

GRAPHIC PACKAGING CORP
Form 8-K/A
October 22, 2003

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

FORM 8-K/A

CURRENT REPORT

**Pursuant to Sections 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event
reported): **August 8, 2003**

GRAPHIC PACKAGING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-13182
(Commission File Number)

58-2205241
(I.R.S. Employer Identification No.)

**814 Livingston Court
Marietta, Georgia 30067**
(Address of principal executive offices)
(Zip Code)

(770) 644-3000
(Registrant's telephone number, including area code)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On August 8, 2003, pursuant to the Agreement and Plan of Merger, dated as of March 25, 2003, as amended (the Merger Agreement), by and among Riverwood Holding, Inc., which has been renamed Graphic Packaging Corporation, a Delaware corporation (Registrant), Riverwood Acquisition Sub LLC, formerly a Delaware limited liability company and a wholly-owned subsidiary of Registrant (Merger Sub), and the corporation formerly known as Graphic Packaging International Corporation, formerly a Colorado corporation (GPIC), GPIC was merged with and into Merger Sub, with Merger Sub as the surviving company (the Merger). After the Merger, (i) the corporation formerly known as RIC Holding, Inc., formerly a Delaware corporation and a wholly-owned subsidiary of Registrant, was merged with and into Graphic Packaging Holdings, Inc., a Colorado corporation and a wholly-owned subsidiary of GPIC, which was renamed GPI Holding, Inc., (ii) the corporation formerly known as Graphic Packaging Corporation, formerly a Delaware corporation and an indirect, wholly-owned subsidiary of Registrant, was merged with and into Riverwood International Corporation, a Delaware corporation and an indirect, wholly-owned subsidiary of Registrant, which was renamed Graphic Packaging International, Inc., and (iii) Merger Sub was merged with and into Registrant, with Registrant as the surviving corporation. The Merger Agreement was approved by the respective boards of directors of Registrant and GPIC, as well as by the stockholders of Registrant, on March 24, 2003 and was approved by the stockholders of GPIC at a special meeting held on August 7, 2003.

Prior to consummation of the Merger, Registrant effected a 15.21-to-one stock split. Upon completion of the Merger, each outstanding share of GPIC common stock, par value \$0.01 per share (the GPIC Common Stock), and associated GPIC stockholder were converted into the right to receive one share of Registrant s common stock, par value \$0.01 per share (the Common Stock), and associated stockholder rights (the Purchase Rights) to purchase preferred stock issued pursuant to the Rights Agreement, dated as of August 7, 2003 (the Rights Agreement), between Registrant and Wells Fargo Bank Minnesota, National Association, as Rights Agent.

The issuance of the Common Stock in connection with the Merger was registered under the Securities Act of 1933, as amended, pursuant to Registrant s Registration Statement on Form S-4 which was declared effective by the Securities and Exchange Commission (the SEC) on July 17, 2003 (Registration No. 333-104928) (as amended, the Registration Statement). The proxy statement/prospectus of GPIC and Registrant included in the Registration Statement contains additional information about the Merger, the related transactions and the nature of any material relationships between Registrant and GPIC.

The GPIC Common Stock had been registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act) and listed on the New York Stock Exchange, Inc. (NYSE) under the symbol GPK . GPIC filed a Form 15 on August 11, 2003 with the SEC to suspend its duty to file reports pursuant to Sections 13 and 15(d) of the Exchange Act in respect of the GPIC Common Stock.

Registrant has filed registration statements on Form 8-A which registered the Common Stock and the Purchase Rights under the Exchange Act. The Common Stock trades on the NYSE under the symbol `GPK` .

Copies of the Merger Agreement and Amendment No. 1 to the Merger Agreement, listed in Item 7(c) hereto as Exhibit 2.1 and 2.2, respectively, are incorporated herein by reference. On August 8, 2003, Registrant issued a press release announcing the completion of the Merger. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The foregoing descriptions are qualified in their entirety by reference to the Registration Statement and the full text of the exhibits attached hereto or incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Business Acquired.

Audited consolidated financial statements of GPIC at December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 2000 were previously filed with the SEC as part of the Registration Statement and are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

Interim unaudited condensed consolidated financial statements of GPIC at June 30, 2003 and for the three months and six months ended June 30, 2003 and 2002 are attached hereto as Exhibit 99.3 and are incorporated herein by reference.

(b) Pro Forma Financial Information.

UNAUDITED CONDENSED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited condensed pro forma combined financial statements are presented to show the estimated effect of the Merger and the related financing transactions and represent the combined company's pro forma combined balance sheet as of June 30, 2003 and combined statement of operations for the six months ended June 30, 2003 and the year ended December 31, 2002. In these pro forma combined financial statements, Registrant and its subsidiaries prior to the Merger are referred to as `Riverwood` and GPIC and its subsidiaries prior to the Merger are referred to as `Graphic` .

The following unaudited condensed pro forma combined balance sheet gives effect to the Merger of `Riverwood` and `Graphic` and the related financing transactions as if they occurred on June 30, 2003. The accompanying unaudited condensed pro forma combined statements of

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operations for the six months ended June 30, 2003, and the year ended December 31, 2002 give effect to the Merger and the related financing transactions as if they occurred on January 1, 2002. The unaudited condensed pro forma combined financial statements include adjustments directly attributable to the Merger and related financing transactions that have a continuing impact on the combined company. The pro forma adjustments are described in the accompanying notes. The pro forma adjustments are based upon available information and certain assumptions that management believes are reasonable.

The pro forma financial information was prepared using the purchase method of accounting, with Riverwood treated as the acquirer for accounting purposes. Under purchase accounting, the total cost of the Merger is allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values at the effective date of the Merger. A preliminary allocation of the cost of the Merger has been made based upon currently available information and management's estimates. The actual allocation and its effect on results of operations may differ significantly from the pro forma amounts included herein.

The pro forma information is based on historical financial statements. The pro forma information has been prepared in accordance with the rules and regulations of the SEC and is provided for comparison and analysis purposes only. The unaudited condensed pro forma combined financial statements do not purport to represent the combined company's results of operations or financial condition had the Merger and related financing transactions actually occurred as of such dates or of the results that the combined company would have achieved after the Merger. The unaudited condensed pro forma combined financial statements should be read in conjunction with the historical consolidated financial statements of Riverwood and Graphic and the notes thereto contained herein and in Registrant's periodic reports filed with the SEC.

Combined Company
Unaudited Condensed Pro Forma Combined Balance Sheet
As of June 30, 2003
(in thousands)

| | Historical | | Pro Forma Adjustments | | Combined Company Condensed Pro Forma Combined |
|----------------------------------|---------------------|---------------------|-----------------------------|----------|--|
| | Riverwood | Graphic | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 4,167 | \$ 6,959 | \$ | | \$ 11,126 |
| Accounts receivable, net | 157,784 | 76,899 | (9,476) | A | 225,207 |
| Inventories | 174,042 | 100,371 | 7,057 | B | 281,470 |
| Other current assets | 11,874 | 22,589 | | | 34,463 |
| Total current assets | 347,867 | 206,818 | (2,419) | | 552,266 |
| Properties, net | 1,224,530 | 399,248 | 106,069 | B | 1,729,847 |
| Goodwill, net | 268,284 | 391,803 | (39,901) | B | 620,186 |
| Other intangibles | 41,347 | | 28,947 | B | 201,908 |
| | | | 108,514 | B | |
| | | | 23,100 | B | |
| Other assets | 78,673 | 28,099 | (36,169) | B | 118,148 |
| | | | 54,960 | B | |
| | | | (7,415) | B | |
| Total assets | \$ 1,960,701 | \$ 1,025,968 | \$ 235,686 | | \$ 3,222,355 |
| Current liabilities | | | | | |
| Short-term debt | \$ 96,621 | \$ 3,626 | (60,500) | C | \$ 39,747 |
| Accounts payable | 94,125 | 93,673 | (9,476) | A | 178,322 |
| Interest payable | 34,578 | 9,958 | (43,988) | C | 548 |
| Other current liabilities | 67,396 | 56,118 | | | 123,514 |
| Total current liabilities | 292,720 | 163,375 | (113,964) | | 342,131 |
| Long-term debt | 1,415,496 | 471,512 | 288,602 | C | 2,175,610 |
| Other liabilities | 128,449 | 85,980 | (5,427) | B | 216,320 |
| | | | 7,318 | B | |
| Total liabilities | 1,836,665 | 720,867 | 176,529 | | 2,734,061 |
| Redeemable common stock | 6,591 | | (6,591) | D | |

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Shareholders equity

| | | | | | |
|--|--------------|--------------|------------|----------|-----------|
| Preferred stock | | 100,000 | (100,000) | D | |
| Non-redeemable common stock | 75 | 337 | 1,595 | D | 2,007 |
| Additional paid-in capital | 748,748 | 412,231 | 19,800 | D | 1,180,779 |
| Unearned compensation | | (2,112) | (6,168) | E | (8,280) |
| Accumulated deficit | (531,286) | (177,511) | 177,511 | D | (586,120) |
| | | | (54,834) | B | |
| Accumulated other comprehensive loss | (100,092) | (27,844) | 27,844 | D | (100,092) |
| Total shareholders equity | 117,445 | 305,101 | 65,748 | | 488,294 |
| Total liabilities and shareholders equity | \$ 1,960,701 | \$ 1,025,968 | \$ 235,686 | \$ | 3,222,355 |

See accompanying Notes to Unaudited Condensed Pro Forma Combined Financial Statements.

Combined Company
Unaudited Condensed Pro Forma Combined Statement of Operations
For the Six Months Ended June 30, 2003
(in thousands, except per share data)

| | Historical | | Pro Forma Adjustments | | Combined Company Condensed Pro Forma Combined |
|---|-------------|------------|-----------------------------|----------|--|
| | Riverwood | Graphic | | | |
| Net sales | \$ 636,633 | \$ 535,877 | \$ (30,361) | A | \$ 1,142,149 |
| Cost of goods sold | 516,179 | 474,701 | (30,361) | A | 965,860 |
| | | | 5,341 | B | |
| Selling, general and administrative, research and development expense, and merger and acquisition transaction costs | 66,338 | 39,180 | 3,753 | B | 109,271 |
| Operating income | 54,116 | 21,996 | (9,094) | | 67,018 |
| Interest expense, net | (67,588) | (19,113) | 14,759 | C | (71,942) |
| (Loss) income before income taxes, equity earnings of affiliates and cumulative effect of change in accounting principle | (13,472) | 2,883 | 5,665 | | (4,924) |
| Income tax (expense) benefit | (3,414) | (1,182) | | | (4,596) |
| (Loss) income before equity earnings of affiliates and cumulative effect of change in accounting principle | (16,886) | 1,701 | 5,665 | | (9,520) |
| Equity in net earnings of affiliates | 707 | | | | 707 |
| (Loss) income before cumulative effect of change in accounting principle | (16,179) | 1,701 | 5,665 | | (8,813) |
| Preferred stock dividends declared | | (5,000) | 5,000 | D | |
| (Loss) income attributable to common stockholders before cumulative effect of change in accounting principle | \$ (16,179) | \$ (3,299) | \$ 10,665 | | \$ (8,813) |
| (Loss) per basic share before cumulative effect of change in accounting principle | \$ (2.14) | | | | \$ (0.04) |
| (Loss) per diluted share before cumulative effect of change in accounting principle | \$ (2.14) | | | | \$ (0.04) |

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Weighted average shares outstanding:

| | | |
|---------|-------|---------|
| Basic | 7,555 | 198,321 |
| Diluted | 7,555 | 198,321 |

See accompanying Notes to Unaudited Condensed Pro Forma Combined Financial Statements.

Combined Company
Unaudited Condensed Pro Forma Combined Statement of Operations
For the Year Ended December 31, 2002
(in thousands, except per share data)

| | Historical | | Pro Forma Adjustments | | Combined Company Condensed Pro Forma Combined |
|---|--------------|--------------|-----------------------------|---|--|
| | Riverwood | Graphic | | | |
| Net sales | \$ 1,247,314 | \$ 1,057,843 | \$ (52,852) | A | \$ 2,252,305 |
| Cost of goods sold | 984,771 | 930,581 | (52,852) | A | 1,870,569 |
| | | | 8,069 | B | |
| Selling, general and administrative and research and development expense | 121,931 | 64,620 | 30,606 | B | 217,157 |
| Operating income | 140,612 | 62,642 | (38,675) | | 164,579 |
| Interest expense, net | (146,057) | (44,640) | 34,348 | C | (156,349) |
| Loss on early extinguishment of debt | (11,509) | (15,766) | | | (27,275) |
| Income (loss) before income taxes, equity earnings of affiliates and cumulative effect of change in accounting principle | (16,954) | 2,236 | (4,327) | | (19,045) |
| Income tax (expense) benefit | 4,664 | (886) | | | 3,778 |
| Income (loss) before equity earnings of affiliates | (12,290) | 1,350 | (4,327) | | (15,267) |
| Equity in net earnings of affiliates | 1,028 | | | | 1,028 |
| Income (loss) before cumulative effect of change in accounting principle | (11,262) | 1,350 | (4,327) | | (14,239) |
| Preferred stock dividends declared | | (10,000) | 10,000 | D | |
| Income (loss) attributable to common stockholders before cumulative effect of change in accounting principle | \$ (11,262) | \$ (8,650) | \$ 5,673 | | \$ (14,239) |
| Income (loss) per diluted share before cumulative effect of change in accounting principle | \$ (1.49) | | | | \$ (0.07) |
| Income (loss) per diluted share before cumulative effect of change in accounting principle | \$ (1.49) | | | | \$ (0.07) |
| Weighted average shares outstanding: | | | | | |
| Basic | 7,565 | | | | 198,453 |
| Diluted | 7,565 | | | | 201,168 |

Combined Company
Notes to Unaudited Condensed Pro Forma Combined Financial Statements
(Unaudited)

1. Basis of Presentation

These unaudited condensed pro forma combined financial statements have been prepared pursuant to the rules and regulations of the SEC and present the pro forma financial position and results of operations of the combined company based upon historical financial information after giving effect to the Merger and financing transactions and adjustments described in these footnotes. Certain footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Under purchase accounting, the Merger is accounted for such that Riverwood is treated as the acquirer and Graphic as the acquired company. These unaudited condensed pro forma combined financial statements are not necessarily indicative of the results of operations that would have been achieved had the transactions actually taken place at the dates indicated and do not purport to be indicative of future financial position or operating results.

The pro forma balance sheet was prepared by combining the historical consolidated balance sheet data as of June 30, 2003 of Riverwood and Graphic, assuming the Merger and related financing transactions had occurred on June 30, 2003. The pro forma statement of operations for the six months ended June 30, 2003 and the year ended December 31, 2002 have been prepared by combining the consolidated statements of operations for the six months ended June 30, 2003 and the year ended December 31, 2002 for Riverwood and Graphic, assuming the Merger and related financing transactions had occurred on January 1, 2002.

The unaudited condensed pro forma combined financial statements do not reflect significant operational and administrative cost savings that management of the combined company estimates may be achieved as a result of the Merger.

2. Pro Forma Transactions

On March 25, 2003, Registrant and GPIC entered into the Merger Agreement, whereby Registrant would acquire all of the issued and outstanding shares and stock options of GPIC in exchange for the issuance of shares and stock options of Registrant. In connection with the Merger, Riverwood's and Graphic's existing bank debt was financed and substantially all of Riverwood's and Graphic's existing senior and senior subordinated notes were purchased in tender offers or redeemed. For accounting purposes the purchase price of Graphic is based upon the estimated fair value of Registrant's stock exchanged plus estimated direct transaction costs to be incurred of approximately \$27.5 million (comprised of Riverwood's financial advisory, legal and accounting fees and excluding Graphic's merger-related expenses). The estimated fair value of Registrant's stock of \$4.98 per share, giving effect to the 15.21 to 1 split discussed below, used in the calculation of the purchase price is based upon available information and management's best estimates at this time. The actual fair value of Registrant's stock and the purchase price may change subject to final valuation. The following table summarizes the components of the total purchase price:

The estimated total purchase consideration is as follows (in thousands and as of June 30, 2003):

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| | Registrant's Shares Issued in the Merger | | Value |
|---|--|----|---------|
| Shares of common stock | 83,409 | \$ | 415,376 |
| Shares exchangeable into common stock | 1,147 | | 5,712 |
| Stock options | | | 6,283 |
| Estimated acquisition costs to be incurred by Riverwood | | | 27,500 |
| Graphic preferred stock conversion payment | | | 19,622 |
| Estimated total purchase price, excluding assumed debt | | \$ | 474,493 |

The purchase consideration was allocated to assets acquired and liabilities assumed based on the estimated fair value of Graphic's tangible and intangible assets and liabilities. A preliminary allocation of the purchase cost has been made to major categories of assets and liabilities in the accompanying unaudited condensed pro forma combined financial statements based on estimates. The actual allocation of purchase price and its effect on results of operations may differ significantly from the pro forma amounts included herein. The excess of the purchase price over the net tangible and identifiable intangible assets acquired and liabilities assumed has been allocated to goodwill.

The preliminary allocation of the purchase consideration, which is subject to change based on a final valuation of the assets acquired and liabilities assumed as of the closing date, is as follows (in thousands):

| | | |
|--|----|-----------|
| Net liabilities assumed (exclusive of pension and other post-retirement liabilities) | \$ | (525,456) |
| Properties | | 505,317 |
| Inventories | | 107,428 |
| Customer contracts and relationships | | 108,514 |
| Non compete agreements | | 23,100 |
| Patents and proprietary technology | | 28,947 |
| Restricted stock issuance | | 8,280 |
| Pension and other post-retirement liabilities | | (75,598) |
| Assumed merger-related liabilities | | (57,941) |
| Goodwill | | 351,902 |
| Estimated total purchase price, excluding assumed debt | \$ | 474,493 |

The amortization of the identifiable intangible assets (customer contracts, patents and proprietary technology and non compete agreements) is reflected as a pro forma adjustment to the unaudited condensed pro forma combined statement of operations. The combined company expects to amortize the estimated fair value of the identifiable intangibles of approximately \$160.6 million on a straight-line basis over an estimated useful life of eighteen years except for non compete agreements which have an estimated useful life of one year. In addition, the combined company expects to depreciate the estimated increase of \$106.1 million in the fair value of properties on a straight-line basis over an estimated useful life of approximately ten years for the six months ended June 30, 2003 and eleven years for the year ended December 31, 2002. The net effect of this increased amortization and depreciation of \$9.1 million for the six months ended June 30, 2003 and \$38.7 million for the year ended December 31, 2002, is reflected in the unaudited condensed pro forma combined statements of operations as follows:

| | Year ended | | Six months ended | |
|---|-------------------|--------|------------------|-------|
| | December 31, 2002 | | June 30, 2003 | |
| Cost of goods sold | \$ | 8,069 | \$ | 5,341 |
| Selling, general and administrative, research and development expense, and merger and acquisition transaction costs | | 30,606 | | 3,753 |
| Total additional amortization and depreciation of intangible assets and properties | \$ | 38,675 | \$ | 9,094 |

3. Pro Forma Adjustments

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The unaudited condensed pro forma combined financial statements give effect to the transactions described in note 2, as if they had occurred on June 30, 2003 for purposes of the unaudited condensed pro forma combined balance sheet and January 1, 2002 for purposes of the unaudited condensed pro forma combined statements of operations for the six months ended June 30, 2003 and the year ended December 31, 2002. The unaudited condensed pro forma combined statements of operations do not include any material non-recurring charges that will arise as a result of the transaction described in note 2. Adjustments in the unaudited condensed pro forma combined financial statements are as follows:

A Riverwood sells CUK folding boxboard to Graphic for use in certain cartons manufactured by Graphic. This pro forma adjustment eliminates the intercompany sales and cost of goods sold (\$30.4 million for the six months ended June 30, 2003 and \$52.9 million for the year ended December 31, 2002) and the receivable/payable related to this activity.

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B To reflect preliminary purchase accounting, as discussed in note 2 above including the resulting additional amortization and depreciation of intangible assets and properties. Specifically, the following adjustments have been made to reflect the preliminary purchase accounting:

| | | |
|---|----|----------|
| Increase inventory to sales value | \$ | 7,057 |
| Increase plant, property and equipment to market value | | 106,069 |
| Recognize residual goodwill value | | (39,901) |
| Recognize value of technology and other proprietary intangible assets | | 28,947 |
| Recognize value of customer relationships | | 108,514 |
| Recognize value of non compete agreements | | 23,100 |
| Write-off existing debt issuance costs | | (36,169) |
| Write-off existing debt premium | | (5,427) |
| Record new debt issuance costs | | 54,960 |
| Recognize additional pension and other retirement liabilities | | 7,318 |
| Write-off prepaid pension asset | | (7,415) |
| Record Riverwood's merger-related expenses and debt issuance cost write-offs to the combined company's retained deficit | | (54,834) |

C In connection with the Merger, Riverwood's and Graphic's existing bank debt was refinanced and substantially all of Riverwood's and Graphic's senior and senior subordinated notes were purchased in tender offers or redeemed.

| | Existing Combined Debt at June 30, 2003 | | Refinanced Pro Forma Combined Debt at June 30, 2003 | |
|--------------------------------------|---|-----------|---|-----------|
| Bank financing | \$ | 762,951 | \$ | 1,341,053 |
| Senior and senior subordinated notes | | 1,200,000 | | 850,000 |
| Other debt | | 24,304 | | 24,304 |
| Total | \$ | 1,987,255 | \$ | 2,215,357 |

Refinanced pro forma combined debt at June 30, 2003 is classified in the unaudited condensed pro forma combined balance sheet as follows:

| | | |
|-----------------|----|-----------|
| Short-term debt | \$ | 39,747 |
| Long-term debt | | 2,175,610 |
| Total debt | \$ | 2,215,357 |

Interest payable on existing debt refinanced was \$43,988 at June 30, 2003.

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The pro forma adjustments reflect the refinancing of the combined company's bank financing, senior notes and senior subordinated notes, including the write-off of unamortized debt issuance costs (see note B), premiums (see note B) and other costs from early extinguishment of debt and the recognition of new debt issuance costs related to the refinancing.

The pro forma interest expense adjustments reflect an average variable interest rate of 3.90% for the combined company's new bank debt and a blended fixed rate of 9.0% on the combined company's new senior and senior subordinated notes. A 1/8% change in the assumed variable interest rate related to the bank financing, without taking interest rate hedges into account, would change annual pro forma interest expense by approximately \$1.7 million. The total blended interest rate on a pro forma basis approximated 5.9% for the six months ended June 30, 2003 and 6.0% for the year ended December 31, 2002. A 1/8% change in the assumed blended fixed rate on the combined company's new senior and senior subordinated notes would change pro forma interest expense by approximately \$1.1 million.

D To reflect the new equity structure of the combined company, including the following:

Conversion of \$100 million of Graphic's convertible preferred stock into common stock (accordingly there is no preferred stock dividend declared)

15.21-to-one stock split of Registrant's common stock

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Issuance of 2,400,000 shares of common stock and common stock units under GPIC's long-term incentive plan

Change in certain Registrant's common shares from redeemable to non-redeemable

Issuance of one share of Registrant's common stock for each share of GPIC common stock

Upon completion of the preferred stock conversion and the Merger, approximately 201.0 million fully diluted shares of \$0.01 par value of combined company common stock would have been outstanding as of June 30, 2003.

E To reflect vesting of certain of Graphic's unearned compensation on the date of Merger and issuance of restricted stock to certain Graphic management employees.

4. Unaudited Pro Forma Loss Per Share

The following table sets forth the computation of unaudited pro forma basic and diluted income per share before cumulative effect of change in accounting principle (in thousands, except for per share information):

| | Year Ended December 31, 2002 | | | Six Months Ended June 30, 2003 | | |
|--|---------------------------------|---------|---------------------|--------------------------------------|---------|---------------------|
| | (Loss) | Shares | Per share Amount | (Loss) | Shares | Per share Amount |
| (Loss) per basic share before cumulative effect of change in accounting principle | \$ (14,239) | 198,453 | \$ (0.07) | \$ (8,813) | 198,321 | \$ (0.04) |
| Other dilutive equity securities (stock options and shares exchangeable into common stock) | | 2,715 | | | | |
| (Loss) per diluted share before cumulative effect of change in accounting principle | \$ (14,239) | 201,168 | \$ (0.07) | \$ (8,813) | 198,321 | \$ (0.04) |

Shares utilized in the calculation of pro forma basic and diluted income per share above give effect to the 15.21 to 1 stock split of Registrant's common stock, as follows:

| | |
|---------------------------------|---------------------|
| Year Ended December 31, 2002 | Six Months Ended |
|---------------------------------|---------------------|

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| | June 30, 2003 | |
|--|---------------|---------|
| Weighted average Registrant's shares outstanding | 7,565 | 7,555 |
| Stock split | 15.21 | 15.21 |
| | 115,064 | 114,912 |
| Registrant's shares issued in the Merger | 83,389 | 83,409 |
| | 198,453 | 198,321 |

Other potentially dilutive securities, in thousands, totaling 21,786 and 20,859 in the six months ended June 30, 2003 and the year ended December 31, 2002 were excluded from the per share calculations above, because of their anti-dilutive effect. The additional securities consist of stock options.

(c) Exhibits.

Exhibit 2.1 Agreement and Plan of Merger, dated as of March 25, 2003, among Registrant, Merger Sub and GPIC. Attached as Annex A to the proxy statement/prospectus which forms a part of the Registration Statement on Form S-4 (Registration No. 333-104928) of Registrant and incorporated herein by reference.

Exhibit 2.2 Amendment No. 1 to Agreement and Plan of Merger, dated as of July 11, 2003, among Registrant, Merger Sub and GPIC. Attached as Annex A to the proxy statement/prospectus which forms a part of the Registration Statement on Form S-4 (Registration No. 333-104928) of Registrant and incorporated herein by reference.

| | |
|--------------|--|
| Exhibit 23.1 | Consent of PricewaterhouseCoopers LLP (for GPIC's financial statements). |
| Exhibit 99.1 | Press release of Registrant, dated August 8, 2003. |
| Exhibit 99.2 | Audited consolidated financial statements of GPIC at December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 2000. |
| Exhibit 99.3 | Interim unaudited condensed consolidated financial statements of GPIC at June 30, 2003 and for the three months and six months ended June 30, 2003 and 2002. |

Previously filed

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GRAPHIC PACKAGING CORPORATION
(Registrant)

Date: October 22, 2003

By: /s/ STEPHEN A. HELLRUNG

Name: Stephen A. Hellrung

Title: Senior Vice President, General Counsel and Secretary

Exhibit Index

| Exhibit Number | Description |
|-----------------------|---|
| Exhibit 2.1 | Agreement and Plan of Merger, dated as of March 25, 2003, among Registrant, Merger Sub and GPIC. Attached as Annex A to the proxy statement/prospectus which forms a part of the Registration Statement on Form S-4 (Registration No. 333-104928) of Registrant and incorporated herein by reference. |
| Exhibit 2.2 | Amendment No. 1 to Agreement and Plan of Merger, dated as of July 11, 2003, among Registrant, Merger Sub and GPIC. Attached as Annex A to the proxy statement/prospectus which forms a part of the Registration Statement on Form S-4 (Registration No. 333-104928) of Registrant and incorporated herein by reference. |
| Exhibit 23.1 | Consent of PricewaterhouseCoopers LLP (for GPIC's financial statements). |
| Exhibit 99.1 | Press release of Registrant, dated August 8, 2003. |
| Exhibit 99.2 | Audited consolidated financial statements of GPIC at December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 2000. |
| Exhibit 99.3 | Interim unaudited condensed consolidated financial statements of GPIC at June 30, 2003 and for the three months and six months ended June 30, 2003 and 2002. |

Previously filed