2013

Constantia Flexibles Group GmbH

INTERIM REPORT
FOR THE 3RD QUARTER 2013

Constantia
Flexibles Group GmbH

Content

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2013

in thousands of Euro	Note	09/30/2013	12/31/2012
Assets			
Goodwill	E, F2	240,213	44,764
Intangible assets	F1	174,925	111,803
Tangible assets	F1	707,924	605,485
Other non-current and financial assets		10,778	13,083
Deferred tax assets		4,653	2,620
Non-current assets		**1,138,493**	**777,755**
Inventories	F3	214,172	164,984
Trade accounts receivable	F4	255,355	206,368
Tax receivables		7,938	3,243
Other receivables		98,604	34,108
Securities		401	0
Cash and cash equivalents		83,846	164,301
Current assets		**660,316**	**573,005**
Total assets		**1,798,809**	**1,350,760**
Equity and liabilities			
Equity attributable to shareholders		287,236	302,860
Hybrid capital	F5	297,601	149,438
Non-controlling interests		(2,295)	4,878
Total Equity		**582,542**	**457,176**
Provisions		53,165	49,572
Interest-bearing financial liabilities	F6	508,893	401,708
Other non-current liabilities		114,886	60,934
Deferred tax liabilities		98,170	65,916
Non-current liabilities		**775,114**	**578,130**
Current provisions		49,442	28,213
Interest-bearing financial liabilities	F6	82,573	70,796
Trade accounts payable		205,593	141,571
Tax liabilities		22,450	15,821
Other current liabilities		81,095	59,053
Current liabilities		**441,153**	**315,454**
Total equity and liabilities		**1,798,809**	**1,350,760**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

in thousands of Euro	Note	1-9/2013	1-9/2012
Sales	G2	**1,233,790**	**991,452**
Changes in inventories of finished goods and work in progress		8,765	(1,964)
Own work capitalized		181	58
		1,242,736	989,546
Other operating income	G5	32,472	13,543
Cost of materials		(719,635)	(555,798)
Personnel expenses	G4	(245,459)	(198,368)
Other operating expenses	G6	(143,145)	(108,108)
Earnings before interest, tax, depreciation and amortization (EBITDA)		**166,969**	**140,815**
Depreciation and amortization		(73,908)	(61,179)
Earnings before interest and tax (EBIT)		**93,061**	**79,636**
Net interest income and expense	G7	(25,121)	(17,110)
Other financial income and expense	G7	(32,505)	1,741
Net financial income and expense		**(57,626)**	**(15,369)**
Earnings before tax (EBT)		**35,435**	**64,267**
Current taxes	G8	(15,371)	(17,865)
Deferred taxes	G8	4,202	2,154
Income tax		**(11,169)**	**(15,711)**
Net income after tax		**24,266**	**48,556**
Thereof attributable to:			
Owners of the company		18,433	42,886
Non-controlling interests		5,833	5,670

As a company with limited liability according to Austrian law, Constantia Flexibles Group GmbH currently has no outstanding shares. Consequently no earnings per share disclosures as required by IAS 33 '*Earnings per Share*' are presented.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

in thousands of Euro	1-9/2013	1-9/2012
Net income after tax	**24,266**	**48,556**
Items that may be reclassified subsequently to profit or loss:	**(14,804)**	**9,699**
Effective portion of changes in fair value of cash flow hedges	(2,295)	6,105
Gain/(loss) through changes in fair value	(6,733)	1,707
Transfer to profit and loss account	4,438	4,398
Change in available-for-sale reserve	18	0
Gain/(loss) through changes in fair value	18	0
Currency translation differences	(13,054)	5,079
apportionated deferred taxes of currency translation differences	527	(1,486)
Items that will not be reclassified to profit or loss:	**(1,391)**	**35**
Change in actuarial gains/losses	(1,391)	35
Actuarial gains/losses	(1,773)	42
apportioned deferred taxes of actuarial gains/losses	382	(7)
Other comprehensive income for the period	**(16,195)**	**9,734**
Total comprehensive income for the period	**8,071**	**58,290**
Thereof attributable to:		
Owners of the company	2,788	52,350
Non-controlling interests	5,283	5,940

Constantia Flexibles Group GmbH

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

in thousands of Euro	Note	1-9/2013	1-9/2012
Earnings before tax (EBT)		**35,435**	**64,267**
Net interest		25,121	17,110
Depreciation and amortization (reversals) on non-current assets		73,908	61,179
(Gains)/losses on disposals of non-current assets		(433)	(47)
Other non-cash (income)/expenses		(3,031)	1,487
Change in inventories		(4,626)	(3,127)
Change in trade accounts receivable		(11,755)	(21,699)
Changes in other receivables		2,295	(3,615)
Changes in provisions		20,416	(1,939)
Change in trade accounts payable		4,685	16,172
Changes in other liabilities		5,311	5,984
		147,326	**135,772**
Taxes paid		(13,689)	(15,183)
Interests received		1,551	1,342
Interests paid		(23,435)	(13,388)
Cash flow from operating activities		**111,753**	**108,543**
Proceeds from disposals of non-current assets		1,045	1,343
Payments for property, plant and equipment and intangible assets		(54,982)	(53,758)
Net cash outflow on acquisition of subsidiaries	H	(206,028)	0
Proceeds/(Payments) for other financial assets		963	(1,012)
Cash flow from investment activities		**(259,002)**	**(53,427)**
Change in financial liabilities		(60,882)	50,018
Proceeds from issuance of hybrid capital bond		147,551	0
Proceeds from changes in non-controlling interests		0	350
Payments to hybrid capital holders		(11,034)	(11,074)
Dividend payments to non-controlling interests		(8,353)	(6,744)
Cash flow from financing activities		**67,282**	**32,550**
Change in cash and cash equivalents		**(79,967)**	**87,666**
Change in cash and cash eqivalents due to exchange rate differences		(488)	727
Cash and cash equivalents at the beginning of the period		164,301	80,248
Cash and cash equivalents at the end of the period		83,846	168,641
Change in cash and cash equivalents		**(79,967)**	**87,666**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	Attributable to equity holders of the parent								Hybrid capital	Non-controlling interests (NCI)	Equity
in thousands of Euro	Share capital	Capital reserve	Hedging reserve	Available-for-sale-reserve	Differences from currency translations	Reserve for actuarial gains/losses	Retained earnings	Total			
Balance as at January 1, 2013	**35**	**173,973**	**475**	**(26)**	**3,429**	**(7,142)**	**132,117**	**302,860**	**149,438**	**4,878**	**457,176**
Other comprehensive income			(1,763)	18	(12,506)	(1,394)		**(15,645)**		(550)	**(16,195)**
Net income after tax							18,433	**18,433**		5,833	**24,266**
Business Combinations											
Change in consolidation group								**0**		676	**676**
Transactions with owners of the company											
Put options							(3,735)	**(3,735)**		(4,813)	**(8,548)**
Reclassification NCI Drukkerij Verstraete N.V.							(34)	**(34)**		34	**0**
Addition of hybrid capital								**0**	148,163		**148,163**
Payments to hybrid capital holders							(14,643)	**(14,643)**			**(14,643)**
Dividends								**0**		(8,353)	**(8,353)**
	0	0	0	0	0	0	(18,412)	**(18,412)**	148,163	(13,132)	**116,619**
Balance as at September 30, 2013	**35**	**173,973**	**(1,288)**	**(8)**	**(9,077)**	**(8,536)**	**132,138**	**287,236**	**297,601**	**(2,295)**	**582,542**

Constantia
Flexibles Group GmbH

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012

	Attributable to equity holders of the parent								Hybrid capital	Non-controlling interests (NCI)	Equity
in thousands of Euro	Share capital	Capital reserve	Hedging reserve	Available-for-sale-reserve	Differences from currency translations	Reserve for actuarial gains/losses	Retained earnings	Total			
Balance as at January 1, 2012	**35**	**230,473**	**(3,700)**	**(26)**	**(504)**	**(1,445)**	**47,608**	**272,441**	**149,438**	**2,353**	**424,232**
ASAS IFRS 3 Correction							(59)	**(59)**			**(59)**
Balance as at January 1, 2012 restated	**35**	**230,473**	**(3,700)**	**(26)**	**(504)**	**(1,445)**	**47,549**	**272,382**	**149,438**	**2,353**	**424,173**
Other comprehensive income			4,517	0	4,912	35		**9,464**	0	270	**9,734**
Net income after tax							42,886	**42,886**		5,670	**48,556**
Transactions with owners of the company											
Put options								**0**		0	**0**
Reclassification NCI Drukkerij Verstraete N.V.							(1,250)	**(1,250)**		1,250	**0**
Reserve release		(43,000)					43,000	**0**			**0**
Acquisition of non-controlling interestes							(27)	**(27)**		27	**0**
Capital increase							62	**62**		288	**350**
Payments to hybrid capital holders							(11,074)	**(11,074)**			**(11,074)**
Dividends								**0**		(6,744)	**(6,744)**
	0	(43,000)	0	0	0	0	30,712	**(12,288)**	0	(5,179)	**(17,467)**
Balance as at September 30, 2012	**35**	**187,473**	**817**	**(26)**	**4,408**	**(1,410)**	**121,147**	**312,444**	**149,438**	**3,114**	**464,996**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. GENERAL INFORMATION

Constantia Flexibles Group GmbH (Rivergate, Handelskai 92, 1200 Vienna, Company Register No. FN 332189 p at the Vienna Commercial Court) is an Austrian holding and the parent company of Constantia Flexibles Group. These condensed consolidated interim financial statements (interim financial statements) as at end for the nine months ended September 30, 2013 comprise the Company and its subsidiaries (together referred to as the 'Constantia Flexibles Group'). Constantia Flexibles Group is focusing on the production and supply of flexibles packaging.

B. BASIS OF PREPARATION

Statement of Compliance

These interim financial statements have been prepared in accordance with IAS 34 '*Interim Financial Reporting*' and with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). They do not include all information and disclosures required for a complete set of IFRS financial statements and should therefore be read in conjunction with the Constantia Flexibles consolidated financial statements as of December 31, 2012. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2012.

The interim financial statements are presented in euro, which is the Company's reporting currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. Individual as well as total figures represent the values with the smallest rounding difference. Therefore, minor differences may result from the addition of these rounded individual figures.

These interim financial statements were authorised for issue by the Management Board on October 21, 2013.

Judgements and Estimates

In preparing these interim financial statements, Management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2012. Regarding judgements and key sources of estimation uncertainty of business combinations effected during 2013, reference is made to Note E.

C. Significant Accounting Policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2012. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2013.

Newly applied accounting and measurement principles

Except for the following items, the accounting and measurement principles are consistent with those used in the previous year:

- IAS 1 (amended 2011): *Presentation of Items of Other Comprehensive Income*
- IAS 27 (Revised version 2011): *Separate Financial Statements*
- IAS 28 (Revised version 2011): *Investments in Associates and Joint Ventures*
- IAS 32 (amended 2011): *Offsetting Financial Assets and Financial Liabilities*
- IFRS 7 (amended 2011): *Disclosures - Offsetting Financial Assets and Financial Liabilities*
- IFRS 10 (2011): *Consolidated Financial Statements*
- IFRS 11 (2011): *Joint Arrangements*
- IFRS 12 (2011): *Disclosures of Interests in Other Entities*
- IFRS 13 (2011): *Fair Value Measurement*
- Improvements to IFRSs 2009-2011 (2012)

The amended IAS 1 '*Presentation of Financial Statements*' leads to a revised presentation of the statement of comprehensive income. The individual components of other comprehensive income have to be divided into items which are never reclassified to the statement of profit or loss and items which may be reclassified to the statement of profit or loss, if certain conditions apply. The statement of other comprehensive income of the Constantia Flexibles Group GmbH has been adjusted accordingly.

Several of the new, revised or amended standards outlined above will result in additional notes disclosures in the Group's consolidated financial statements as at and for the year ending December 31, 2013.

The other new, revised or amended standards and interpretations to be initially applied in the year 2013 have no significant influence on the presentation of the asset, liabilities, financial and earnings position of these interim financial statements.

D. Seasonality of Operations

The Group’s operations are not subject to material seasonal fluctuations.

E. GROUP OF CONSOLIDATED COMPANIES

The scope of consolidated financial companies changed as follows in the nine months period ended September 30, 2013:

	Fully consolidated
Balance as of January 1, 2013	**60**
Acquisition of Globalpack Group	8
Acquisition of Spear Group	9
Acquisition of Parikh Packaging Pvt. Ltd	1
Reorganization	(1)
Balance as of September 30, 2013	**77**

1. Acquisition of Globalpack Group, Mexico

On January 2, 2013, Constantia Flexibles Group acquired 100% of the shares in Globalpack Group ('Globalpack') in a transaction under common control.

Globalpack produces packaging material, e.g. labels for foods and beverages, as well as other polymer-based and aluminum-based packaging products. Additionally collapsible boxes and micro-corrugated card packaging for foods are manufactured.

In the nine months period ended September 30, 2013, Globalpack contributed revenue of € 127.5 million, EBITDA of € 9,196 thousand and a net loss of € (4,701) thousand to the Constantia Flexibles Group's results.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

in thousands of Euro	
Cash	143,366
Adjustment of the purchase price	(63,623)
Total consideration	**79,744**

During September 2013 Constantia Flexibles Group recognized an adjustment of € 63.6 million regarding the consideration transferred based on agreements reached with the sellers. The agreed repayment of the purchase price amounting in € 63.6 million will be due in December 2013 and is presented in "other receivables".

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

in thousands of Euro	**Fair Value**
Intangible assets	31,493
Tangible assets	67,223
Non-current assets	**98,716**
Inventories	14,300
Trade accounts receivable	18,329
Tax receivables	4,852
Other receivables	8,441
Cash and cash equivalents	455
Current assets	**46,377**
Total assets	**145,093**

in thousands of Euro	Fair Value
Provisions	1,234
Interest-bearing financial liabilities	64,804
Deferred tax liabilities	17,132
Non-current provisions and liabilities	**83,170**
Interest-bearing financial liabilities	8,928
Trade accounts payable	45,213
Tax payables	5,645
Other liabilities	10,873
Current provisions and liabilities	**70,659**
Total liabilities	**153,829**
Net assets	***(8,736)***

The fair value of the trade receivables amounted to € 18,329 thousand. The gross amount of trade receivables was € 19,929 thousand.

In accordance with IFRS 3.45, in the case of new information relating to the facts and circumstances that existed at the acquisition date, adjustments may be made to the original balance for a business combination for a period of one year following the date of purchase. On this basis and due to the complexity of the acquisition, the allocation of the purchase price and the goodwill calculation for the Globalpack as at September 30, 2013 is still to be regarded as provisional.

Goodwill

Goodwill arising from the acquisition amounts to € 88,480 thousand.

Goodwill arises from anticipated synergies, sale growth and future market developments. These benefits do not meet the very specific recognition criteria required by IFRS requirements and have not been separately recognised as intangible assets.

The acquisition of Globalpack allows the Group to meet its strategic goals of tapping into new markets and regions. In particular, the Group is able to take advantage of Globalpack's presence in North and Central America, where they are the market leader in the production of packaging for well-known customers such as Procter & Gamble, Cadbury Adams, Kellogg, Colgate-Palmolive, Kraft Foods, PepsiCo and Nestlé. Furthermore, the Group´s film-based packaging materials will be strengthened as this regional market offers significant growth possibilities for both medium and long-term goals, measurable by the per capita demand of the population.

Above all, the Group anticipates synergy effects from the acquisition, which will allow the Group's multinational customer-base to make improvements in its worldwide product deliveries and enhance teamwork between Globalpack and the Group in North America. The goodwill is allocated to the Group's Food segment. None of the goodwill recognised is expected to be deductible for tax purposes.

2. Acquisition of Spear Inc. Group

On May 7, 2013, the Group acquired 100% of the shares in Spear Inc. Group ('Spear'). A non-controlling shareholder holds 25.1% of the shares in the subsidiary Spearsystem Packaging (Africa) Limited.

Spear is one of the leading printers of labels globally. The Company manufactures pressure-sensitive and cut-and-stack labels in North America, Europe and South Africa. The company is a technology leader in the pressure sensitive beverage label segment. Additionally the Company has a growing business which manufactures re-sealable products primarily for the food and snack markets.

In the five months to September 30, 2013, Spear contributed revenue of € 61.3 million, EBITDA of € 6,344 thousand and a net loss of € (2,009) thousand.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

in thousands of Euro	
Cash	49,931
Contingent consideration	41,320
Total consideration	**91,251**

The initial cash purchase price of the Spear represents USD 66.3 million (€ 49.9 million).

After the acquisition Spear loans in the amount of USD 50 million were refinanced by Constantia Flexibles GmbH and new capital of USD 18.2 million (€ 13.7 million) was contributed to the Spear Holding SGH (No 2.) Ltd.

Contingent consideration

The Group agreed to pay selling shareholders an additional variable amount in up to three year's time based on the future performance of Spear Group (earn out agreement). The Group has recognized € 41,320 thousand as contingent consideration. This represents Management's best estimate of the fair value at the acquisition date.

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

in thousands of Euro	**Fair Value**
Intangible assets	53,726
Tangible assets	41,607
Deferred tax asset	813
Non-current assets	**96,146**
Inventories	22,792
Trade accounts receivable	23,386
Tax receivables	258
Other receivables	3,633
Cash and cash equivalents	1,339
Current assets	**51,408**
Total assets	**147,554**
Interest-bearing financial liabilities	95,103
Deferred tax liabilities	19,881
Non-current provisions and liabilities	**114,984**
Provisions	236
Interest-bearing financial liabilities	19,966
Trade accounts payable	25,998
Other liabilities	4,411
Current provisions and liabilities	**50,611**
Total liabilities	**165,595**
Net assets	***(18,041)***
thereof: Identifiable net assets Spearsystems Packaging (Africa) Pty. Ltd. (74,9%)	(16,482)

The fair value of the trade receivables amounted to € 23,386 thousand. The gross amount of trade receivables was € 24,138 thousand.

In accordance with IFRS 3.45, in the case of new information relating to the facts and circumstances that existed at the acquisition date, adjustments may be made to the original balance for a business combination for a period of one year following the date of purchase. On this basis and due to the complexity of the acquisition, the allocation of the purchase price and the goodwill calculation for the Spear as at September 30, 2013 is still to be regarded as provisional.

Goodwill

Goodwill arising from the acquisition amounts to € 105,155 thousand. Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities, amounted to € (4,137) thousand.

Constantia Flexibles recognises non-controlling interests at their proportionate interest in the fair value of the identifiable assets and liabilities.

The synergies are expected to be driven mainly by the Group's focus on global brewing customers as well as the resulting growth of premium brands in the overall beer market.

The acquisition will significantly strengthen the Group's global position by adding major presence in North America and South Africa. As global brewers move into new markets, the Group will be able to follow its customers into these new markets. Goodwill is allocated to the Group's Label segment. None of the goodwill recognised is expected to be deductible for tax purposes.

3. Acquisition Parikh Packaging, India

On June 11, 2013 Constantia Flexibles Group acquired 60% of the shares in Parikh Packaging Pvt. Ltd ('Parikh').

Parikh is a leading manufacturer of flexible packaging in India and is focused in two segments namely: 1) the Food segment, which includes confectionery and biscuits, coffee and tea, dried food, frozen food and ready-made-meals and 2) the Non-Food segment, which includes pharma, personal care, household packaging and agricultural packaging.

The company has one production site with blown extrusion, extrusion coating/lamination, printing, solvent-based and solvent-free lamination and slitting. The main products are Mono, Duplex and Multiply Packaging, Pre-made Bags and Pouches and Shrink and stretch sleeves.

In the four months to September 30, 2013, Parikh contributed revenue of € 8.8 million, EBITDA of € 608 thousand and a net loss of € (294) thousand.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

in thousands of Euro	
Cash = Total consideration transferred	**15,258**

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

in thousands of Euro	**Fair Value**
Intangible assets	3,323
Tangible assets	10,868
Non-current assets	**14,192**
Inventories	2,026
Trade accounts receivable	2,110
Tax receivables	574
Other receivables	750
Securities	1,677
Cash and cash equivalents	733
Current assets	**7,869**
Total assets	**22,061**

in thousands of Euro	Fair Value
Interest-bearing financial liabilities	2,620
Deferred tax liabilities	2,309
Non-current provisions and liabilities	**4,929**
Current financial liabilities	1,121
Trade accounts payable	3,086
Tax liabilities	287
Other liabilities	605
Current provisions and liabilities	**5,099**
Total liabilities	**10,028**
Net assets	***12,033***

The fair value of the trade receivables amounted to € 2,110 thousand. The gross amount of trade receivables was € 2,146 thousand.

In accordance with IFRS 3.45, in the case of new information relating to the facts and circumstances that existed at the acquisition date, adjustments may be made to the original balance for a business combination for a period of one year following the date of purchase. On this basis and due to the relatively short period since acquisition, the allocation of the purchase price and the goodwill calculation for the Parikh as at September 30, 2013 is still to be regarded as provisional.

4. Goodwill

Goodwill arising from the acquisition amounts to € 8,038 thousand. Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities, amounted to € 4,813 thousand.

The non-controlling shareholder was provided with the option to transfer the residual 40% interest to Constantia Flexibles Group during the period from 2017 to 2023. As of the first consolidation, the present value of the put option liability was estimated at € 8,548 thousand. This put option is reported in the consolidated balance sheet as a non-current liability. The present value of the put option liability was deducted from the amount of non-controlling interests (calculated by proportionate method) in the amount of € 4,813 thousand and the residual amount was recognized in the shareholder equity.

Constantia Flexibles recognises non-controlling interests at their proportionate interest in the fair value of the identifiable assets and liabilities.

The goodwill is attributable mainly to the skills and talents of Parikh's work force and synergies expected to be achieved from integrating the company into the Food segment. None of the goodwill recognised is expected to be deductible for tax purposes.

5. Acquisition-related costs and other disclosures

The Group incurred acquisition-related costs of € 4,945 thousand relating to the acquisition of Globalpack Group, Spear Group and Parikh. These amounts have been included in ‘Other operating expenses’ in the Statement of Profit or Loss.

Disclosure of the theoretical amount of sales and net result of the group as if the acquisitions had already been included on January 1, 2013 is impracticable and therefore Management decided to not disclose such information. The reason for not presenting such disclosures for Parikh and Spear Group is the lack of relevant information up to acquisition date.

F. Notes to the Interim Consolidated Statement of Financial Position

1. Tangible Assets and Intangible Assets

Acquisitions and disposals

During the nine months ended September 30, 2013, the Group spent a total of € 46,280 thousand (nine months ended September 30, 2012: € 45,467 thousand) on acquiring property, plant and equipment and intangible assets. The book value of disposals of property, plant and equipment and intangible assets disposed of during the period amounted to € 613 thousand.

Purchase commitments

During the nine months ended September 30, 2013, Constantia Flexibles Group entered into contracts/placed significant orders to buy property, plant and equipment for € 7,688 thousand. Delivery is expected within one year.

2. Goodwill

Reconciliation of carrying amount

in thousands of Euro	09/30/2013	12/31/2012
Balance at beginning of period	44,764	44,357
Foreign currency translation	(6,224)	407
Acquisition through business combinations (see note E)	201,673	0
Balance at end of period	**240,213**	**44,764**

3. Inventories

in thousands of Euro	09/30/2013	12/31/2012
Raw materials and supplies	64,479	44,205
Semi-finished products	71,678	56,857
Finished goods, merchandise	78,015	63,922
Balance at end of period	**214,172**	**164,984**
Inventory impairment	(5,053)	(5,654)

4. Trade accounts receivable

During September 2013, certain Group companies in Germany transferred trade receivables to a financial institution. This transaction also involved the transfer of the respective credit default risk from Constantia Flexibles Group to the financial institution. The balance for the transferred receivables equaled € 29,724 thousand (12/31/2012: € 0 thousand) and this amount was derecognized in accordance with IAS 39. Constantia Flexibles Group has no continuous involvement in the trade receivables which were transferred to the factoring company.

5. Hybrid bond

On May 15, 2013, the Group issued publicly-traded hybrid bonds at € 500 per bond with an aggregate nominal value totalling € 150 million. The hybrid bonds were listed on May 28, 2013, on the Second Regulated Market of the Vienna Stock Exchange.

The terms of the hybrid bonds have no fixed maturity and the Group can avoid paying interest on the bonds. Consequently the hybrid bonds are classified as equity.

Incremental transaction costs in the amount of € 2,449 thousands less deferred taxes (€ 612 thousand) are also recognized in equity.

Accrued interest for hybrid capital in the amount of € 3,609 thousand, which the Group has made a decision to pay to the bond holders, is recognized in other liabilities.

6. INTEREST-BEARING FINANCIAL LIABILITIES

09/30/2013	Remaining term		
in thousands of Euro	Total	Less than 1 year	More than 1 year
Interest-bearing financial liabilities	591,466	82,573	508,893

12/31/2012	Remaining term		
in thousands of Euro	Total	Less than 1 year	More than 1 year
Interest-bearing financial liabilities	472,504	70,796	401,708

As of September 30, 2013 Constantia Flexibles Group did not acquire or reclassify any financial assets and liabilities which would lead to the change of the fair value levels comparing with the reporting period 2012.

G. NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. ACQUISITION OF SUBSIDIARIES

The acquisitions in the nine months ended September 30, 2013 had the following effect on the consolidated statement of profit or loss:

in thousands of Euro	Globalpack Group 1-9/2013	Spear Group 5-9/2013	Parikh 6-9/2013	Acquisitions 1-9/2013
Sales	**127,472**	**61,256**	**8,790**	**197,517**
Changes in inventories of finished goods and work in progress	(758)	(564)	1,052	(270)
Own work capitalized	(48)	0	0	(48)
	126,666	**60,692**	**9,842**	**197,200**
Other operating income	12,721	209	19	12,948
Cost of materials	(89,746)	(34,548)	(8,190)	(132,483)
Personnel expenses	(19,168)	(14,214)	(519)	(33,902)
Other operating expenses	(21,277)	(5,794)	(544)	(27,615)
Earnings before interest, tax, depreciation and amortization (EBITDA)	**9,196**	**6,344**	**608**	**16,148**
Depreciation and amortization	(7,243)	(4,341)	(434)	(12,019)
Earnings before interest and tax (EBIT)	**1,953**	**2,003**	**173**	**4,129**
Net income / (loss) after tax	**(4,701)**	**(2,009)**	**(294)**	**(7,004)**

2. SALES

The increase in sales, in the nine months ended September 30, 2013 is primarily due to the acquisition and consolidation of revenue from the Globalpack Group, the Spear Group and Parikh (see Note G1).

3. Segment Reporting

Business areas are defined and units are combined to form segments, the business activities of which generate similar income and related expenses. These segment results also include income and expenses derived from transactions with other segments.

Within the scope of periodic reporting, the results of the following segments were reported to the Management of the Constantia Flexibles Group:

Food

The Food segment mainly produces pot sealing systems for the dairy industry, butter and cheese foils, wrap-around and sleeve labels for dairies, confectionery packaging and sachets for soups, sauces and ready-made meals, as well as lightweight aluminum packaging systems for the food and pet food industries.

Labels

The Labels segment product portfolio includes aluminum, plastic and paper labels, as well as in-mould labels (IMLs) made from a variety of materials. IMLs are plastic labels which, in the course of further production at customers, bond with the product packaging (moulding).

The focus in the Labels segment is on beverage industry customers (including beer, carbonated soft drinks, and water) and the sale of in-mould labels.

Pharma

The Pharmaceuticals segment incorporates aluminum-based packaging, e.g. child-safe blister foils, cold formable foils and plastic film compositions such as blister liddings, along with sachet combinations with a barrier layer, which are also used in the medical technology/healthcare and cosmetics markets.

Holding and Consolidation

The Holding Business area includes the group management and financing activities. It also manages consolidation between the segments and the holding. Furthermore acquisition costs, insurance proceeds and management severance expenses are included.

In the Constantia Flexibles Group GmbH, the reportable segments are as follows:

Segments 09/30/2013

	Food	Pharma	Labels	Holding & Consolidation	Constantia Flexibles Group
Third party sales revenues	734,077	194,013	305,700	0	1,233,790
Group sales revenues	35,697	16,767	3,734	(56,198)	0
Total sales revenues	769,774	210,781	309,434	(56,198)	1,233,790
EBITDA	103,808	34,774	53,323	(24,936)	166,969
EBIT	61,703	25,111	31,411	(25,163)	93,062
EBT					35,435
Net Income after tax					24,266
Investments	26,020	10,437	9,742	81	46,280
Depreciation and amortization	42,105	9,664	21,912	228	73,908

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Segments 09/30/2012

	Food	Pharma	Labels	Holding & Consolidation	Constantia Flexibles Group
Third party sales revenues	591,269	186,947	213,234	2	991,452
Group sales revenues	33,156	18,899	3,567	(55,622)	0
Total sales revenues	624,425	205,847	216,801	(55,620)	991,452
EBITDA	79,318	32,550	44,258	(15,311)	140,815
EBIT	45,021	22,941	27,221	(15,547)	79,636
EBT					64,267
Net Income after tax					48,556
Investments	33,694	4,456	5,834	1,483	45,467
Depreciation and amortization	34,297	9,610	17,036	237	61,179

Reconciliation

in thousands of Euro	**09/30/2013**	**12/31/2012**
Goodwill	**240,213**	**44,764**
Thereof relating to:		
Foods Segment	120,920	27,527
Pharmaceuticals Segment	7,471	7,471
Labels Segment	111,822	9,766
Holding Segment	0	0

Intangible assets and tangible assets

in thousands of Euro	**09/30/2013**	**12/31/2012**
Intangible assets	174,925	111,803
Tangible assets	707,924	605,485
Intangible assets and tangible assets	**882,849**	**717,288**
Thereof relating to:		
Foods Segment	519,531	458,150
Pharmaceuticals Segment	135,390	135,112
Labels Segment	226,651	122,575
Holding Segment	1,277	1,451

Working Capital

in thousands of Euro	09/30/2013	12/31/2012
Inventories	214,173	164,984
Trade receivables	255,355	206,368
less receivables from plant disposals	(10)	(28)
Trade payables	(205,593)	(141,571)
less investment liabilities	5,898	15,064
Working capital	**269,822**	**244,817**
Thereof relating to:		
Foods Segment	153,095	155,054
Pharmaceuticals Segment	44,398	41,995
Labels Segment	76,554	49,980
Holding Segment	(4,224)	(2,212)

4. Personnel expenses

in thousands of Euro	1-9/2013	1-9/2012
Wages and salaries	193,042	158,940
Social security, payroll related charges and other mandatory contributions	40,205	34,823
Severance, pension and other social expenses	12,212	4,605
	245,459	**198,368**

5. Other Operating Income

in thousands of Euro	1-9/2013	1-9/2012
Gains from currency translation differences	17,821	8,753
Insurance proceeds	5,287	259
Subsidies and government grants	645	630
Proceeds from disposal of property, plant and equipment	634	282
Rental income	280	315
Miscellaneous	7,805	3,303
	32,472	**13,543**

6. Other Operating Expenses

in thousands of Euro	1-9/2013	1-9/2012
Freight	33,588	26,687
Other third-party expenses and consultant fees	22,637	16,624
Maintenance	18,566	15,131
Expense on currency translation differences	15,520	7,991
Travel and vehicle expenses	8,851	6,454
Rentals, leases	8,404	7,432
Commissions	6,635	6,655
Insurance	5,535	4,516
Other taxes	3,146	2,218
Communications expenses	2,396	1,886
Advertising expense	2,333	2,387
Miscellaneous	15,534	10,127
	143,145	**108,108**

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7. Net financial income and expense

in thousands of Euro	1-9/2013	1-9/2012
Interest income	1,688	1,755
Interest expense	(26,809)	(18,865)
Other financial income and expense	(32,505)	1,741
	(57,626)	**(15,369)**

8. Income taxes

The income taxes comprise the following items:

in thousands of Euro	1-9/2013	1-9/2012
Current tax	(15,371)	(17,865)
Deferred tax	4,202	2,154
	(11,169)	**(15,711)**

The decrease of income taxes in the interim consolidated statement is mainly caused by the reversal of a tax provision amounting to € 8,230 thousand, which was assessed as no longer being required; Constantia Flexibles' tax filing position was recently approved at the second appellate instance and expectations to win the related pending tax litigation increased significantly. This favourable movement was partially compensated by an increase of income taxes of € 2,340 thousand due to the acquisition of Globalpack Group, Spear Group and Parikh (thereof current taxes in the amount of € (4,426) thousand and deferred tax in the amount of € 2,086 thousand are recorded for the acquired companies) and by increase of income taxes in the various group components by € 2,696 thousand comparing with the prior period.

H. Notes to the Interim Consolidated Cash Flow Statement

The presentation of the cash flow statement employs the indirect method. In the cash flow statement, a difference is made between payment flows from operating, investing and financing activities.

The cash and cash equivalents reported in the cash flow statement includes cash in hand and financial instruments with a maximum maturity of three months from the time of purchase and thus correspond with the amount shown under the item cash and cash equivalents.

Net Cash Outflow on Acquisition of Subsidiaries

In the nine months ended September 30, 2013, Constantia Flexibles acquired all of the shares of Global Packaging Group and the Spear Group Inc. as well as 60% of the shares in Parikh Packaging Pvt. Ltd.:

in thousands of Euro	1-9/2013
Globalpack Group	
Consideration transferred in cash	143,366
less: Cash acquired	(455)
Spear Inc. Group	
Consideration transferred in cash	49,931
less: Cash acquired	(1,339)
Parikh Packaging Pvt. Ltd	
Consideration transferred in cash	15,258
less: Cash acquired	(733)
	206,028

The breakdown of assets and liabilities acquired is shown in 'Group of Consolidated Companies" in Note E.

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Other Notes to the Consolidated Cash Flow Statement

The item 'Other non-cash (income)/expenses' substantially comprises changes in inventory and gains and losses due to exchange rate effects.

I. Financial Instruments

As a consequence of the adoption of IFRS 13, the disclosures regarding fair value of financial instruments are also required in the interim financial statements for the financial years beginning on or after January 1, 2013. Accordingly, the information about the fair value and categorization of financial instruments, which was until now only disclosed in the annual financial statements, is reported in the interim financial statements.

Carrying amount versus fair values

The fair values of financial assets and liabilities, together with the carrying amounts in the condensed consolidated statement of financial position, are as follows:

in thousands of Euro	Carrying amount 9/30/2013	Cash flow hedge	Held for trading	Available for sale	Loans and trade receivables	Other receivables	Cash and cash equivalents	Fair Value 9/30/2013
ASSETS								
Other non-current and financial assets	10,778	212	0	4,258	5,874	434	0	10,778
Trade accounts receivable	255,354	0	0	0	255,344	10	0	255,354
Other receivables	98,604	1,936	0	0	76,042	20,626	0	98,604
Cash, cash equivalents and securities	84,247	0	0	0	0	0	84,247	84,247
TOTAL ASSETS	**448,983**	**2,148**	**0**	**4,258**	**337,260**	**21,070**	**84,247**	**448,983**

in thousands of Euro	Carrying amount 9/30/2013	Fair value hedge	Cash flow hedge	Held for trading	at FV through P & L	Other financial liabilities	Accrued and other liabilities	Fair Value 9/30/2013
LIABILITIES								
Non-current liabilities	623,780	188	1,296	216	40,900	578,701	2,478	646,731
Current liabilities	163,667	0	4,852	717	0	92,082	66,015	167,646
Trade accounts payable	205,593	0	0	0	0	205,593	0	205,593
TOTAL LIABILITIES	**993,040**	**188**	**6,148**	**933**	**40,900**	**876,376**	**68,493**	**1,019,970**

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in thousands of Euro	Carrying amount 12/31/2012	Cash flow hedge	Held for trading	Available for sale	Loans and trade receivables	Other receivables	Cash and cash equivalents	Fair Value 12/31/2012
ASSETS								
Other non-current and financial assets	13,083	483	4	4,119	8,083	394	0	13,083
Trade accounts receivable	206,368	0	0	0	206,340	28	0	206,368
Other receivables	34,108	2,055	104	0	15,061	16,888	0	34,108
Cash, cash equivalents and securities	164,301	0	0	0	0	0	164,301	164,301
TOTAL ASSETS	**417,860**	**2,538**	**108**	**4,119**	**229,484**	**17,310**	**164,301**	**417,860**

in thousands of Euro	Carrying amount 12/31/2012	Fair value hedge	Cash flow hedge	Held for trading	at FV through P & L	Other financial liabilities	Accrued and other liabilities	Fair Value 12/31/2012
LIABILITIES								
Non-current liabilities	462,642	0	2,262	0	0	457,688	2,692	462,642
Current liabilities	129,849	0	1,981	146	0	76,515	51,206	129,849
Trade accounts payable	141,571	0	0	0	0	141,571	0	141,571
TOTAL LIABILITIES	**734,062**	**0**	**4,243**	**146**	**0**	**675,774**	**53,898**	**734,062**

Financial risk management - Credit risk of trade and other receivables

The key elements of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2012.

Financial instruments carried at fair value

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

	9/30/2013				12/31/2012			
in thousands of Euro	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
ASSETS								
Other non-current and financial assets	1,041	3,429	0	**4,470**	0	4,605	0	**4,605**
Other receivables	0	1,936	0	**1,936**	0	2,159	0	**2,159**
LIABILITIES								
Non-current liabilities	0	1,701	40,900	**42,601**	0	2,262	0	**2,262**
Current financial liabilities	0	5,569	0	**5,569**	0	2,128	0	**2,128**

Level 2 fair values for simple over-the-counter derivative financial instruments, available for sale financial assets and held for trading liabilities are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the nine months ended September 30, 2013.

Level 3 fair values

Details of the determination of Level 3 value measurements and the transfer out of Level 3 of the fair value hierarchy during the nine months ended September 30, 2013 are set out below.

in thousands of Euro	Contingent consideration
Balance at January 1, 2013	0
Arising from business combination	(41,320)
Total unrealised gains and losses from the period included in profit or loss:	
- Net finance income	(934)
Total gains and losses for the period in profit or loss:	
- Currency translation differences	1,354
Balance at September 30, 2013	**(40,900)**

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy where the resulting fair value estimate should be classified.

Contingent Consideration

The contingent consideration liability arose from the acquisition of Spear (see Note E). The fair value is determined considering the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined by considering the forecast EBITDA. Significant unobservable inputs are the forecasted annual revenue growth rate (2%-6%), the forecasted EBITDA margin (14.3%-14.4%) and the risk-adjusted discount rate (5.5%).

For the fair value of contingent consideration, changing one or more of the significant unobservable inputs used to reasonably possible alternative assumptions would have the effects stated in the next paragraph. These effects have been calculated by recalibrating the values from the valuation technique using alternative estimates of unobservable inputs that might reasonably have been considered by a market participant to price the contingent consideration at the end of the interim reporting period. Any interrelationship between the unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions.

An adjustment of the annual revenue growth rate by 0.5% would result in an expense of € 822 thousand or an income of € 818 thousand respectively. Adjusting the EBITDA margin by 0.5% would lead to an expense of € 2,984 thousand or an income of € 3,102 thousand. A change in the risk-adjusted discount rate by 1.0% would result in an income of € 481 thousand or an expense of € 492 thousand respectively.

J. Commitments and Contingencies

Legal Proceedings

Oracle – Claim for Damages

Prior to the December 31, 2012 year end, the Company entered into negotiations with several shareholders to purchase their stake in Oracle Flexible Packaging Inc. ('Oracle'). Within the same year, the Company withdrew from the negotiations. Oracle has filed a legal claim for damages against the Company, their allegation being that they were forced to sell their stake to a third party, at a considerably lower price. Alleged damages amount to USD 18 million.

Legal consulting fees incurred for the relevant periods have been recognised in the statement of profit or loss. Management has not provided for these damages, as they deem the likelihood of an unfavourable verdict as highly unlikely.

The Court is not expected to reach a decision before the end of the calendar year 2013.

Constantia Packaging AG – Shareholder Exclusion Act

During the year ended December 31, 2010, Sulipo Beteiligungsverwaltungs GmbH acquired 91.49% of Constantia Packaging AG ('Constantia'). Within the same year, Sulipo acquired the remaining stake of Constantia in accordance with the Austria Shareholder Exclusion Act and delisted the company.

An 'Out-of-Court Review' of the consideration for the remaining stake was applied for and an expert was appointed to assess the value of the company as at the December 31, 2011 year end. The valuation has not been concluded and no decision is expected for the foreseeable future. The Group has reassessed its respective estimates during September 2013; resulting changes have been included in 'other financial expense/income'.

Environmental Impact

The Constantia Flexibles Group is not aware of any new environmental impacts other than those described in the consolidated financial statements as at December 31, 2012.

Other

in thousands of Euro	09/30/2013	12/31/2012
Warranties and guarantees	286	286
Discounted bank drafts	346	201
Bank guarantees received	3,357	1,919
	3,989	**2,406**

K. Related Party Disclosures

The ultimate parent company of Constantia Flexibles Group GmbH is CP Group Holding Coöperatief U.A. domiciled in Amsterdam, Netherlands.

Supply and services relationships with Group Holdings OEP, Duropack and other related parties (in thousands of Euro):

Company	received and provided	receivables	payables
Duropack	(43)	50	(1,785)
CP Group B.V.	(266)	3,018	0
Konbay Yabi Turzim Insaat Emlak AS	103	0	(10)
Baylan Matbaacilik Paz. Ltd.	12	0	(1)
Paverco Group	1,139	0	(237)

For further information on business relations, please refer to the consolidated financial statements for the year ended December 31, 2012.

All outstanding balances with related parties are settled in cash. None of the balances are secured.

L. Other Information

Subsequent Events

No significant events have occurred subsequent to the nine months ended September 30, 2013.

Vienna, October 21, 2013

Chief Executive Officer

Thomas Unger