reference.
10.13*	Graphic Packaging International, Inc. Management Incentive Plan filed as Exhibit 10.32 to the Registrant's Annual Report on Form 10-K filed on February 23, 2012 and incorporated herein by reference.
10.14	Master Services Agreement dated November 29, 2007 by and between Graphic Packaging International, Inc. and Perot Systems Corporation. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 5, 2007 and incorporate herein by reference.
10.15*	Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan, as amended and restated, effective as of January 1, 2009. Filed as Exhibit 10.36 to the Registrant's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.
10.16*	Riverwood International Change in Control Supplemental Retirement Plan, as amended and restated, effective as of January 1, 2008. Filed as Exhibit 10.37 to Graphic Packaging Holding Company's Annual Report on Form 10-K filed on February 23, 2010 and incorporated herein by reference.
10.17	Amended and Restated Form of Indemnification Agreement for Directors. Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 4, 2010 and incorporated herein by reference.
10.18*	Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan filed as Exhibit 10.44 to the Registrant's Annual Report on Form 10-K filed on February 23, 2012 and incorporated herein by reference.
10.19*	First Amendment to the Graphic Packaging International, Inc. Supplemental Plan for Participants in the Riverwood International Employees Retirement Plan. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 24, 2012 and incorporated herein by reference.
10.20*	Employment Agreement dated as of April 1, 2012 by and among Graphic Packaging International, Inc., Graphic Packaging Holding Company and Stephen Scherger. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 5, 2012 and incorporated herein by reference.

10.21	Second Amended and Restated Credit Agreement effective October 2, 2014 among Graphic Packaging International, Inc. and certain of its subsidiaries, as Borrowers; Bank of American, N.A. as Administrative Agent, L/C Issuer, Swing Line Lender, Swing Line Euro Tranche Lender and Alternative Currency Funding Fronting Lender; Cooperative Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" New York Branch, SunTrust Bank, JPMorgan Bank, N.A. and Citibank, N.A., as Co-Syndication Agents; Compass Bank, as Documentation Agent; and several lenders from time to time parties thereto. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 6, 2014 and incorporated herein by reference.
10.22	First Amendment to Master Services Agreement dated as of September 22, 2008 by and between Graphic Packaging International, Inc. and Perot Systems Corporation. Filed as Exhibit 10.29 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.23	Second Amendment to Master Services Agreement effective as of August 1, 2012 by and between Graphic Packaging International, Inc. and Dell Marketing L.P. (as assignee of Perot Systems Corporation). Filed as Exhibit 10.30 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.24*	Fifth Amendment to the GPI Savings Plan as amended and restated, effective January 1, 2015.
10.25*	GPI Savings Plan, as amended and restated effective January 1, 2015. Filed as Exhibit 10.32 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.26*	First Amendment to the GPI Savings Plan, effective January 1, 2015. Filed as Exhibit 10.33 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.27*	First Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, effective January 31, 2012. Filed as Exhibit 10.34to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.28*	Second Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, executed on December 30, 2013. Filed as Exhibit 10.35 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.29*	Third Amendment to the Graphic Packaging International, Inc. Non-Qualified Deferred Compensation Plan, effective June 23, 2014. Filed as Exhibit 10.36 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.30*	Fourth Amendment to the Graphic Packaging International Inc. Non-Qualified Deferred Compensation Plan, effective January 1, 2016. Filed as Exhibit 10.37 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.31*	Amended and Restated Employment Agreement among the Registrant, Graphic Packaging International, Inc. and Joseph P. Yost effective September 1, 2015. Filed as Exhibit 10.38 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.32*	Graphic Packaging International, Inc. Executive Severance Plan dated as of February 25, 2014. Filed as Exhibit 10.39 to the Registrant's Annual Report on Form 10-K filed on February 12, 2016 and incorporated herein by reference.
10.33*	First Amendment to the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan effective January 1, 2017.
14.1	Code of Business Conduct and Ethics. Filed as Exhibit 14.1 to the Company's Annual Report on Form 10-K filed on March 8, 2011 and incorporated herein by reference.
21.1	List of Subsidiaries.
23.1	Consent of Independent Registered Public Accounting Firm.
24.1	Power of Attorney Incorporated by reference to the signature page of this Annual Report on Form 10-K.
31.1	Certification required by Rule 13a-14(a).
31.2	Certification required by Rule 13a-14(a).
32.1	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.

* Executive compensation plan or agreement

SIGNATURES

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

GRAPHIC PACKAGING HOLDING COMPANY
(Registrant)

/s/ Stephen R. Scherger Stephen R. Scherger	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 8, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Michael P. Doss Michael P. Doss	President and Chief Executive Officer (Principal Executive Officer)	February 8, 2017
/s/ Stephen R. Scherger Stephen R. Scherger	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 8, 2017
/s/ Deborah R. Frank Deborah R. Frank	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 8, 2017

POWER OF ATTORNEY

Each of the directors of the Registrant whose signature appears below hereby appoints Stephen R. Scherger and Lauren S. Tashma, and each of them severally, as his or her attorney-in-fact to sign in his or her name and behalf, in any and all capacities stated below, and to file with the Securities and Exchange Commission any and all amendments to this report on Form 10-K, making such changes in this report on Form 10-K as appropriate, and generally to do all such things on their behalf in their capacities as directors and/or officers to enable the Registrant to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission.

Signatures	Title	Date
/s/ G. Andrea Botta G. Andrea Botta	Director	February 8, 2017
/s/ David D. Campbell David D. Campbell	Director	February 8, 2017
/s/ Paul D. Carrico Paul D. Carrico	Director	February 8, 2017
/s/ Michael P. Doss Michael P. Doss	Director, President and Chief Executive Officer	February 8, 2017
/s/ Robert A. Hagemann Robert A. Hagemann	Director	February 8, 2017
/s/ Harold R. Logan, Jr. Harold R. Logan, Jr.	Director	February 8, 2017
/s/ Philip R. Martens Philip R. Martens	Chairman of the Board	February 8, 2017
/s/ Larry M. Venturelli Larry M. Venturelli	Director	February 8, 2017
/s/ Lynn A. Wentworth Lynn A. Wentworth	Director	February 8, 2017

GPI US CONSOLIDATED PENSION PLAN

MASTER DOCUMENT

(Amended and Restated Effective January 1, 2017)

GPI US CONSOLIDATED PENSION PLAN
MASTER DOCUMENT
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Article I
HISTORY, ORGANIZATION, AND CONSTRUCTION

1.1 History.

Prior to January 1, 2017, the Plan Sponsor maintained the Altivity Packaging Pension Plan for Hourly Employees ("Altivity Packaging Plan"), the Field Container Company, L.P. and Related Entities Pension Plan ("Field Container Plan"), the Graphic Packaging Retirement Plan ("GP Retirement Plan"), the Mid-America Packaging Retirement Plan ("Mid-America Plan"), the Riverwood International Employees Retirement Plan ("Riverwood Employees Plan"), and the Riverwood International Hourly Retirement Plan ("Riverwood Hourly Plan") as six separate plans. On January 1, 2017, the Field Container Plan, the GP Retirement Plan, the Mid-America Plan, the Riverwood Employees Plan, and the Riverwood Hourly Plan were merged into the Altivity Packaging Plan, which was renamed the "GPI US Consolidated Pension Plan" (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 mergers 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 any of the Merged Plans prior to the Effective Date, except those provided in prior amendments to the Plan or any of the Merged Plans 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 of their respective Merged Plans and are unique to each such group of Participants that is covered by the Plan:

(i) Graphic Packaging Retirement Subplan;

(ii) Riverwood International Employees Retirement Subplan;

(iii) Riverwood International Hourly Retirement Subplan;

(iv) Altivity Packaging Pension Subplan for Hourly Employees;

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

(vi) 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 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.

1.6 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.

2.2 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 Altivity Packaging Plan means the Altivity Packaging Pension Plan for Hourly Employees.

2.4 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.

2.5 Board means the Board of Directors of Graphic Packaging Holding Company.

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

2.7 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.

2.8 Effective Date means January 1, 2017.

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

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

2.11 Field Container Plan means the Field Container Company, L.P. and Related Entities Pension Plan.

2.12 GP Retirement Plan means the Graphic Packaging Retirement Plan.

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

2.14 Merged Plans means, collectively, the GP Retirement Plan, Riverwood Employees Plan, Riverwood Hourly Plan, Altivity Packaging Plan, Field Container Plan, and the Mid-America Plan.

2.15 Mid-America Plan means the Mid-America Packaging Retirement Plan.

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

2.17 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.

2.18 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.

2.19 Plan means the GPI US Consolidated 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.

2.20 Plan Sponsor means Graphic Packaging International, Inc. or any successor by merger, purchase, or otherwise.

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

2.22 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.

2.23 Riverwood Employees Plan means the Riverwood International Employees Retirement Plan.

2.24 Riverwood Hourly Plan means the Riverwood International Hourly Retirement Plan.

2.25 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).

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

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

2.28 Trust Fund means the Graphic Packaging International, Inc. Master Pension Trust.

2.29 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, Inc. Retirement Committee has caused this Plan to be duly executed this 10th day of November, 2016.

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

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

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
Stephen Scherger

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

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

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

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

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

WHEREAS, the Retirement Committee deems it desirable to amend the Plan to reflect the relief for Participants impacted by Hurricane Matthew on or after October 3, 2016, as described in Internal Revenue Service Announcement 2016-39 and other Treasury Department guidance;

NOW, THEREFORE, BE IT RESOLVED, effective as of October 3, 2016, the Plan is hereby amended by adding the following new Section 9.12:

9.12 <u>Certain Hurricane Matthew-Related Hardship Withdrawals.</u>

With respect to any Participant whose (i) principal residence on October 4, 2016, (October 3, 2016, for Florida) was located in one of the counties identified for individual assistance by the Federal Emergency Management Agency because of the devastation caused by Hurricane Matthew, (ii) place of employment was located in one of these counties on that applicable date, or (iii) whose lineal ascendant or descendant, dependent, or Spouse had a principal residence or place of employment in one of these counties on that date, a hardship withdrawal may be made in accordance with IRS Announcement 2016-39 and other Treasury Department guidance, the provisions of which are incorporated herein by reference.

[Signature on following page]

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

GRAPHIC PACKAGING INTERNATIONAL, INC. RETIREMENT COMMITTEE MEMBERS

By: /s/ Brad Ankerholz
Brad Ankerholz

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

By: /s/ Debbie Frank
Debbie Frank

By: /s/ Stephen Scherger
Stephen Scherger

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

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FIRST AMENDMENT TO THE
GRAPHIC PACKAGING HOLDING COMPANY
2014 OMNIBUS STOCK AND INCENTIVE COMPENSATION PLAN

THIS FIRST AMENDMENT (this “Amendment”) to the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (the “ 2014 Plan”), is effective as of January 1, 2017.

The Compensation and Benefits Committee of the Board of Directors of Graphic Packaging Holding Company (the “Company”) has determined that it is in the best interests of the Company and its stockholders to amend the 2014 Plan to provide that the Company may satisfy any tax withholding requirements relating to equity awards granted under the 2014 Plan by withholding from such awards shares of common stock having a fair market value equal to the maximum individual statutory rate.

1. The 2014 Plan is hereby amended by deleting Section 20.2 in its entirety and replacing it with the following:

“20.2 *Share Withholding.* With respect to withholding required upon the exercise of Options or SARs, upon the lapse of restrictions on Restricted Stock and Restricted Stock Units, or upon the achievement of performance goals related to Performance Shares, or any other taxable event arising as a result of an Award granted hereunder, unless otherwise determined by the Committee at the time the Award is granted or thereafter, the Company may satisfy the tax withholding requirement, in whole or in part, by withholding Shares having a Fair Market Value on the date the tax is to be determined equal to the amount required to be withheld in accordance with applicable tax requirements (up to the maximum individual statutory rate in the applicable jurisdiction as may be permitted under then-current accounting principles to qualify for equity classification).”

2. The 2014 Plan is hereby amended by deleting third sentence of Section 4.2 and replacing it with the following:

“Moreover, if the Exercise Price of any Option granted under the Plan or the tax withholding requirements with respect to an Award granted under the Plan (other than with respect to a grant of Restricted Stock or other Award pursuant to which Shares are actually issued to the Participant on the grant date) are satisfied through a net settlement or by tendering Shares to the Company (by either actual delivery or by attestation), or if a SAR is exercised, only the number of Shares issued, net of the Shares withheld or tendered, if any, will be deemed delivered for purposes of determining the maximum number of Shares available for issuance under the Plan.”

3. Except as expressly amended hereby, the terms of the 2014 Plan shall be and remain unchanged and the 2014 Plan as amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized representative.

GRAPHIC PACKAGING HOLDING COMPANY

By: /s/ Carla J. Chaney
Carla J. Chaney
Senior Vice President, Human Resources

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Subsidiary Name	Jurisdiction of Incorporation
Altivity Packaging Grupo, S. de R.L. de C.V.	Mexico
Altivity Packaging Servicios, S. de R.L. de C.V.	Mexico
Field Container Queretaro (USA), L.L.C.	Delaware
Gbox SA de C.V.	Mexico
Golden Equities, Inc.	Colorado
Golden Technologies Company, Inc.	Colorado
GPI Project, LLC	Delaware
GPI Scotland Finance LP	UK
GPI Scotland Limited	UK
GPI WG Acquisition Sub, LLC	Delaware
Graphic Packaging Flexible Canada ULC	Canada
Graphic Packaging International (Cyprus) Limited	Cyprus
Graphic Packaging Flexible Holdings, LLC	Delaware
Graphic Packaging International (Shanghai) Co., Ltd.	China
Graphic Packaging International Australia Converting Limited	Australia
Graphic Packaging International Australia Pty Limited	Australia
Graphic Packaging International Bardon Limited	UK
Graphic Packaging International Box Holdings Limited	UK
Graphic Packaging International Bremen GmbH	Germany
Graphic Packaging International Canada Corporation	Canada
Graphic Packaging International Canada, ULC	Canada
Graphic Packaging International Distribution Limited	UK
Graphic Packaging International do Brasil - Embalagens Ltda.	Brazil
Graphic Packaging International Enterprises, Inc.	Delaware
Graphic Packaging International Europe Carton Design Limited	UK
Graphic Packaging International Europe Cartons B.V.	Netherlands
Graphic Packaging International Europe Finance & Real Estate B.V.	Netherlands
Graphic Packaging International Europe Holdings B.V.	Netherlands
Graphic Packaging International Europe Netherlands B.V.	Netherlands
Graphic Packaging International Europe Netherlands Holdings B.V.	Netherlands
Graphic Packaging International Europe S.A.	Belgium
Graphic Packaging International Europe UK Holdings Limited	UK
Graphic Packaging International Europe UK Limited	UK
Graphic Packaging International France	France
Graphic Packaging International Gateshead Limited	UK
Graphic Packaging International Holding Company	Delaware
Graphic Packaging International Holdings Mexico, S. de R.L. de C.V	Mexico
Graphic Packaging International, Inc.	Delaware
Graphic Packaging International Japan Ltd.	Japan
Graphic Packaging International Limited	UK
Graphic Packaging International Mexicana, S. de R.L. de C.V.	Mexico
Graphic Packaging International New Zealand Limited	New Zealand
Graphic Packaging International Operadora de Mexico, S. de R.L. de C.V.	Mexico
Graphic Packaging International Philanthropic Fund	Delaware
Graphic Packaging International S.p.A.	Italy
Graphic Packaging International Servicios, S. de R.L. de C.V.	Mexico
Graphic Packaging International Spain, S.A.	Spain
Graphic Packaging International UK Finance Limited	UK
Graphic Packaging International US Finance LLC	Delaware
Graphic Packaging UK Pension Trustee Company Ltd.	UK
Handschy Holdings, LLC	Delaware
Handschy Industries, LLC	Delaware

New Materials Limited	UK
Print Design & Graphics Limited	UK
PrinTech Systems B.V.	Netherlands
Rengo Riverwood Packaging, Limited	Japan
Riverdale Industries, LLC	Delaware
Riverwood International Pension Trustee Company Ltd.	UK
Shoo 553 Limited	UK
Spur Development, LLC	Delaware
Walter G. Anderson, Inc.	Minnesota

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-197680) and the related Prospectus of Graphic Packaging Holding Company and in the Registration Statements (Form S-8 No. 333-197677, No. 333-176598, No. 333-162912 and No. 333-149625) of Graphic Packaging Holding Company of our reports dated February 8, 2017, with respect to the consolidated financial statements of Graphic Packaging Holding Company, and the effectiveness of internal control over financial reporting of Graphic Packaging Holding Company, included in this Annual Report (Form 10-K) for the year ended December 31, 2016.

/s/ Ernst & Young LLP

Atlanta, Georgia

February 8, 2017

Exhibit 31.1

CERTIFICATION

I, Michael P. Doss certify that:

1. I have reviewed this Annual Report on Form 10-K of Graphic Packaging Holding Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael P. Doss

Michael P. Doss,
President and Chief Executive Officer
(Principal Executive Officer)
February 8, 2017

Exhibit 31.2

CERTIFICATION

I, Stephen R. Scherger certify that:

1. I have reviewed this Annual Report on Form 10-K of Graphic Packaging Holding Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen R. Scherger

Stephen R Scherger
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)
February 8, 2017

Exhibit 32.1

CERTIFICATION

Pursuant to 18 United States Code Section 1350,

As adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002

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

/s/ Michael P. Doss

Name: Michael P. Doss,

Title: President and Chief Executive Officer

February 8, 2017

Exhibit 32.2

CERTIFICATION

Pursuant to 18 United States Code Section 1350,

As adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002

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

/s/ Stephen R. Scherger

Name: Stephen R. Scherger

Title: Senior Vice President and Chief Financial Officer

February 8, 2017