Constantia
Packaging

Group Management Report

Constantia Packaging GmbH

January 1 – December 31, 2011

Constantia Packaging

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Economic environment

High sovereign debt, relatively stable economy

The year 2011 was characterized by a very difficult economic environment. While the “real“ economy was relatively stable with regards to investments and private consumption, the public debt crisis increasingly worsened in the US and especially in the EU area. As predicted, the first half of the year showed robust and solid global growth. Particularly in industrialized western countries, the economy slowed following the March earthquake and nuclear disaster in Japan, as well as the political upheavals in North Africa and the Middle East. Further negative effects were seen in some European countries from the unresolved debt crises in both the USA and Europe, for which there were significant changes made in the political environment as well as massive protests held by the respective inhabitants. Since then, integrated international financial markets continue to face extreme uncertainty, for both private and institutional investors.

The Group’s raw materials consist of aluminium, plastic, paper, paint and varnish. Major challenges faced in procuring these materials are from cost increases and supply shortages.

The oil price per barrel of Brent Crude increased from the end of 2010 to the year ended 2011, from USD 94.23 to USD 106.9 respectively.

The aluminium price (3-month-LME) at the end of December 2010 was USD 2,468 per ton and USD 2,017 per ton for the year ended 2011, with fluctuations throughout the year.

Even chemical raw materials experienced an increase in prices across the board. New highs were reached from the increase in demand for MEK (solvent). The price of granules decreased slightly, following the summer months, which had a subsequent impact on plastic foil.

Shortages in PET sheets peaked in early 2011, and have since then dropped to normal levels again.

Business performance

Changes in scope of consolidation

Due to the spin-off of sub-groups Duropack (Corrugated Paper segment) and AMAG (Aluminium segment) on 28 February 2011 and 30 April 2011 respectively, no key figures are presenented for these segments.

Therefore, this management report focuses on the representation of Constantia Flexibles, as a fully-owned subsidiary of Constantia Packaging, situated in Vienna. Divisions consist of Food, Pharmaceuticals and Labels.

A comparative analysis of key figures for Constantia Packaging cannot be made, based on the fact that the financial statements available for 2010 are only for the second half of the year whereas the financial statements for 2011 cover a full year.

Changes in the scope of consolidation of Constantia Flexibles are due to the acquisition of the Turkish Asaş Group, with locations in both Turkey and Romania.

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Constantia Packaging

Key figures 2011	Constantia Packaging	Constantia Flexibles 1)
in EUR millions		
Revenue	1,494.0	1,213.4
EBITDA	185.7	144.1
EBITDA-Margin as %	12.4	11.9
EBIT	90.7	67.3
EBIT-Margin as %	6.1	5.6
Net Income	246.0	231.7
PPE/Intangible Assets	78.2	78.2
Employees (Reporting date)	5,390	5.390
Full-time Equivalent (Reporting date)	5,297	5.297
Total assets	1,260.4	-
Equity	424.2	-
Equity ratio in %	33.6	-
Net liability	353.8	-
Debt (Gearing) ratio in %	83.4	-

The equity ratio is calculated as equity divided by total assets. The debt ratio is calculated as the ratio of net liability to equity, whereby net liability is Interest-bearing short-term and long-term financial liabilities less cash and short term securities.

Cash flow from operating activities	103.4	-
Cash flow from investing activities	(146.9)	-
Cash flow from financing activities	59.6	-

1) Constantia Packaging is adjusted for AMAG and Duropack for two and four months respectively.

Business performance Constantia Flexibles

Constantia Flexibles (Flexible Packaging) was created by joining the former Teich Group, founded in Austria in 1912, and the former Haendler&Natermann Group, founded in Germany in 1825. The combination of these two groups in recent years, along with the successful integration of the acquired companies, has made Constantia Flexibles a single reference point for customers to satisfy their human food, pet food, pharmaceutical and beverage packaging needs. Consistent with the motto "One face to the customer", the Company has also adopted a common brand image.

Today, Constantia Flexibles has 35 production sites in 15 countries, making it a globally operating partner and key supplier to the food, pet food, beverage and pharmaceutical industries. It supplies customers around the world.

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Constantia Packaging

Success in three segments

Constantia Flexibles offers customers a comprehensive portfolio of high-value and innovative packaging made from aluminium, paper and plastic, in three segments:

- Food
- Pharma
- Labels

The main products of the segment Food include closure systems for the dairy industry, butter and cheese foils, wrap-around and sleeve labels for milk bottles, confectionery packaging, pouches for soups, sauces and ready-made meals, lightweight aluminium containers systems for the food and pet food industry. The segment Pharma produces aluminium-based packaging materials, e.g. blister foils, cold formable foils and plastic film compositions such as blister-ladings, sachet combinations with a high barrier layer for the pharmaceutical, medical technology/healthcare and cosmetics market segments. The product portfolio for the segment Labels includes aluminium, plastic and paper labels as well as IML´s (In Mould Labels).

Constantia Flexibles' cultural diversity enables it to satisfy the needs of all international customers as a supplier and partner. The company works closely with customers and packaging machine manufacturers to develop innovative and environmentally friendly packaging solutions.

By focusing on attractive markets, Constantia Flexibles is the market leader in key product groups. The Company wins customers through its specialized know-how, high degree of flexibility and speed.

With Europe's most technologically advanced aluminium rolling mill at its Mühlhofen site, the Group has direct control over a key basic material. This arrangement enables rapid, flexible and innovative product development and manufacturing, as well as a consistent quality standard at the production sites.

Market and business trends

Food

The food and pet food industry is relatively resistant against cyclical fluctuations since its products are close to daily consumer demand. In Western Europe the largely saturated markets showed flat volume development. Eastern Europe showed a volume increase due to demand catching up compared to Western Europe. The emerging market countries in Asia and Latin America continued to show strong growth due to population development and the rise of new middle classes with new consumer behaviour. In this market environment large, globally acting customers showed stability, while the situation was more difficult for mid- sized customers.

In the Business Unit Dairy, European markets were stable, German customers increasingly turn to export. The raw materials situation continued to be tense with periodic bottlenecks in supply. The underutilization of capacity of some competitors resulted in continuing price pressure. Also the order volumes and order cycles of customers were increasingly shorter, a consequence of shorter cycles and dispositions at the supermarkets.

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The Business Unit Processed Meat has shown considerable growth in the last years and developed into a core business of the Segment. Customers are partly international groups, partly medium sized companies. Also in this business, markets in Europe were stable with growth in the emerging countries. Competition is in a consolidation phase.

Purchase of the Turkish Asaş Group

On September 1, 2011 Turkish AsaşAmbalaj Baski Sanayi ve Ticaret A.Ş., one of the leading flexible packaging companies in Turkey was taken over. After contract signature in April the transaction was cleared in the meantime by all relevant merger control authorities.

Asaş had sales of EUR 63 million in 2010, with 360 employees. 70% of sales went into the domestic market, 30% into export, mainly into Europe and the Middle East. Asas has two production sites in Ankara and in Romania. Customers are many local companies as well as renowned international groups of the food industry.

Constantia Flexibles bought around 93% of Asas, the remainder continues to be held by Asas management.

The acquisition is part of the international growth strategy of Constantia Flexibles and constitutes the basis for further expansion into the Middle East, North Africa and South Eastern Europe. The per capita consumption of flexible packaging is approximately 50% of the one in Europe, this opens sustainable growth potentials.

Pharma

After many years with a favourable economic framework for the Pharma industry, market environment was more difficult in 2011. The „pipelines“ for new products are less full, registration and approval procedures slowed down, for some established key products patent protection ended. This resulted in increasing price pressure and restructuring processes. Producers of generica were able to benefit from this development, this products group´s sales share in the market markedly increased. The Business Unit could maintain its position in this challenging environment satisfactorily.

Labels

The business year 2011 showed a satisfactory development in aluminium and paper labels as well as significantly higher sales in plastic labels. While the Business Unit could participate in the growth in the emerging markets, also in the flat European markets market shares could be gained. The positioning of the Segment as full supplier for beverage containers is increasingly being accepted by customers with early inclusion as partner in the development process. A negative influence on earnings development came from procurement markets. The increase in raw material prices – partly in the double digit area - could, if at all, only be passed on to the customer with a time lag. This yielded margin pressure throughout the year, which could be partly compensated by measures aimed at using less raw materials.

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Investments

The most important investments during the past year related to a laminating machine in the „Breitenzentrum“ and slitting machine in Constantia Teich; gravure printing presses at Constantia Teich Poland, Constantia Hueck and Constantia Ebert; the renovation and expansion of the existing cylinder production at Hueck as well as the installation of a ventilation system based on a regenerative thermal oxidation (RTO) at Constantia Tobepal.

Human Resources

Attractive employer

At the end of 2011, Constatia Packaging employed 5,390 people.

Flexible work time models are offered in order to ensure the optimum adjustment to changing market conditions, while ensuring that the company's needs are reconciled with those of its workers.

Constantia Packaging is an attractive employer. Much of our business is only marginally affected by cyclical market fluctuations and offers attractive international growth potential. We also offer a performance-based compensation system, benefits such as subsidized cafeterias at the plants, sporting activities, company outings and cultural events.

Management development

As a multinational corporation, Constantia Packaging offers global career development opportunities, and a tailor-made platform for developing management talent, i.e. the Constantia Academy for Management and Leadership. This program was founded in 2006.

In the “Leadership Program”, up-and-coming management talents learn traditional management skills, in between these sessions, the young managers can apply their newly learned skills directly on a daily basis.

The “Strategic Leadership Program” was developed for the Group's future top management, with four learning sessions, each lasting three days. In addition to providing managers in the distinct operating segments with additional networking opportunities, the program is noteworthy in that it develops top management internally. The program focuses on the individualized continuing education of the respective managers, the immersion in strategic competencies and instruction on how to take responsibility for the management of larger units.

In the coming years, the focus on human resources and leadership development will be further strengthened. The planned growth of the Group will bring with it new demands in terms of the number and qualification level of young executives. Constantia Packaging with meet this with modern human resource processes and an increase in staff development opportunities.

Continuous improvement processes

Through the Continuous Improvement Process (CIP), employees are always participating in operational optimization, which results in a strong sense of identification with the company. This continuous improvement in small steps is essential in order to leverage the necessary cost savings in economically turbulent times.

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Constructive teamwork with the employee representative organizations

We value the importance of open and timely communication with employee representative organizations. At the annual meeting of the Group's European works councils, topics such as "Code of Ethics", employee development and investment were discussed in a constructive manner.

Corporate Social Responsibility

As an internationally active company, we recognize a duty to contribute to society by providing goods and services in an environmentally efficient manner and to support those areas where it can make a difference quickly and effectively as part of its overall corporate social responsibility practices.

We believe that corporate social responsibility is fundamentally important in all countries where we do business. In addition to our business goals, we assume responsibility for ensuring that our progress is achieved in a manner consistent with environmental and social needs. The values and ethical principles that guide our business activities form the basis of our global social responsibility. We consistently apply the Group's Code of Ethics.

Economic responsibility

Operating a business involves closely weighing strategic and operating risks and opportunities. We assess these risks and opportunities through systematic risk management.

The Group-wide compliance guidelines were applied in all segments. For several years, a fair competition compliance program has been in place throughout the Group, ensuring that all three segments satisfy the fair competition principles and rules promulgated by the EU competition authorities. Our quality management ensures the continuous refinement of our quality standards as well as those of our suppliers. All Group production facilities have received ISO 9001:2000 certification and are certified compliant with the most important norms and standards of our customer sectors.

Environmental responsibility

We are committed to environmental responsibility as part of our business approach. We achieve this goal by adhering to the following principles:

- Regard for and minimization of potential environmental risks in the selection of production technologies
- Use of environmentally friendly materials and substances in our product portfolio
- Use of every opportunity to reduce air, soil and water pollution and to reduce greenhouse gas emissions and waste through appropriate measures
- Maximized use of low-impact and environmentally friendly technologies while continuously optimizing the material inputs

We place great emphasis on the continuous optimization of our input materials consumption, in particular paper, aluminium and plastics. Measures to minimize the consumption of electricity, natural gas and water are a major success factor during lengthy periods of steadily rising energy consumption and dwindling water reserves. We also continuously monitor emissions and waste reduction and disposal.

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Social responsibility

We take comprehensive steps to support human rights and prevent child labour and forced labour, in accordance with the respective laws in effect. The management guidelines strictly prohibit discrimination on the basis of race, origin, religion, disability, gender, sexual orientation, political beliefs or union membership.

We also value the importance of being good neighbours in the areas where our sites are located, and actively assume social responsibility. All plants and facilities are therefore urged to become actively involved in supporting social causes.

Risk management and business opportunity report

Our systematic risk management system is an integral part of its business activities, and it identifies, assesses and controls all material risks and opportunities. Risks are to be recognized early on, and addressed proactively whenever possible in order to minimize them as much as possible. Similarly, business opportunities should also be exploited in a targeted manner. In that respect, a balanced risk and opportunities management system represents a major success factor for our company.

The Group's Internal Audit unit is an essential component of the company organization and culture. It provides support for the management and Supervisory Board to manage risks and opportunities based on a well-grounded decision-making framework. Regular audits of all company units in accordance with a defined annual audit plan secures net worth and ability to create value.

In managing known individual risks, our internal risk management instruments ensure the functionality and efficiency of the risk management system. The overall risk position is derived from the major individual risks and opportunities. T he overall risk position did not fundamentally change relative to the previous year. Currently, no threat to the continuity of operations exists, nor is there evidence of such a risk in the future.

Internal control system

Constantia Packaging restructured and expanded its internal control system in order to better support the early detection, monitoring and proactive mitigation of risks. The system is based on the internal control system standards of the internationally recognized organization COSO (Committee of Sponsoring Organizations of the Treadway Commission). The system's goal is to have the respective management units deliberately recognize and control potential outstanding risks.

Main characteristics of the internal controlling and risk management system for accounting and financial reporting

The Executive Board is responsible for implementing a suitable internal controlling and risk management system for the invoicing process and financial reporting. For this purpose, the Executive Board has agreed on binding regulations and guidelines to be applied for the main business risks and in the financial reporting process.

The entire process from procurement to payment is subject to strict rules and guidelines that are intended to avoid any risks these processes may entail. These measures and rules include separation of functions, signature authorization matrices, and signatory powers for authorizing payments applying on a collective basis only and restricted to a small number of employees, as well

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as system-supported checks by the software in use (SAP). By using a standardized, Group-wide financial reporting system, together with ad hoc reporting on major events, the Executive Board is informed constantly on all relevant issues. The Supervisory Board meeting is held at least quarterly, regarding operational planning, the Group's medium-term strategy. In special cases, they are immediately informed. Internal control and risk management are among the topics dealt with in audit committee meetings.

The Group Auditing department monitors compliance with internal controls in its own audits approved by Group management. The areas audited are selected so that the entire company is examined in all areas of risk over a cycle of at most five years. The risks identified are analysed in detail, improvement measures are developed, implementation of these measures implemented and monitored. The internal control system is regularly assessed to ensure its relevance and, if necessary, amended.

Major risks and contingencies

Operational risks

Elemental risks

Based on the requirements of the respective plants, targeted measures are regularly implemented to prevent and minimize elemental risks:

- Flood and other elemental risks: continuous adjustments to preventive measures, flood protection through suitable anti-flood control structures.
- Fire prevention: implementation of structural, technical and organizational measures, adapted to each potential hazard. Examples include ventilation zones, fire alarm systems, carbon dioxide fire protection systems, sprinkler systems in the production plants, company fire departments and fire insurance policies; employee training regarding proper conduct and teamwork with company and public rescue workers.
- Accident prevention: workplace evaluations and improved workplace layout, identification of near accidents and development of preventive measures, regular employee training.

Risks arising from changes in the environment

For the Flexible Packaging segment, the ever-more stringent evaluation of packaging materials for compliance with food laws combined with increasingly precise analytical testing methods present a risk. The segment is countering these risks by forging ties to international research institutes, and continuously monitoring new scientific findings and food legislation at the EU and national levels. The company provides input by participating in the respective advisory committees.

Production-related risks

The following specific measures aimed at maintaining continuing operations and production capabilities consistent with customer requirements have been implemented by the respective plants:

- Risk of machinery failure: Servicing and inspection plans for existing plants and infrastructure; preventive maintenance; ongoing improvements/adjustments to facilities; strategic planning of new, upgrade and replacement investments based on carefully designed projects; machine

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failure insurance; implementation of clear investment guidelines; systematic preventive maintenance, and training and use of skilled personnel who can be flexibly deployed.

- Product quality risk: Ongoing monitoring and adaptation of production processes; comprehensive process documentation and instructions in the production, maintenance, quality and work safety areas; error documentation/remedial action and draw-up of action lists; certified quality management system in accordance with ISO 9001 with recurring renewal audits; hygiene management system and implementation of good manufacturing practices (GMP); customer and supplier audits.

Information processing risks

All Group companies have implemented security and user authorization plans to reduce the risk of a system failure caused by defective hardware, the loss of data or tampering. For the important systems, business recovery centres are available, which in some cases include geographically remote parallel servers. Data and programs are regularly backed up to diverse storage media.

Where possible, all units use standard accounting/finance and materials management software packages, and efforts are under way to come up with common sales and production software. The Group internal control department reviews compliance with the required minimum standards and evaluates the measures to combat known risk factors.

Personnel risks

All areas of the company have established organizational charts and personnel succession plans, which are regularly updated. Deputies have been selected for all key functions. Targeted succession plans at all units ensure that know-how is continuously passed on. With the Constantia Academy programs for young management talents and top management, the company has created an in-house resource with an international format for developing management personnel.

Business risks

Purchasing risks

To minimize the purchasing risk in the Flexible Packaging segment, we have framework agreements for raw materials such as aluminium, polymer films, paper and chemical products. Supply bottlenecks are largely eliminated by market research, material development screening and approving new competitive suppliers.

Sales risks

Our strategically diversified product range and excellent market and production know-how ensure the lack of dependency on a small number of customers. In all, the Group has several thousand customers around the world. We back our strategy of minimizing sales risks through long-term framework agreements with key customers. At the same time, we continue to expand the Group's product line and markets in attractive niches, where innovative solutions and the highest quality are in demand.

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Significant energy and commodity price volatility, especially in recent years, often leads to challenging price negotiations with customers. Constantia seeks to counter this situation by focusing on innovative products, processes and technologies that offer customers advantages in their own markets, as well as through existing framework agreements. Most of the products are marketed to customers in defensive sectors, such as the food, pet food, beverage and pharmaceutical industries.

Risks relating to competition law

Constantia Packaging is fully committed to up-holding the rules of fair competition and to fair contracts with all business partners. All employees at all company units are obligated to adhere to the principles and rules of fair competition and to comply with EU and domestic antitrust laws. Having introduced and monitored compliance with the relevant organizational instructions, we have largely eliminated the risk related to compliance with competition laws. We also consult with an antitrust attorney on a permanent basis. An internal compliance officer oversees the Code of Ethics implemented in 2008, which includes comprehensive rules regarding business transactions and capital markets in the context of fair and ethical conduct by all company employees.

Risks related to research and development

The rapid increase in applications for intellectual property protection poses a general risk for development work. This trend has the potential to narrow the areas of research and development work. We therefore monitor patents continuously to determine which development areas are covered by property rights, and which of our own developments we should protect through our own applications for property rights.

Provisions are made for possible risk analysis in development projects. The relevant procedural instruction is entitled “R&D processing of trial orders and projects”. The purpose of this analysis is to clarify potential risks relating to materials and processes that could jeopardize the manufacture of the product and the reliable supply to customers.

Legal risks

In light of the international nature of our business activities, we continuously monitor the relevant legal provisions and pending legislation in the EU and the respective countries. Risks arising from potential product liability damages are eliminated as much as possible through quality control measures.

Any residual risks are largely covered by company liability insurance policies, in cases where a risk has not been eliminated in advance through contractual agreements. In that respect, we have model contracts, and standardized supply and sales terms for customers and suppliers.

Financial risks

The financial risks are subject to Group-wide guidelines, which govern the purpose, fundamental principles, tasks, competencies and handling of the financial risks within the Group. Financial risks arise from the ordinary business activities and consist mainly of currency, interest rate and commodity risks as well as default and liquidity risks.

We use derivative financial instruments to hedge interest rate, currency and commodity risks. Hedges are to be used only for existing or highly probable transactions, and carried out using only clearly

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transparent and assessable instruments. The international nature of our business activities results in payment transactions in various currencies, with the respective currency payment inflows and outflows netted against one another to determine the net currency position. The reported currency risk or open currency position is hedged through currency forwards and options.

Through its business activities, we are also subject to commodity price risks, in particular fluctuations in aluminium list prices on the London Metal Exchange (LME). To hedge commodity price risk, the Group relies primarily on forwards and options.

The Group mainly uses interest rate swaps to hedge against interest rate risk related to financial instruments with interest rate exposure. As a rule, financing is centrally managed by the Group Treasury department. In individual cases, bank guarantees are issued for subsidiaries. The Group always ensures that these guarantees are limited with regard to the amount and duration involved. Guarantees are only given if the Group derives economic benefits such as more favourable financial conditions. As a rule, the companies of the Group conduct business only with customers that have an adequate credit rating. This practice is assured by regular credit rating checks and by cooperating closely with notable domestic and foreign credit insurance firms. Foreign investments in non-OECD countries are generally insured against political risks. In order to minimize liquidity risk, we regularly conduct currency-specific liquidity plans, with corresponding cash and credit reserves.

Business opportunities

Opportunities from growth drivers of the business

For Constantia Packaging, new opportunities are being created through growing middle class population segments in emerging market countries, with rising living standards and thus increased demand for our solutions, especially in the beverage, food and pharmaceutical industries. Demographic trends, such as smaller households and longer life expectancies, offer yet another opportunity through steadily rising demand for greater product variety and quality.

Strategic business opportunities

Business opportunities are based on its dedicated plants strategy, in which individual plants concentrate on specific product lines. Meanwhile, the Group is diversifying into strategic markets and products that comprise innovative technologies and manufacturing processes. This approach offers favourable long-term opportunities in the growth regions of Asia, the Middle East/North Africa , Latin America as well as South and Eastern Europe.

Research and development

As a global Group, we recognize that innovation – i.e. the ongoing efforts to improve our products, services and production processes – is a decisive success factor. Innovation takes into account environmental as well as technical and economic factors. One of the greatest business challenges we face, therefore, involves creating the proper framework, and in particular the right corporate culture, to promote innovation throughout all Group entities.

Our research and development work is carried out in the context of projects, very often as joint initiatives with our key customers. Cooperation with international universities and research institutes secures market-oriented developments on the cutting edge.

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In the reporting period R&D expenses totalled € 11 million.

Constantia Packaging has a considerable number of patents and patent applications, a clear sign of its strong technological prowess. The patent strategy focuses on broadly securing the company's core competencies and key technologies through patents and brands. The professional management of intellectual property through brands and patents ensures a high degree of legal certainty for our customers.

The creative potential of the Group's employees is supported and exploited through targeted programs for continuous process improvements and best idea contests in our subsidiaries, so that new ideas are continuously conceived and pursued.

Events after the reporting period

There were no significant events occurring after the reporting date.

Outlook

The business generally is relatively stable against cyclical demand fluctuations with a high share of products close to daily needs in the food, pet food, beverage and pharma industry. Due to global population growth, the ever increasing flexible packaging consumption of new middle classes with smaller households and a substitution of rigid by flexible packaging bring about sustainable growth potentials.

In the past year a new organization and a new management laid the basis for further successful business performance. In 2012 activities will focus on increased market presence in the growth regions as well as intensified integration of the Group.

On the basis of our strengths – excellent market positions in Western Europe and in aluminium-based core products- the Group wants to develop into a strong global player. By successful integration of acquisitions additional value shall be created. Starting from the solid business base in Europe growth is expected to happen primarily in the threshold countries in Eastern Europe, South America, Turkey, Middle East/North Africa and in Asia. This will be made possible by strengthening market positions in core products, optimizing plants and processes as well as innovation, research and development.

Despite a challenging economic environment the order situation of the Group is satisfactory.

The good profitability, an equity ratio of more than 30% as well as solid cash flows testifies to the financial stability in order to finance future investments and acquisitions, and to strengthen the Group´s business for economically challenging times.

Managing Director

Dipl. Wirtsch. Ing. Thomas Unger

Vienna, February 29, 2012

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Constantia Packaging

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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CONSOLIDATED BALANCE SHEET* AS AT DECEMBER 31, 2011 PURSUANT TO IFRS

in €k	Section	12/31/2011	12/31/2010 adjusted
Assets			
Goodwill	J1	43,608	34,606
Intangible assets	J1	131,882	151,475
Tangible assets	J1	591,377	1,228,307
Other non-current and financial assets	J2	17,596	50,623
Deferred tax assets	K18	5,873	26,465
Non-current assets		**790,336**	**1,491,476**
Inventories	J3	157,379	390,082
Trade accounts receivable	J4	206,496	300,189
Tax receivables		3,192	6,254
Other receivables	J5	22,757	77,960
Cash and cash equivalents		80,248	64,181
Assets held for sale	J6	0	1,956
Current assets		**470,071**	**840,622**
Total assets		**1,260,407**	**2,332,098**
Equity and liabilities			
Equity attributable to shareholders		**272,441**	**553,234**
Hybrid capital		**149,438**	**249,063**
Non-controlling interests	J7	**2,353**	**90,345**
Total Equity		**424,232**	**892,642**
Provisions	J8	47,364	125,475
Interest bearing financial liabilities	J10	239,062	435,349
Other non-current liabilities	J10	53,983	80,912
Deferred tax liabilities	K18	70,535	119,106
Non-current financial liabilities		**410,945**	**760,842**
Current provisions	J9	26,612	43,251
Interest-bearing financial liabilities	J10	195,080	268,920
Trade accounts payable	J10	127,713	167,496
Tax liabilities	J10	14,412	21,545
Other liabilities	J10, 11	61,413	177,402
Current financial liabilities		**425,230**	**678,614**
Total Equity and liabilities		**1,260,407**	**2,332,098**

* Adjustments to the previous year under I. Changes to the initial accounting of the business combination

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Consolidated Income Statement* for the 2011 Financial Year Pursuant to IFRS

in €k	Section	2011	2010 adjusted
Sales	K12	**1,494,028**	**1,105,514**
Changes in inventories of finished goods and work in progress		18,016	(8,817)
Own work capitalized		221	852
		1,512,265	1,097,549
Other operating income	K13	22,615	24,310
Cost of materials		(879,864)	(646,840)
Personnel expenses	K14	(303,604)	(203,269)
Other operating expenses	K15	(165,756)	(146,389)
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**185,657**	**125,361**
Depreciation	J1	(94,980)	(76,666)
Earnings before interest and taxes (EBIT)		**90,677**	**48,695**
Net interest income	K16	(24,455)	(15,881)
Other financial income	K16	201,276	(10,916)
Net financial income		**176,821**	**(26,797)**
Earnings bevor tax (EBT)		**267,497**	**21,898**
Current taxes	K17	(26,255)	(21,880)
Deferred taxes	K18	4,785	12,694
Income tax		**(21,471)**	**(9,186)**
Net income after tax		**246,026**	**12,712**
Therof attributable to:			
Non-controlling interests		6,303	7,773
Shareholders		239,723	4,939

* Adjustments to the previous year under I. Changes to the initial accounting of the business combination

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Constantia Packaging

Consolidated Statement of Comprehensive Income* for the 2011 Financial Year Pursuant to IFRS

in €k	Section	2011	2010 adjusted
Net income after tax		**246,026**	**12,712**
Change in hedging reserve	M	**(11,303)**	**(16,850)**
Gain/(loss) through changes in fair value		(19,363)	(26,898)
thereof apportioned deferred taxes		4,066	6,982
Change in Available-for-Sale reserve	M	**29**	**(19)**
Gain/(loss) through changes in fair value		29	(19)
Change in the reserve for employee benefits	J8	**(120)**	**(9,399)**
Actuarial gains and losses		(126)	(10,786)
thereof apportioned deferred taxes		6	1,387
Currency translation differences		**(1,025)**	**(14,205)**
Other comprehensive income for the period		**(12,419)**	**(40,473)**
Thereof attributable to:			
Non-controlling interests		(197)	(4,945)
Shareholders		(12,222)	(35,528)
Total comprehensive income for the period		**233,607**	**(27,761)**

* Adjustments to the previous year under I. Changes to the initial accounting of the business combination

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Constantia Packaging

Consolidated Cash Flow Statement* for the 2011 Financial Year Pursuant to IFRS

in €k	Note	2011	2010 adjusted
Earnings before tax (EBT)		**267,497**	**21,898**
Net interest		24,455	15,881
Depreciation and amortization (reversals) on non-current assets		94,980	76,666
(Gains)/losses on disposals of non-current assets		(81)	(417)
Dividends		(200,000)	0
Other non-cash (income)/expenses		(15,177)	18,794
Change in inventories		14,527	(36,837)
Change in trade accounts receivable		(41,965)	36,013
Changes in other receivables		21,463	61,793
Changes in provisions		1,555	(19,205)
Change in trade accounts payable		2,328	(16,123)
Changes in other liabilities		(15,629)	(48,451)
		153,953	**110,012**
Taxes paid		(30,431)	(10,105)
Interest received		1,558	1,560
Interest paid		(21,668)	(15,535)
Cash flow from operating activities		**103,412**	**85,932**
Proceeds from disposals of non-current assets		3,493	3,346
Payments for property, plant and equipment and intangible assets		(78,314)	(68,451)
Net cash outflow on acquisition of subsidiaries	D	(29,570)	(437,131)
Financial losses from surrender of controlling interests	D	(40,385)	0
Proceeds from other financial assets		(2,155)	3,288
Cash flow from investment activities		**(146,931)**	**(498,948)**
Change in financial liabilities		(66,885)	107,662
Capital increase		150,000	462,614
Hybrid capital repayments		(100,000)	0
Payments to acquire non-controlling interests	L	(46,157)	(71,298)
Dividends received		200,000	0
Dividend payments to shareholders		(50,000)	0
Dividend payments to hybrid capital holders		(20,586)	(15,826)
Dividend payments to non-controlling interests		(6,744)	(6,002)
Cash flow from financing activities		**59,628**	**477,150**
Change in cash and cash equivalents		**16,109**	**64,134**
Change in cash and cash eqivalents due to exchange rate fluctuations		5	0
Cash and cash equivalents at the beginning of the period		64,134	47
Cash and cash equivalents at the end of the period		80,248	64,181
Change in cash and cash equivalents		**16,109**	**64,134**

* Adjustments to the previous year under I. Changes to the initial accounting of the business combination

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Consolidated Statement of Changes in Equity* for the 2011 Financial Year Pursuant to IFRS

in €k	Attributable to shareholders								Hybrid capital	Non-controlling interests	Equity
	Share capital	Capital reserve	Hedging reserve	Available-for-sale-reserve	Differences from currency translations	Reserve for employee benefits	Revenue reserve	Total			
Balance as at January 1, 2010	**35**	**0**	**0**	**0**	**0**	**0**	**(3,563)**	**(3,528)**	**0**	**0**	**(3,528)**
Other comprehensive income			(14,705)	(24)	(12,390)	(8,410)	0	**(35,528)**		(4,945)	**(40,473)**
Net income after tax							3,547	**3,547**		7,834	**11,380**
Transactions with shareholders											
Allocation to the capital reserves		623,874						**623,874**			**623,874**
Reversal of capital reserve		(543,402)					543,402	**0**			**0**
Shareholder contributions								**0**			**0**
Acquisition of non-controlling interestes							(17,271)	**(17,271)**		(54,027)	**(71,298)**
Change in consolidation								**0**		146,975	**146,975**
Addition of hybrid capital								**0**	248,750		**248,750**
thereof attributable deferred taxes								**0**	313		**313**
Payments to hybrid capital holder							(15,826)	**(15,826)**			**(15,826)**
Dividends								**0**		(6,002)	**(6,002)**
	0	80,472	0	0	0	0	510,305	**590,776**	249,063	86,945	**926,784**
Balance as at December 31, 2010	**35**	**80,472**	**(14,705)**	**(24)**	**(12,390)**	**(8,410)**	**510,289**	**555,267**	**249,063**	**89,834**	**894,164**
Adjustment to the initial balance sheet											
Net income after tax							1,332	**1,332**			**1,332**
Put options							(3,365)	**(3,365)**		511	**(2,854)**
Balance as at January 1, 2011	**35**	**80,473**	**(14,705)**	**(24)**	**(12,390)**	**(8,410)**	**508,256**	**553,234**	**249,063**	**90,345**	**892,642**
Other comprehensive income			(11,234)	29	(869)	(148)		**(12,222)**		(197)	**(12,419)**
Net income after tax							239,723	**239,723**		6,303	**246,026**
Transactions with shareholders											
Put options							(4,927)	**(4,927)**		(511)	**(5,438)**
Shareholder contributions		150,000						**150,000**			**150,000**
Acquisition of non-controlling interestes							(913)	**(913)**		(14)	**(927)**
Change in consolidation							198	**198**			**198**
Addition of hybrid capital								**0**	(99,500)		**(99,500)**
thereof attributable deferred taxes								**0**	(125)		**(125)**
Payments to hybrid capital holder							(20,586)	**(20,586)**			**(20,586)**
Dividends			22,239	(31)	12,755	7,113	(674,142)	**(632,066)**		(93,573)	**(725,639)**
	0	150,000	22,239	(31)	12,755	7,113	(700,370)	(508,294)	(99,625)	(94,098)	(702,017)
Balance as at December 31, 2011	**35**	**230,473**	**(3,700)**	**(26)**	**(504)**	**(1,445)**	**47,608**	**272,441**	**149,438**	**2,353**	**424,232**

* Adjustments to the previous year under I. Changes to the initial accounting of the business combination

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Notes to the Consolidated Financial Statements

A. GENERAL INFORMATION

Constantia Packaging 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 a group, which has the object of producing and selling flexible packaging. The company makes strategic investments in industrial companies.

With effect from June 24, 2010, Constantia Packaging GmbH (formerly Sulipo Beteiligungsverwaltungs GmbH) purchased 91.49 per cent of the share capital of Constantia Packaging AG (Company Register No. FN 88214 b at the Vienna Commercial Court). Following approval by the Company Register Court of the squeeze out agreed at the Annual General Meeting of Constantia Packaging AG, for legal reasons all the shares of minority stockholders passed to Constantia Packaging GmbH on October 8, 2010.

Constantia Packaging GmbH first prepared consolidated financial statements in 2010. Initial consolidation took place on July 1, 2010 with the result that the figures reported in the income statement for the preceding year cover a period of six months.

Within the scope of the purchase price allocation, in individual cases the fair values of assets and liabilities were determined on the basis of estimates, which were subsequently subjected to an additional examination. This scrutiny demonstrated that individual values required adjustment, as is further explained in Section I.

With a shareholders' resolution from February 24, 2011, the interests in AMAG Holding GmbH, Vienna and Austria Metall GmbH, Ranshofen were distributed as non-cash dividends. On April 20, 2011, the shareholder resolved to distribute the interest in Duropack GmbH, Vienna. As a consequence of both segments leaving the group, the values reported in the balance sheet and the income statement cannot be compared with the preceding year.

The consolidated financial statements for the financial year from January 1 to December 31, 2011 were prepared in accordance with the International Financial Reporting Standards (IFRS), as formulated by the International Accounting Standards Board (IASB) and adopted by the European Union, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), the application of which was mandatory in 2011.

The consolidated financial statements are drawn up in thousands of euros. Numerous amounts and percentages reported in the consolidated financial statements have been rounded and therefore totals may deviate from the amounts stated.

The income statement is prepared in accordance with the total cost method.

B. REPORTING CURRENCY AND CURRENCY TRANSLATION

The individual financial statements of the consolidated subsidiaries are prepared in the respective functional currencies. For the drawing up of the consolidated financial statements, the assets and liabilities of those subsidiaries employing a functional currency other than the euro are translated at the mean exchange rate on the balance sheet date and the average annual exchange rate with regard to the profit and loss calculation. All the resultant currency translation differences were unrecognized and accounted for under equity in an adjustment item for currency translation. These currency translation differences are recognized through profit and loss in the reporting period when the relevant subsidiary is sold.

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Foreign currency transactions are reported at the exchange rate valid at the time. Monetary items in foreign currency are measured with the exchange rates on the balance sheet date. Translation differences are recognized in the period in which they occur. The exchange rates of the currencies of importance to the Constantia Packaging Group are as follows:

Currency		Reference rate at the balance sheet date 12/31/2011	Average annual rate 2011
Bulgarian leva	BGN	1.95580	1.95580
Canadian dollar	CAD	1.32150	1.38052
Swiss franc	CHF	1.21600	1.23183
Czech koruna	CZK	25.78700	24.59958
Danish krone	DKK	7.43420	7.44620
British pound	GBP	0.83530	0.87125
Croatian kuna	HRK	7.53700	7.44920
Hungarian forint	HUF	314.58000	280.66917
Polish zloty	PLN	4.45800	4.13798
Serbian dinar	RSD	107.10000	102.07667
Russian ruble	RUB	41.76500	41.03869
Turkish lira	TRY	2.44320	2.47192
U.S. dollar	USD	1.29390	1.40002

Goodwill from the purchase of subsidiaries is allocated to the acquired company using the exchange rate on the date of purchase and translated with the corresponding exchange rate on the respective balance sheet date.

C. Principles of Consolidation

Scope of consolidation

The consolidated financial statements incorporate Constantia Packaging GmbH and the companies over which it exercises control. Control is presumed when Constantia Packaging GmbH is in a position to determine the financial and business policy of companies and to profit from their activities.

The financial statements of the fully consolidated group companies are based on uniform accounting and measurement principles. The balance sheet date for all companies is December 31, 2011.

Business combinations

According to IFRS 3, the acquisition method is to be applied to company purchases. Companies that are acquired or disposed of in the course of the financial year are included in the consolidated financial statements from the time control was obtained or until the date of sale. In the case of business combinations, the surplus of the acquisition costs of the investment as compared to the fair value of the acquired assets, liabilities, provisions and contingent liabilities at the time control was obtained is recognized as goodwill. Should the acquisition costs be less than the fair value of the purchased assets and the liabilities, provisions and contingent liabilities acquired at the time of purchase, following a renewed examination and the determination of a negative difference, this is recognized as income in the income statement in accordance with the provisions of IFRS 3.56. Acquisition-related costs are recognized as an expense.

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Interests in joint ventures

Pursuant to IAS 31, joint ventures are recognized in the consolidated financial statements in line with proportionate consolidation.

In the 2011 financial year no interests were held in joint ventures.

Consolidation methods

Capital consolidation is carried out in accordance with the principles contained in IAS 27. The carrying amount of the interests held in each of the individual subsidiaries by the Constantia Packaging Group and the share of the Constantia Packaging Group in the equity of each subsidiary are eliminated. The share equity attributable to non-controlling shareholders is disclosed separately in equity and the net share of earnings after income tax attributable to non-controlling interests is disclosed separately in the income statement.

The effects of intra-group transactions between companies included within the scope of full or pro rata consolidation are eliminated during the preparation of the consolidated financial statements. During debt consolidation, intra-group trade accounts receivable and other receivables are offset against the corresponding intra-group accounts payable. All intra-group expenses and income are eliminated in the course of expense and income consolidation. All material profits and losses derived from intra-group deliveries and services are eliminated.

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D. ACQUISITIONS AND OTHER CHANGES TO THE SCOPE OF CONSOLIDATION

The purchase of Asas Ambalaj Baski Sanayi ve Ticaret A.S. (subsequently referred to as Asas A.S. for short) and Asas Romania S.R.L. by Constantia Packaging GmbH was disclosed as at August 31, 2011). The preliminary purchase price allocation was as follows:

in €k	Carrying amounts	IFRS 3 Adjustments	Fair Values
Intangible assets	1	19,878	19,879
Tangible assets	24,459	1,730	26,189
Other non-current and financial assets	698		698
Non-current assets	**25,158**	**21,608**	**46,765**
Inventories	6,399	520	6,919
Trade accounts receivable	17,109		17,109
Other receivables	1,111		1,111
Cash and cash equivalents	3,003		3,003
Current assets	**27,622**	**520**	**28,142**
Total assets	**52,780**	**22,127**	**74,907**
Provisions	606	3,000	3,606
Interest-bearing financial liabilities	6,294		6,294
Deferred tax liabilities	924	3,825	4,750
Non-current liabilities	**7,824**	**6,825**	**14,650**
Interest-bearing financial liabilities	17,999		17,999
Trade accounts payable	16,223		16,223
Other liabilities	468		468
Current liabilities	**34,690**		**34,690**
Total liabilities	**42,514**	**6,825**	**49,340**
Net assets as at August 31, 2011			**25,568**

Goodwill

in €k		
Purchase price	92.72%	32,573
Fair value of assets and liabilities less net equity attributable to shareholders		(23,707)
Goodwill		8,866

in €k	
Payment (total purchase price)	32,823
Payment (subsequent purchase price adjustment)	(250)
Consideration paid in cash	32,573

Asas A.S. is one of the largest manufacturers of flexible packaging in Turkey and operates production plants in Turkey and Romania. From the viewpoint of the Romanian market, Asas Romania S.R.L. is of secondary importance.

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Goodwill derived from the purchase of Asas A.S. and Asas Romania S.R.L. owing to the fact that the payment rendered contained the benefits from anticipated synergies, sale growth and future market developments. These benefits are not disclosed separately from goodwill, as they are insufficient to meet the accounting rules relating to intangible assets.

The takeover of Asas A.S. is part of the Constantia Flexibles strategy of tapping into new markets and regions. This acquisition strengthens the presence of Constantia Flexibles in Turkey, the Middle East/North Africa ("MENA region"), the rest of Africa and southeastern Europe. It also enhances the position of Constantia Flexibles in the area of film-based packaging materials. In the mid- to long-term these markets will offer significant growth opportunities owing to per capita demand for flexible packaging that corresponds with roughly a quarter of that prevailing in Western Europe.

A purchase price of € 32,823,000 was established in a share purchase contract from April 4, 2011. The purchase price will be adjusted in line with net working capital, net debt and debt-like items on the closing date. The final agreed adjustment had already been determined on the reporting date and was accounted for within the purchase price allocation as a purchase price credit to an amount of € 250k.

Acquisition-related costs derived from the purchase of € 1,198k were recognized in the "Other Operating Expenses".

The sales revenues and net losses of Asas A.S. for the period since initial consolidation, commencing on September 1, 2011 and ending on December 31, 2011, amounted to € 18,531k and € (637k).

The sales revenues and net losses of Asas Romania S.R.L. for the period since initial consolidation from September 1, 2011 until December 31, 2011 amounted to € 4,400k and € (371k).

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, the allocation of the purchase price and the goodwill calculation for the Asas Group as at December 31, 2011 is still to be regarded as provisional.

Trade accounts receivable as at September 1 include the customer KATAKIT with a doubtful receivable of € 1,782k, which was written down in full, as no payment flows can be expected from the customer due to the current, critical situation in Syria.

Had the purchase of the Asas Group already been concluded on January 1, 2011, group sales up to December 31, 2011 would have amounted to € 1,538,858k.

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In February 2011, the AMAG subgroup was distributed to the owners of Constantia Packaging as a dividend in kind, the disposal of assets and debts were deconsolidated with the following values:

Disposal of assets and debts due to the surrender of control

	2011
	in €k
Non-current assets	436,793
Intangible assets	2,720
Tangible assets	390,465
Other non-current and financial assets	26,172
Deferred tax assets	17,436
Current assets	668,295
Inventories	189,978
Trade accounts receivables	119,597
Tax receivables	4,472
Other recevables	337,254
Cash and cash equivalents	16,994
Non-current liabilities	162,567
Provisions	67,591
Interest-bearing financial liabilities	21,220
Other non-current liabilities	42,714
Deferred tax liabilities	31,042
Current liabilities	412,096
Provisions	20,140
Interest-bearing financial liabilities	23,275
Trade accounts payable	73,935
Current tax liabilities	2,186
Other current liabilities	292,560
Ditstributed net assets	**530,425**

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In April 2011, the Duropack subgroup was distributed to the owners of Constantia Packaging as a dividend in kind, the disposal of assets and debts were deconsolidated with the following values:

Disposal of assets and debts due to the surrender of control

	2011
	in €k
Non-current assets	296,087
Intangible assets	16,883
Tangible assets	272,930
Other non-current and financial assets	1,896
Deferred tax assets	4,378
Current assets	173,018
Inventories	52,655
Trade accounts receivables	79,590
Tax receivables	539
Other receivables	14,907
Cash and cash equivalents	23,391
Assets held for sale	1,936
Non-current liabilities	147,322
Provisions	10,635
Interest-bearing financial liabilities	120,532
Other non-current liabilities	191
Deferred tax liabilities	15,964
Current liabilities	183,381
Provisions	709
Interest-bearing financial liabilities	119,925
Trade accounts payable	37,261
Current tax liabilities	1,689
Other current liabilities	23,797
Ditstributed net assets	**138,402**

Purchase of shares in Printers Labels Inc., Ontario, USA

As at January 1, 2011, SIM'EDIT SAS, France purchased an interest in Printers Labels Inc., USA for € 1,347k (USD 1.8 million). As a result of the purchase, the interest in SIM'EDIT SAS increased from 80 per cent to 96.7 per cent.

Purchase of the remaining shares in Constantia Hueck Folien GmbH & Co KG, Pirk, Germany

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With effect from January 1, 2011, Constantia Teich GmbH purchased the remaining 30 per cent of the shares of Constantia Hueck Folien GmbH & Co KG and is thus the sole owner of the company. The purchase price amounted to € 28 million and was reported in the annual financial statements from December 31, 2010 under "Other liabilities".

Purchase of the remaining shares in Novis S.R.L., Romania

In May 2011, Haendler & Natermann GmbH purchased the remaining 40 per cent of the shares of Novis S.R.L. and is thus the sole owner of the company. The purchase price amounted to € 2,310k. As this purchase was already reported in the annual financial statements from December 31, 2010 under "Other liabilities" instead of under the non-controlling interests, this transaction had no material effect on group equity.

Purchase of the remaining shares in Constantia ColorCap Sp.z.o.o, Poland

In June 2011, Constantia Teich GmbH purchased the remaining 30 per cent of the shares of Constantia ColorCap Sp.z.o.o and thus became the sole owner of the company. The purchase price amounted to € 14,000k. As this purchase was already reported in the annual financial statements from December 31, 2010 under "Other liabilities" instead of under the non-controlling interests, this transaction had no material effect on group equity.

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E. ACCOUNTING AND MEASUREMENT PRINCIPLES

The following main accounting and measurement methods were employed during the preparation of the consolidated financial statements of Constantia Packaging GmbH.

Current and non-current assets and liabilities

Assets and liabilities with a residual term of up to one year were classified as current, those with a residual term of more than a year as non-current. The determination of the residual term always takes place on the balance sheet date.

Intangible assets with an indeterminable service life – goodwill

Goodwill determined in accordance with IFRS 3 is capitalized and tested for impairment at least once a year or when indications of impairment arise. Every impairment is recognized immediately in the income statement. In line with IFRS 3, a subsequent reinstatement of the original value does not occur.

Intangible assets with a determinable service life –client bases

In the case of business combinations, the fair value of the identified client bases is determined using the period excess earnings method. Sales revenues of relevance to the measurement, as well as EBITDA margins based on planning data and the discount rates are WACC-based. The capital costs of net company assets are accounted for by the fixing of a capital charge. The client bases are subject to straight-line depreciation over seven years.

Intangible assets with a determinable service life and tangible assets

Intangible assets are capitalized at historic cost and tangible assets at historic and production costs, and where subject to wear and tear, reported following the deduction of accumulated scheduled depreciation and accumulated impairment.

Scheduled depreciation takes place according to the straight-line method over the expected useful life of the asset

Intangible assets	3 to 10 years
Business and factory buildings and other objects	25 to 50 years
Plant and machinery	6 to 50 years
Other equipment, fixtures and fittings	4 to 12 years

The useful life and the depreciation methods applied are reviewed periodically, in order to ensure that they correspond with the anticipated, useful economic life of the asset.

In accordance with IAS 36, tangible and intangible assets are tested for impairment, as soon as events or changed circumstances indicate that the carrying value of the asset may possibly be higher than its net realizable value. An impairment is recognized as soon as the carrying value of an asset exceeds both the net realizable value and the value in use. The net realizable values for the individual assets are estimated and should this be impossible, the superordinated cash-generating unit is evaluated.

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Intangible assets relate to commercial rights, licenses, patents, franchise rights, brand rights, water protection rights and client bases with a limited useful life acquired in exchange for payment.

The historic cost of tangible assets incorporates the purchase price including import duties, non-refundable taxes and all those directly attributable costs incurred for the transport of the asset to the location foreseen for its employment and installation. As a rule, expenses incurred following the commissioning of an asset such as repairs, maintenance and overhaul costs are recognized as expenses. These subsequent expenses are capitalized when it is probable that they will result in additional future economic advantages derived from the use of the asset.

The production costs of tangible assets incorporate individual costs and a reasonable share of the material and overheads required for production. Administrative costs are not capitalized. Interest on borrowings is capitalized when the conditions for the production or purchase of qualified assets are fulfilled.

Grants for tangible assets are recognized as a reduction in the historical and production costs.

Tangible assets that are not yet functional are included as work in progress and valued at historic or production cost. The respective asset is not subject to depreciation prior to the date of completion and readiness for use.

Pursuant to IAS 17, leased tangible assets of material significance, which from an economic viewpoint are to be regarded as an investment purchased with long-term financing (finance lease), are reported at the fair value of the asset at the beginning of the lease agreement, or at the lower present value of the minimum lease payments. Scheduled depreciation takes place over the expected useful economic life of the asset. The payment obligations derived from future lease payments are recognized as liabilities.

The objects received under other leasing, rental and leasehold agreements are treated as operating leases and allocated to the lessor, landlord or leaseholder. The current lease payments are recognized as expenses.

Impairments

For measurement purposes an estimate is made on the basis of the possible value in use of the respective cash-generating unit. This estimation takes place on the basis of the anticipated future cash flow for the next three years. For the subsequent period the perpetuity is calculated on the basis of the cash flow expected in the third year, taking into account a growth rate. The discount rate is a “pre-tax” interest rate, which in 2011 ranged between 9.1 and 10.7 per cent. A depreciation requirement in excess of the goodwill of a cash-generating unit is accounted for through depreciation of the other assets.

Financial instruments

Other non-current assets and financial assets, receivables, securities, cash and cash equivalents and liabilities

The financial assets and liabilities recognized in the balance sheet include cash and cash equivalents, securities, trade accounts receivable and payable, as well as other receivables and liabilities, interest-bearing financial liabilities, and other non-current assets and financial assets.

Financial instruments are derecognized when the contractual rights and obligations relating to the cash flows from the financial instrument expire. Derecognition also takes place if all the material risks and opportunities derived from a financial instrument, or the right of disposal over a financial instrument, are transferred to a third party.

- **Other non-current assets and financial assets**

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The other non-current assets and financial assets include securities, loans, unconsolidated interests and the remaining other financial assets.

The securities contained in the other financial assets are classified as available-for-sale financial assets and measured at fair value. Basically, this category contains financial instruments, which are neither “loans and receivables” nor “held to maturity”, but are measured as “recognized at fair value”. Changes in fair value are included unrecognized under equity in the available-for-sale reserve until the assets are sold, or a lasting value impairment is established. At this point in time, the accumulated gains and losses, which were previously included under equity, are reported in the income statement for the period.

In accordance with IAS 39, loans are reported as original loans granted by the company at amortized cost using the effective interest rate method. This method employs the effective interest rate to amortize the difference between the historic cost and the nominal value. The effective interest rate is defined as the discount rate with which the sum of future cash flows to maturity or to the next interest rate readjustment date is applied to the current carrying amount of the financial asset or financial liability.

Unconsolidated investments and other financial assets are reported at historical cost less any impairment losses when fair value cannot be determined reliably.

Interest on securities and loans is reported under net interest income and apportioned on an accrual basis over the appropriate period. Income from unconsolidated interests and other sundry financial assets are reported as other financial income. Non-interest bearing or low-interest bearing receivables with an expected maturity of more than one year are discounted.

In line with IAS 39, the purchase or sale of other financial assets is recognized on the settlement date. Bank prices or relevant price models are employed for the estimation of the present value of financial instruments on the balance sheet date.

- **Financial assets and liabilities**

- Receivables and liabilities

Receivables are reported at nominal value less bonuses, discounts and allowances for bad debts. Receivables denominated in foreign currencies are valued with the closing exchange rate valid on the balance sheet date. Identifiable risks are accounted for by the formation of appropriate provisions.

Pursuant to IAS 39, liabilities are recognized at their amortized cost using the effective interest method. The effective interest method amortizes the difference between the historic costs and the nominal value using the effective interest rate. The effective interest rate is defined as the discount rate with which the sum of future cash flows to maturity or to the next interest rate readjustment date is applied to the current carrying amount of the financial asset or financial liability.

The carrying values of receivables and liabilities, all at standard terms of payment, can all be seen as reasonable estimates for the market value.

Where the fair value of financial assets cannot be reliably estimated, they are reported at historic cost less any impairment loss.

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- Cash and cash equivalents

Cash and capital assets with a maturity of less than three months are recognized as cash and cash equivalents at the time of acquisition. Measurement takes place on the balance sheet date at market-to-market values.

The carrying values can be regarded as reasonable estimates for the market values.

- Non-current, interest-bearing financial liabilities

The fair value of non-current, interest-bearing financial liabilities is determined using the effective interest method.

- Derivative financial instruments and hedging

Cash flow hedges

In the case of cash flow hedges, the effective portion of the change in fair value is recognized directly in the hedging reserve in equity, while the ineffective portion is immediately recognized in the income statement. Should the cash flow hedge result in an asset or a liability, the amounts accrued under equity are recognized in the income statement in the period in which the hedged item affects earnings. Should the hedge of an anticipated transaction result in the reporting of a non-financial asset or liability, the gains and losses, which were previously reported directly under equity are recognized during the calculation of the historic costs and the carrying values.

Constantia Packaging GmbH uses interest rate swaps for the hedging of interest rate risks. For the swap contracts employed, Constantia Packaging GmbH pays a fixed interest rate on the nominal value of the swap contract and in return receives variable interest rates on the same capital amount. The interest rate swaps offset the effects on the cash flow of the underlying variable-rate, interest-bearing financial liabilities caused by future shifts in interest rates.

In the main, the Flexible Packaging Segment utilizes futures and options (2010), in order to hedge the foreign currency and price fluctuation risks deriving from aluminium purchases.

In the Flexibles Group, the future sales of pro rata production are partially hedged by means of forward contracts and options (2010), whereby the derivative instruments employed are classified as cash flow hedges.

Fair value hedges

In the case of fair value hedges both the risk of the underlying transaction being hedged and the derivative hedging instrument are recognized and measured at fair value through profit and loss.

The hedging of physical inventory takes place by means of forward sales on the LME, whereby hedge accounting is used in part. As a rule, subsequent measurement takes place at market value.

The physical aluminium inventory is hedged against foreign currency and price fluctuation risks.

In 2011, no material fair value hedges are reported.

Firm commitments

Where off-balance firm commitments (customer orders) have been designated as hedged underlying transactions, the subsequent cumulative changes in the fair value of the commitment, which correspond with the hedged risk, are recognized as assets or liabilities with a corresponding gain or loss in the income for the period.

In 2011 no material firm commitments are reported.

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Embedded derivatives

Embedded derivatives in other financial instruments or other underlying contracts are treated as separate derivatives when their risks and characteristics do not correspond with the character of the underlying contracts.

Inventories

In the main, the measurement of raw materials and supplies takes place in line with sliding average prices, whereby historical costs including historic ancillary costs are capitalized and adjusted to reflect lower market prices.

Semi-finished and finished goods, as well as work in progress are capitalized on the basis of the variable and fixed costs at the cost of manufacture or the lower net realizable value. The production costs include directly attributable costs and all pro rata material and production overheads on the basis of the standard use of production capacity. General administrative and sales costs are not capitalized. The net realizable value is the sales price attainable in the normal course of business less the costs necessary to complete the product and any sales costs. The costs are determined using the FIFO method.

Inventory risks derived from the storage period and reduced marketability are accounted for by reasonable deductions for impairment.

Non-current assets held for sale and discontinued operations

Non-current assets or operations for sale (e.g. subsidiaries), which Constantia Packaging GmbH intends to sell in the next twelve months, are classified as non-current assets held for sale.

An impairment test is undertaken if preconditions exist that correspond with IFRS 5. Where necessary, the assets are written down to the realizable value less future disposal costs and subsequently no further depreciation occur until the date of sale.

Gains and losses from discontinued operations are recognized in the period in which they occur and are reported separately as discontinued operations in the income statement. The income statement from the preceding period is adjusted accordingly.

Business units and subsidiaries that were purchased for the sole purpose of resale are reported in the income statement under the discontinued operations in the period in which the sale occurred, or in which it was determined that the sale take place within the next 12 months.

Equity management

Constantia Packaging GmbH is not subject to any statutory minimum capital requirements but endeavours to optimize its capital structure in connection with future developments. Adherence to an equity ratio of over 30 per cent and maximum net debt measured in terms of EBITDA of 2.5 are both targeted. The key indicators are examined monthly and the executive management decides upon suitable measures and optimization steps.

Capital reserves

In accordance with Austrian law, the capital reserves contain shareholder contributions.

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Provisions for pensions, severance payments and jubilee benefits

The provisions made for defined benefit pension plans, severance payments and jubilee benefits obligations are measured annually by qualified and independent actuaries. Obligations and expenses are determined in line with IAS 19 using the projected unit credit method. Under this method, the projected benefit obligations are spread across the entire period of employment. During the calculation of the provisions, assumed remuneration trends are accounted for by weighted and discounted employee fluctuations and discount rates. The discount rates are established by group companies on the basis of the respective interest rates for medium-term investment grade bonds in the respective local securities market. The fluctuation deductions are also established on a company-to-company basis. Actuarial gains and losses for provisions for jubilee benefits are recognized in the income statement. All other actuarial gains and losses are reported as equity.

The Pagler & Pagler "Salaried Staff Generation" life expectancy tables pursuant to AVÖ 2008 are employed as a basis for biometric calculations. In the UK, the life expectancy tables issued by the Continuous Mortality Investigation Bureau of the Institute and Faculty of Actuaries" (PA 92) are used.

Netting takes place in the case of pension plans, which in accordance with IAS 19, fulfill the preconditions for an offset of the plan asset with the provisions. For all other pension plans, the plan asset is reported under the "Other financial assets" at the counter insurance value.

The expenses derived from the accrued interest on defined benefit pension obligations, as well as the accretion from the plan asset, are reported under net financial income. The same principle applies to severance payments and jubilee benefits.

Defined contribution pension commitments exist at some group companies for specific employees. As no obligations exist beyond the amount of the contribution, the annual amounts are recognized in the respective periods as an expense.

Research and development costs

Research and Development expenses are reported in the respective period in which they occur, as the criteria for capitalization in accordance with IAS 38 are not fulfilled. All in all, € 10,562k were recognized as expenses in the financial year under report (2010; € 8,648k).

Revenue recognition

Sales revenues are first recognized when delivery has taken place and both the risks and the property have been transferred to the buyer.

As a rule, government grants for the coverage of expenses are recognized in the income statement in the period in which they are granted. During the 2011 financial year, government grants amounting to € 1,622k (2010: € 1,287k) were recognized.

Interest is accrued pro rata on the basis of the respective interest rate. Dividend income is reported when the right of the shareholders to receive payment was justified.

Borrowing costs

As a consequence of the amendments to IAS 23 with regard to the capitalization of interest on borrowings, since 2009 the costs of borrowings for qualified assets must be capitalized as historical or production costs should the conditions pursuant to IAS 23 (2009) be fulfilled. In 2011, there was no particular application of this rule within the Constantia Packaging Group.

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Income tax

The income tax burden is based on the profit for the year and takes deferred taxes into account. Tax deferrals are calculated using the balance sheet liability method. Deferred taxes reflect the taxation effects of temporary differences between the carrying values of assets and liabilities and the corresponding amounts due to the respective fiscal regulations.

During the calculation of the deferred tax assets and liabilities, the rates of taxation (and fiscal regulations) are employed that are either in effect on the balance sheet date or have been announced.

Deferred tax assets and liabilities are taken into account for all temporary differences.

Tax deferrals are made when it seems probable that in future sufficient taxable income will be available in order to allow the use of a deferred tax asset. For this purpose, the realizability of the tax deferrals is reassessed on every balance sheet date. If required, the carrying value of deferred tax assets is adjusted to an appropriate extent when it no longer appears likely that in future sufficient taxable profits will be available to permit the use of tax asset.

Deferred taxes are directly debited form or credited to equity when they apply to items that are recognized directly under equity and the tax will be directly debited from or credited to equity in the same or in another period.

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F. Discretionary Decisions and Estimates

During the preparation of the consolidated financial statements estimates must be undertaken to a certain degree and assumptions made that influence the reporting of assets, provisions, liabilities, other obligations on the balance sheet date, and income and expenses during the period under review. The actual future results may deviate from the estimates, which can lead to significant discrepancies in the consolidated financial statements.

The Constantia Packaging GmbH CEO is convinced that reasonable assumptions have been made, with the result that in all major aspects of the consolidated financial statements provide a true and fair view of the assets, financial and income situation that corresponds with the actual conditions prevailing.

The estimates and underlying assumptions are subject to considerable uncertainty and are therefore constantly questioned with regard to their validity. Changes to the estimates are recognized in the period in which they were made. The main assumptions relating to the estimates are described in the notes to the corresponding items.

For the measurement of existing provisions for pensions and similar obligations, severance payment obligations and jubilee benefits, assumptions were made with respect to the discount rate, retirement age, life expectancy and future increases in salaries and pensions.

Contingent liabilities not recognized in the balance sheet are assessed regularly with regard to their likelihood. If an outflow of resources of economic benefit is neither probable to a degree that justifies the recognition of a provision, or improbable, then the relevant obligations are reported as contingent liabilities. If specialist departments are unable to make estimates on the basis of market data, external reports are consulted.

The assumptions and estimates made in the course of a purchase price calculation for the acquisition of the net assets in the case of business combinations are linked to risk and therefore material adjustments of the values applied to individual assets and liabilities may be made in subsequent reporting periods.

During business combinations the fair value of the identified client bases are determined with the help of the multi-period excess earnings method. The relevant sales revenues and EBITDA margins are based on plan data and the discount rates are WACC-based. The assumed churn rates are founded on historical data and take future expectations into account. The capital cost of net operating assets is accounted for by the use of a capital charge approach. The value of the client bases is subjected to straight-line depreciation over seven years.

Production machinery replacement values are established on the basis of indices founded on original cost and residual economic life determined from values derived from previous experience. Real estate valuation is carried out by external experts. In view of the fact that as a rule this property consists of production facilities used by the company, valuation takes place using the replacement cost approach.

G. Newly Applied IFRSs and IFRICs

The consolidated financial statements take into account all the changes derived from new IFRICs and amended IASs, the implementation of which is obligatory for financial years beginning on January 1, 2011.

The amendments to **IAS 1** make clear that a company can choose between the presentation of a breakdown of the other comprehensive income according to item in the statement of changes in equity or in the notes. In the current financial year the group did not select the presentation of the breakdown in the statement of changes in equity, as this would have been at the expense of clarity. The breakdown takes place in the comprehensive income statement.

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IAS 24 (2009) was amended with regard to the following two aspects:

a) In IAS 24 (2009) the definition of a related company or party was altered.

b) IAS 24 (2009) led to an exemption from defined disclosure requirements for entities that are controlled, jointly managed or subject to major influence by government.

The company and its subsidiaries are not controlled, jointly managed or subject to major influence by government. In the current financial year, the application of the revised definition of a related company or party did not result in the identification of related companies or parties, which were not included in the previous version of the standard.

IFRS 3 was amended in the course of the annual improvements (2010). The previously valid choice of measurement for non-controlling interests at the date of acquisition is only available for those non-controlling interests that represent current participations and entitle the owners to a pro rata share of net assets in the case of liquidation. All other non-controlling interests are measured at the fair value on the date of acquisition unless another standard foresees a different type of valuation. In addition, IFRS 3 was amended in order to clarify the reporting of share-based payment awards, which are received by employees of the purchased company. In particular, the amendments state more precisely that share-based payment transactions of the acquired company, which are not replaced, are to be valued as share-based payment on the date of purchase in accordance with IFRS 2 (market-based value). The changes to IFRS 3 did not affect the accounting of the acquisitions made in the current financial year.

The amendments to **IAS 32** relate to the classification of certain subscription rights in foreign currencies either as equity instruments or a financial liability. As a consequence of the amendments to IAS 32, rights, options or option warrants, which carry an entitlement to purchase an established number of equity instruments of the company at a fixed amount in any currency are to be classified as equity instruments when the company offers them on a pro rata basis to all the current owners of non-derivative equity instruments of the same class. Prior to this amendment to IAS 32, rights, options or option warrants, which carried an entitlement to purchase an established number of equity instruments of the company at a fixed amount in any currency, were to be classified as derivatives. The amendments require backdated application. The application of the amendments had no effect on the current or preceding financial year, as the group did not issue any instruments of this type.

IFRIC 14 deals with the question as to the preconditions under which refunds or reductions in future contributions are to be regarded as available pursuant to IAS 19.58, as well as how minimum funding requirements might influence future contribution payments and under what circumstances a minimum funding requirement might give rise to a liability. The amendments now permit the definition of an asset in the form of a pre-paid minimum requirement. The use of the changes had no material effects on the consolidated financial statements.

IFRIC 19 regulates accounting when financial liabilities are paid through the issue of equity instruments. In particular, pursuant to IFRIC 19, the equity instrument is to be valued at fair value and any difference between the carrying value, the extinguished financial liability and the consideration paid, recognized in the income statement. The application of IFRIC 19 had no effect upon the group in the current financial year or the preceding periods, as no transactions of this type were completed. IFRSs und IFRICs of possible relevance to the Constantia Packaging Group, which at this point in time have been partially or not yet adopted by the European Commission, are not employed in these consolidated financial statements.

At the time of the release for publication of these consolidated financial statements, the following standards has already been approved, but were not yet the object of mandatory application:

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Standard/ Interpretation	Title	Initially valid for the financial year beginning or after
IFRS 1	First Time Adoption of IFRS and Hyperinflation	July 1, 2011
IFRS 7 (amended)	Financial Instruments: Disclosures	July 1, 2011
IFRS 9	Financial Instruments	January 1, 2015
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 11	Joint arrangements	January 1, 2013
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13	Fair Value Measurement	January 1, 2013
IAS 1 (amended)	Financial Statement Presentation of other Comprehensive Income	July 1, 2012
IAS 12 (amended)	Recovery of Underlying Assets	January 1, 2012
IAS 19 (2011)	Employee Benefits	January 1, 2013
IAS 27 (2011)	Separate Financial Statements	January 1, 2013
IAS 28 (2011)	Investments in Associates and Joint Ventures	January 1, 2013
IAS 32 (2011)	Financial Instruments: Disclosure and Presentation, Offsetting of Financial Assets	January 1, 2014

As a result of the amendment to **IFRS 1**, the reference to the date January 1, 2004 as the effective date of first time adoption was replaced with the general formulation “date of the adoption of IFRS”. In addition, rules were accepted for those cases in which an entity is unable to adhere to all the rules of the IFRS for reasons of hyperinflation.

The amendments to **IFRS 7** have extended the scope of the notes regarding the transfer of financial assets. Additional information in the notes is now required in connection with transferred but not (or not entirely) derecognized financial assets and their relationship to the resultant new liabilities. In as much as the transferred financial assets have also been fully derecognized, in future detailed qualitative and quantitative information is to be provided concerning any rights or obligations retained or assumed in the course of the transaction.

The information in the notes also includes the effects on the results arising from the measurement of the retained and assumed rights and obligations. The executive management does not anticipate that the amendments to IFRS 7 will require any major adjustments to the disclosures made by the group regarding the prior transfer of trade accounts receivable within the scope of the current IFRS 7. However, should the group undertake other types of financial asset transfers in future, the related disclosures might alter.

The **IFRS 9** standard redefines the classification and measurement of financial instruments. This standard represents the culmination of the initial part of a three-phase project aimed at replacing IAS 39 in its current form. IFRS 9 only recognizes two categories of financial assets, consisting of debt instruments, which within the framework of a business models are retained for the achievement of the contractual cash flow and are measured at amortized cost, and all other debt and equity instruments that are basically measured at fair value and

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recognized. As an option, the changes in the fair value of equity instruments that are not available for sale can also be included unrecognized in the other income. On the whole, the accounting rules contained in **IAS 39** are retained for financial liability. However, if a financial liability is recognized and accounted for at fair value, IFRS 9 foresees isolation and separate reporting under other income for that part of a change in fair value, which can be traced to own credit risk. The probable effects of this new standard on the consolidated financial statements of Constantia Packaging GmbH are currently being examined, but a definitive assessment can only be made when the Phase 2 and 3 (impairment methodology and hedge accounting) are concluded.

In May 2010, the IASB issued a package of five standards, which deal with consolidation (IFRS 10), joint arrangement (IFRS 11), the disclosure of interests in other entities (IFRS 12), consolidated and separate financial statements (IAS 27 (2011)) and investments in associates (IAS 28 (2011)).

The main requirements of the new standards are as follows:

IFRS 10 replaces the consolidation requirements contained in IAS 27 Consolidated and Separate Financial Statements. IFRS 10 also replaces SIC-12 Consolidation – Special Purpose Entities. With IFRS 10, IASB has now identified the principle of control as a single model. According to IFRS 10 control exists when the following three preconditions are fulfilled in cumulative form: (a) an investor must be able to exert control over an investee, (b) the investor must be exposed to variable returns from the investee and (c) the investor must be able to use its power to affect the amount of its returns. The standard also contains extensive guidelines regarding the realization of complex content. This standard amendment is unlikely to have any effect on the consolidated financial statements of Constantia Packaging GmbH.

IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS11 regulates the classification of joint arrangements. A joint arrangement is defined as a contractual arrangement of which two or more parties have joint control. Joint control can extend to joint business operations or a joint venture. As opposed to IAS 31, under IFRS 11 jointly controlled assets are no longer addressed separately and instead the rules applying to joint business operations are applied. The classification of a joint arrangement as joint business operations or a joint venture is dependent upon the rights and obligations accruing to the parties to the joint arrangement.

In addition, according to IFRS 11, the equity method must be applied for the inclusion of joint ventures, while pursuant to IAS 31 either quota consolidation or the equity method is permitted for joint ventures. This standard amendment will probably not have any effects on the consolidated financial statements of Constantia Packaging GmbH.

IFRS 12 is the standard for disclosures in the notes. It applies to entities with interests in subsidiaries, joint arrangements (joint business operations or joint ventures), associates and/or non-consolidated, structured entities. Basically, the disclosures required by IFRS 12 go markedly further that the standards valid at present.

IFRS 13 unites uniform guidelines for the measurement of fair value with the related disclosures. The standard defines the term fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. The area of application of IFRS 13 is extensive and includes both financial and non-financial items. With certain exceptions, IFRS 13 is always used when another IFRS requires or permits fair value measurements, or disclosures regarding the measurement of fair value are demanded. In the main, the disclosure obligations relating to IFRS 13 are more far-reaching that current valid standards.

For example, the quantitative and qualitative disclosures are to be extended on the basis of the three-level fair value hierarchy. At present these are required exclusively for financial instruments pursuant to IFRS 7 but owing to IFRS 13 will be expanded to include all assets and debts that lie within the area of application of the standard. The application can influence the values recognized in the consolidated financial statements and lead to more extensive disclosures.

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Even following an amendment to the **IAS 1** standard, the right of choice between the presentation of profit or loss, as well as the remaining other income using the one statement approach, or the two statement approach, which involves two separate but directly related presentations, is retained. Nonetheless, the amendments result in additional disclosure obligations regarding other income, which are directed towards the structuring of items in two categories: (a) in items, which when certain preconditions are fulfilled, are classified in two categories and (b) in items, which in future will no longer be recognized. In accordance with the same logic, the income tax on the other income items is to be spread. The presentation of the other income items will be adjusted appropriately should the amendments be applied in future periods.

As a consequence of the amendments to **IAS 12**, the refutable assumption is introduced that the realization of the carrying value of an asset follows sale for real estate retained as a financial investment, which is measured at fair value, and tangible and intangible assets measured according to the new measurement model. This is significant to the extent that the measurement of deferred tax liabilities and refund claims might depend on whether the carrying value of an asset value assumption will be realized through utilization or sale. It is improbable that this standard amendment will have any effect on the consolidated financial statements of Constantia Packaging GmbH.

The revision of **IAS 19** alters the reporting of defined benefit pension plans and post-employment benefits. The most significant change relates to the balance sheet disclosure of changes to defined benefit obligations and the plan asset. The new rule requires the immediate disclosure of changes to defined benefit obligations and the fair value of the plan asset at the time of their occurrence. The corridor approach contained in the version of IAS 19 valid to date has been abolished. Furthermore, the disclosure of past service costs is accelerated. All actuarial gains and losses are recognized under “Other income” directly in the year in which they occur. As a result, the net pension liability and the net pension asset value in the balance sheet show the full cover shortage or surplus. It is unlikely that this standard amendment will have any effects on the consolidated financial statements of Constantia Packaging GmbH.

IAS 27 continues to regulate the rules for separate financial statements. The remaining elements contained in IAS 27 have been superseded by IFRS 10 Consolidated Financial Statements.

As a result of the publication of IFRS 10, IFRS 11 and IFRS 12, **IAS 28** is only used for subsequent amendments.

Netting of the financial instruments remains only possible when the conditions of **IAS 32** are fulfilled. As a consequence of the amendments to IAS 32, clarifications regarding the term “current point in time” and “simultaneously” were the only changes adopted in the application guidelines.

H. CONTINGENT LIABILITIES / RECEIVABLES

Apart from the contingent liabilities accounted for within the scope of IFRS 3, contingent liabilities are omitted from the balance sheet. They are disclosed when the possibility of a resource outflow of economic benefit cannot be excluded, but the preconditions for the formation of a provision do not exist.

Contingent receivables are omitted from the consolidated financial statements, but are disclosed when the possibility of an inflow of economic benefit is probable.

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I. CHANGES TO THE INITIAL ACCOUNTING OF THE BUSINESS COMBINATION

In individual cases, the values that formed the basis of the initial consolidation of the group as at July 1, 2010 were determined on the basis of estimates and the knowledge existing at that time.

The examination of these values and estimates up to June 30, 2011 resulted in the following adjustment requirements:

1) Goodwill, non-current liabilities and current provisions
2) Value adjustments for tangible assets, leasing liabilities and deferred taxes
3) Changes in equity

These changes were accounted for by the adjustments to the initial consolidated balance sheet as at June 30, 2010 and to the extent that the 2010 reporting period was affected, by adjustments to the 2010 income statement. The result was included unrecognized under equity in the revenue reserves. In detail, the following corrections were undertaken, which are subsequently explained in the notes:

n €k	12/31/2010 after adjustment	12/31/2010 before adjustment	Adjustments	Explained in Note
Assets				
Non-current assets	**1,491,476**	**1,476,637**	**14,839**	
thereof Goodwill	34,606	20,720	13,886	1,2
Tangible assets	1,228,307	1,227,354	953	2
Current assets	**840,622**	**840,622**	**0**	
Total assets	**2,332,098**	**2,317,259**	**14,839**	
Equity and liabilities				
Total equity	**892,642**	**894,164**	**(1,522)**	
thereof attributable to				
Shareholders	553,234	555,267	(2,033)	1 - 3
Non-controlling interests	90,345	89,834	511	1 - 3
Non-current liabilities	**760,842**	**750,103**	**10,739**	
thereof attributable to				
Interest-bearing financial liabilities	435,349	432,808	2,541	2,3
Other non-current liabilities	80,912	70,985	9,927	1,3
Deferred tax liabilities	119,106	120,835	(1,729)	2,3
Current liabilities	**678,614**	**672,992**	**5,622**	
therof Provisions	43,251	37,629	5,622	1
Total equity and liabilities	**2,332,098**	**2,317,259**	**14,839**	

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in €k	12/31/2010 after adjustment	12/31/2010 before adjustment	Adjustments	Explained in Note
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**125,361**	**125,361**		
Depreciation and amortization	(76,666)	(76,490)	(176)	2
Earnings before interest and taxes (EBIT)	**48,695**	**48,871**	**(176)**	
Net interst income	(15,881)	(15,691)	(190)	2
Other financial income	(10,916)	(12,549)	1,633	1
Net financial income	**(26,797)**	**(28,240)**	**1,443**	
Earnings before tax (EBT)	**21,898**	**20,631**	**1,267**	
Current taxes	(21,880)	(21,880)	0	
Deferred taxes	12,694	12,629	65	2
Taxes on income and earnings	**(9,186)**	**(9,251)**	**65**	
			0	
Net income after tax	**12,712**	**11,380**	**1,332**	
Thereof attributable to:				
Non-controlling interest	7,773	7,834	(61)	
Shareholders	4,939	3,547	1,392	

1) Recognition and measurement of an options agreement

With a sale and purchase agreement (SPA for short) from December 12, 2001, Haendler et Natermann Benelux SPRL purchased 51 per cent of the shares (1,148 shares) of Drukkerij Verstraete N.V. vom Verkäufer Paverco Management & Investment N.V.

In addition the SPA contained option agreements consisting of a call option of the purchaser and put option of the seller regarding the purchase of the remaining shares.

As a result of enhanced subsequent knowledge, the measurement of the non-current liability had to be increased by € 11,560k. Of this figure, € 2,333k were covered by the non-controlling interests. The goodwill as at June 30, 2010 was raised by € 9,227k. The adjustment of the subsequent measurement of the put option as at December 31, 2010 and the accrued interest on the put option from June 30, 2010, on December 31, 2010 led to an increase in the income statement carryforward of € 1,633k.

The goodwill and the current provision for legal disputes in connection with the Constantia Packaging AG Group in the initial balance sheet as at June 30, 2010 were augmented, which resulted in an adjustment to goodwill of the same amount.

2) Tangible assets, leasing liabilities and deferred taxes

In the course of the transfer of the interim allocation of the purchase price as per June 30, 2010 to the accounting programmes of the individual group companies, as at December 31, 2010, a value increase of € 953k occurred in the value of the tangible assets together with a reduction in deferred taxes of € 865k and a rise in depreciation in 2010 of € 176k.

With a contract from May 23, 2003, Drukkerij Verstraete N.V. leased a production building from the joint owner Paverco Investment & Management N.V. The leasing contract contains a purchase option, which in the opinion of the management will be exercised and therefore must be accounted for in the liabilities as at June 30, 2010. The discounted purchase price liability of the leasing contract from June 30, 2010,

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was recognized with € 2,351k and the reduction in the deferred tax liability as € 799k. The accrued interest for 2010 amounted to € 190k and the deferred tax income to € 64k.

Taking into account the interest ratio, the adjustments described result in a reduction in goodwill of € 963k.

3) Equity and minority interests
Prior to December 31, 2010, non-controlling interests were increased at the expense of the portion attributable to the shareholders by a total of € 511k due to the subsequent measurements in connection with the adjustments to the initial balance sheet from June 30, 2010.

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J. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. GROUP ASSETS SCHEDULE

Change in historical cost

in €k	As at 1/1/2011 adjusted	Currency translation differences	Additions	Disposals	Change in the scope of consolidation Additions	Change in the scope of consolidation Disposals	Transfers	Reclassification as assets held for sale	As at 12/31/2011
Goodwill	**34,606**	**136**	**0**	**0**	**8,866**	**0**	**0**	**0**	**43,608**
Customer lists	137,154	(384)	0	0	19,879	(8,656)	9,692	0	157,685
Other intangible assets	27,991	(6)	1,900	(174)	0	(16,072)	(7,614)	0	6,025
Intangible Assets	**165,145**	**(390)**	**1,900**	**(174)**	**19,879**	**(24,728)**	**2,078**	**0**	**163,710**
Land value	83,698	97	224	(157)	2,300	(50,526)	(1,042)	0	34,594
Building value	358,553	(739)	4,367	(2,257)	6,429	(181,452)	12,034	0	196,935
Undeveloped land	11,654	33	0	0	0	(9,695)	1,292	0	3,284
Technical plant and machinery	749,632	(5,487)	23,683	(7,516)	16,313	(430,267)	18,923	0	365,281
Ohter equipment, fixtures and fittings	36,820	(81)	5,770	(983)	949	(12,837)	5,058	0	34,696
Prepayments and construction in progress	46,760	(324)	49,684	(60)	198	(23,599)	(38,343)	0	34,316
Tangible assets	**1,287,117**	**(6,501)**	**83,728**	**(10,973)**	**26,189**	**(708,376)**	**(2,078)**	**0**	**669,106**

in €k	As at 1/1/2010 adjusted	Currency translation differences	Additions	Disposals	Change in the scope of consolidation Additions	Change in the scope of consolidation Disposals	Transfers	Reclassification as assets held for sale	As at 12/31/2010
Goodwill	**0**	**0**	**0**	**0**	**20,720**	**0**	**0**	**0**	**20,720**
Customer lists	0	8	0	0	137,146	0	0	0	137,154
Other intangible assets	0	(50)	775	(155)	27,286	0	135	0	27,991
Intangible Assets	**0**	**(42)**	**775**	**(155)**	**164,432**	**0**	**135**	**0**	**165,145**
Land value	0	(678)	94	(42)	84,510	0	0	(2)	83,882
Building value	0	(2,391)	5,461	(674)	353,122	0	3,346	(460)	358,404
Undeveloped land	0	17	0	0	11,637	0	0	0	11,654
Technical plant and machinery	0	(12,934)	38,971	(3,003)	705,070	0	21,047	(544)	748,607
Ohter equipment, fixtures and fittings	0	(103)	5,556	(2,397)	35,086	0	(1,454)	0	36,688
Prepayments and construction in progress	0	(135)	28,071	(209)	42,102	0	(23,074)	0	46,755
Tangible assets	**0**	**(16,224)**	**78,153**	**(6,325)**	**1,231,527**	**0**	**(135)**	**(1,006)**	**1,285,990**

Depreciation and amortization

in €k	As at 1/1/2011 adjusted	Currency translation differences	Additions	Disposals	Change in the scope of consolidation Additions	Change in the scope of consolidation Disposals	Transfers	Reclassification as assets held for sale	As at 12/31/2011
Goodwill	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Customer lists	11,267	(82)	21,097	0	0	(2,724)	463	0	30,021
Other intangible assets	2,403	(6)	2,368	(94)	0	(2,401)	(463)	0	1,807
Intangible Assets	**13,670**	**(88)**	**23,465**	**(94)**	**0**	**(5,125)**	**0**	**0**	**31,828**
Land value	222	17	81	0	0	(320)	0	0	0
Building value	10,274	(3)	11,466	(396)	0	(9,461)	249	0	12,129
Undeveloped land	0	0	0	0	0	0	0	0	0
Technical plant and machinery	46,735	(160)	52,318	(6,194)	0	(33,545)	(3,359)	0	55,795
Ohter equipment, fixtures and fittings	1,579	(48)	7,650	(831)	0	(1,655)	3,110	0	9,805
Prepayments and construction in progress	0	0	0	0	0	0	0	0	0
Tangible assets	**58,810**	**(194)**	**71,515**	**(7,421)**	**0**	**(44,981)**	**0**	**0**	**77,729**

in €k	As at 1/1/2010 adjusted	Currency translation differences	Additions	Disposals	Change in the scope of consolidation Additions	Change in the scope of consolidation Disposals	Transfers	Reclassification as assets held for sale	As at 12/31/2010
Goodwill	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Customer lists	0	1	11,266	0	0	0	0	0	11,267
Other intangible assets	0	0	2,535	(132)	0	0	0	0	2,403
Intangible Assets	**0**	**1**	**13,801**	**(132)**	**0**	**0**	**0**	**0**	**13,670**
Land value	0	(3)	225	0	0	0	0	0	222
Building value	0	(19)	10,920	(102)	0	0	(535)	0	10,264
Undeveloped land	0	0	0	0	0	0	0	0	0
Technical plant and machinery	0	(73)	46,613	(1,794)	0	0	1,867	0	46,613
Ohter equipment, fixtures and fittings	0	(11)	4,931	(2,051)	0	0	(1,332)	0	1,537
Prepayments and construction in progress	0	0	0	0	0	0	0	0	0
Tangible assets	**0**	**(106)**	**62,689**	**(3,947)**	**0**	**0**	**0**	**0**	**58,636**

As at December 31, 2010, customer lists were reported under the item “Other intangible assets” (historical values
€ 9,692k, accumulated depreciation € 463k), while in the year under review, these were allocated to the item “Customer lists”.

Carrying amounts

in €k	Hictorical cost 12/31/2011	Cumulative depreciation and amortization 12/31/2011	Carrying amount 12/31/2011	Carrying amount 12/31/2010 adjusted
Goodwill	**43,608**	**0**	**43,608**	**34,606**
Customer lists	157,685	30,021	127,664	125,887
Other intangible assets	6,025	1,807	4,218	25,588
Intangible assets	**163,710**	**31,828**	**131,882**	**151,475**
Land value	34,594	0	34,594	83,476
Building value	196,935	12,129	184,806	348,279
Undeveloped land	3,284	0	3,284	11,654
Technical plant and machinery	365,281	55,795	309,486	702,897
Other equipment, fixtures and furniture	34,696	9,805	24,891	35,241
Prepayments and construction in progress	34,316	0	34,316	46,760
Tangible assets	**669,106**	**77,729**	**591,377**	**1,228,307**

Depreciation and amortization due to value impairment

In 2011 there was no value impairment requirement (tangible assets 2010: € 210k).

Goodwill

In 2010, the goodwill derived from the purchase of Constantia Packaging AG Group amounting to € 20,720k was allocated to the “Flexibles” segment. Owing to a change in the estimates, which served as the basis for measurement at the time of initial consolidation, the goodwill in the initial balance as at June 30, 2010 was raised to € 13,886k within the 12-month deadline stipulated by IFRS 3.45.

In 2011, the ASAS Ambalaj Baski Sanayi ve Ticaret A.S Group was purchased. Goodwill of € 8,866k resulted from this acquisition, of which € 3,889 was allotted to Asas A.S and € 4,977k to Asas Romania S.R.L.

Government grants for tangible assets

Government grants for tangible assets in the 2011 financial year totalled € 1,104k (2010:€ 2,915k). The grants are mainly linked to conditions such as job guarantees and reductions in energy consumption and environmental impact. The grants were accounted for through a reduction in historical and production costs.

Finance lease agreements

The group has entered into various finance lease agreements. These lease agreements do not place any restrictions on group activities with regard to dividends, additional borrowings or other lease agreements. A number of the lease agreements offer renewal and purchase options (please see Section I).

Upon conclusion of the financing-leasing agreements, the underlying interest rate is determined for the entire contractual period.

The carrying values of the assets reported as finance leases are as follows:

in €k	2011	2010
Land value	97	97
Building value	5,695	10,758
Technical plant and machinery	7,255	12,150
Other equipment, fixtures and fittings	938	1,410
	13,985	24,415

The outstanding minimum lease payments on the balance sheet date were as follows:

	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
in €k	2011	2011	2010	2010
Up to one year	3,727	2,967	6,973	6,480
Over one and up to five years	4,449	3,692	8,589	8,203
Over five years	13,071	5,484	9,985	6,506
	21,247	12,143	25,547	21,189
Less future finance costs	(9,104)		(4,358)	
Present value of leasing obligations	12,143		21,189	

The future finance costs contain the price for the purchase option on the leased building as described in Section I, as well expansion investments at Drukkerij Verstraete N.V.

Operating lease agreements

The group has entered into various operating lease agreements as the lessee for buildings, machinery and office accommodation. The leasing agreements do not contain any restrictions on group activities with regard to dividends, additional borrowings or further leasing agreements. Some of the leasing agreements offer renewal options.

The future leasing obligations arising from operating-leasing agreements are as follows:

in €k	2011	2010
Up to one year	6,202	10,369
Over one and up to five years	18,013	21,696
Over five years	8,778	1,734
	32,993	33,799

Commitments related to capital expenditure

Commitments related to capital expenditure in the 2011 financial year amounted to € 20,573k (2010: € 32,144k).

Limitation on rights of disposal

On the balance sheet date, the tangible assets of the Constantia Packaging Group pledged as security for liabilities had a carrying value of € 2,438k (2010: € 66,205k).

2. OTHER NON-CURRENT AND FINANCIAL ASSETS

in €k	2011	2010
Securities	3,778	4,584
Non-current derivative financial instruments	676	11,117
Ausleihungen	4,998	6,402
Unconsolidated investments	606	7,468
Other financial assets	7,538	21,052
	17,596	50,623

Securities consist largely of shares in CEESEG Aktiengesellschaft and investment funds, which are mainly used to cover provisions for pensions as required under Austrian tax law.

Non-current derivative financial instruments consist entirely of embedded cash flow hedges.

The loans contain an intercompany loan agreement concluded between Constantia Packaging GmbH and CP Group B.V. in December 2010 to an amount of € 4,962k (2010: € 4,962k). In addition, the unconsolidated investments consist primarily of shares in Uniprint Knauer GmbH & Co KG totalling € 468k (2010: € 468k). Other financial assets contain cover for pensions and the asset value of capital cover insurance amounting to € 5,809k (2010: € 9,664), which do not meet the criteria for netting plan assets against the provisions for pensions pursuant to IAS 19.

3. INVENTORIES

in €k	2011	2010
Raw materials and supplies	40,710	187,262
Semi-finished products	56,866	93,786
Finished goods, merchandise	59,803	109,033
	157,379	390,082
Inventory impairment	(7,239)	(2,290)

This item contains provisions totalling € 7,239k (2010: € 2,290k). This is reported in the income statement under “Cost of materials”.

Pledged inventories in the group amounted to € 706k (2010: € 0).

4. TRADE ACCOUNTS RECEIVABLE

in €k	2011	2010
Receivables, including receivables from asset disposals	206,977	301,324
Impairments	(481)	(1,135)
	206,496	300,189

5. OTHER RECEIVABLES

in €k	2011	2010
Derivative financial instruments	1,260	37,784
Accruals	1,680	2,657
Other tax receivables	8,532	15,190
Prepayments	411	1,130
Miscellaneous receivables	10,874	21,199
	22,757	77,960

In line with IAS 39, the derivative financial instruments are divided into the following categories and showed the following fair values on the balance sheet date:

- Derivative financial instruments, not designated as hedges pursuant to IAS 39 and recognized as such: € 339k (2010: € 24,818k).
- Derivative financial instruments, which are in a documented and demonstrably effective hedge relationship as hedging for the fair value of a recognized asset or a binding obligation: € 2k (2010: € 1,908k).
- Derivative financial instruments, which are in a documented and demonstrably effective hedge relationship as hedging for cash flows: € 769k (2010: € 10,102k).

Embedded derivatives, which in line with IAS 39 are to be bifurcated and on the reporting date had a residual term of less than 12 months: € 150k (2010: € 956k).

6. NON-CURRENT ASSETS HELD FOR SALE AND DIRECTLY RELATED BORROWINGS

As at December 31, 2011, the group had no non-current assets held for sale. All the assets reported in 2010 were sold during 2011. The amount reported in the balance sheet consists of an initial sum of € 1,956k (2010: € 1,054k), disposals of € 1,956 k (2010: € 104k) and reclassifications under this item of € 0 (2010: € 1,006k).

7.EQUITY

Changes in equity are shown in a separate schedule (consolidated statement of changes in equity).

Share capital

Constantia Packaging GmbH has share capital of € 35k.

Capital reserves

In April 2011, the shareholders brought in a capital contribution of € 150,000k, which is reported under the "Free reserves".

Revenue reserves

The revenue reserves comprise retained group income. In 2011, dividends amounting to € 674,142k were distributed, consisting of non-cash dividends from the AMAG Sub-Group of € 525,165k with effect from February 28, 2011 and from the Duropack Sub-Group of € 98,977k with effect from April 30, 2011, as well as a cash dividend of € 50,000k.

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The revenue reserves also contain differences of € (913k) resulting from the purchase of non-controlling interests and of € (4.927k) from the change in obligations derived from put options with regard to non-controlled companies.

Hybrid capital

A secondary, indefinite bond (hybrid capital) for all other creditors with an original nominal value of € 250,000k is reported. Following a seven-year period (begin: July 2008), Constantia Packaging, but not the creditors, has an initial opportunity to redeem the bond or renew it at a variable interest rate (3-month EURIBOR plus 12.2%). In addition to fixed and variable interest, surcharges (max. 1.00%) are due depending upon the attainment of defined key indicators. As a result of the bond conditions, pursuant to the rules contained in IAS 32, hybrid capital is recognized as equity. Accordingly, payments of € 20,586k (2010: € 15,826k) to the bondholder are treated analogously to the dividends to shareholders.

In view of deferred income tax, the cost of funds was deducted directly from the hybrid capital. On April 29, 2011, € 100,000k of the profit participation bond was repaid at a rate of 100 per cent. As a result of this repayment, a reduction in the margin from 12.2 per cent to 9.7 per cent p.a. from July 1, 2011, plus margin increases on success-dependent factors (EBIT margin and the ratio of net financial liabilities to Constantia Packaging Group EBITDA) of between 0.25 per cent and 1.00 per cent p.a. per factor was agreed.

Non-controlling interests

Non-controlling interests consist largely of the 49 per cent stake in Drukkerij Verstraete N.V. Ursel, the 7.3 per cent stake in the Asas Group, the 30 per cent stake in Constantia CM Labels SDN BHD, the 26 per cent stake in H&N St. Petersburg and the 30 per cent stake in Constantia Aloform GmbH.

8. NON-CURRENT PROVISIONS

in €k	2011	2010
Severance payments	22,455	52,927
Pension	12,051	28,070
Medical care	0	5,071
Anniversary bonus	6,262	10,208
Commercial agents	3,654	4,772
Other non-current provisions	2,942	24,427
	47,364	125,475

The notes concerning the sub-items “Commercial agents” and “Other non-current provisions” are provided after the reconciliation of the social capital provisions.

Provision for severance payments

Under Austrian labour law, employees who commenced their employment relationship prior to December 31, 2002 are entitled to a single severance payment should their employment be terminated by the employer, or upon retirement. The amount of this payment depends upon the number of years of service and remuneration at the time of termination or retirement.

Employees who commenced their employment relationship after December 31, 2012 no longer have a direct claim against their employer for a statutory severance payment. For these employment contracts, the employer pays 1.53 per cent of the gross monthly salary into an employee pension fund in which the contributions are credited to an account of the employee. Under this severance payment model, the employer is only obliged to make regular contributions, which are recognized immediately.

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The amount reported in the balance sheet due to the obligations of the company is as follows:

in €k	2011	2010
Present value of obligations as at 1/1	52,927	0
Change in the scope of consolidation	(29,913)	51,699
	23,014	51,699
(Gain)/loss from currenca translation differences	14	(14)
Current service cost	918	995
Interest expense	1,218	1,065
Use of provision for severance payments made	(3,081)	(6,327)
Acturial (gains)/losses	372	5,509
Present value of obligations as at 12/31	22,455	52,927

The following amounts are recognized in the income statement:

in €k	2011	2010
Current service cost	918	995
Indemnity expense	7,237	2,048
Severance payment expense	8,155	3,043
Payments to compay employee pension funds	358	423
Severance payment expense and payments to company employee pension funds	8,513	3,466

in €k	2011	2010	2009	2008
Present value of obligations as at 12/31 = Provision for severance payments as at 12/31	22,455	52,927	0	0

In general the provision for severance payments serves as cover for severance payment claims in Austria.

The most important assumptions for the actuarial calculation were:

	2011	2010
Salary increase	2.50 - 5.00%	2.50 - 5.00%
Discount rate	5.00%	4.50%

Provision for pensions

As a consequence of company agreements and contracts, obligations exist regarding pension payments to (former) employees following their retirement. These defined benefit obligations are partially covered by committed pension fund assets and qualified insurance policies.

The expenses derived from the accrued interest on future payments to employees and the interest on pension plan assets are reported in the financial result.

Pension obligations were determined on the basis of actuarial expertise on the closing date of December 31, 2011.

The amount reported in the balance sheet is as follows:

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2011 in €k	funded	unfunded	Gesamt
Present value of obligations as at 1/1	56,004	13,737	69,741
Change in scope of consolidation	(50,937)	(513)	(51,450)
	5,067	13,224	18,291
(Gain)/loss on currency translation differences	0	(7)	(7)
Current service cost (employer and employees)	316	244	560
Interest expense	238	581	819
Use of provision for pension payments made	(272)	(1,467)	(1,739)
Actuarial (gains)/losses	(389)	(180)	(569)
Present value of obligations as at 12/31	4,960	12,395	17,355
Less provision formed for the coverage of obligations			12,051

2011 in €k	funded	unfunded	Gesamt
Current value of plan assets as at 1/1	41,671	0	41,671
Change in the scope of consolidation	(36,436)	0	(36,436)
	5,235	0	5,235
Gain/(loss) on currenca translation differences	0	0	0
Expected return on plan assets	98	0	98
Contributions to plan assets (employer and emploee)	323	0	323
Payments from the plan assets	(195)	0	(195)
Actuarial gains (losses)	(157)	0	(157)
Current value of plan assets as at 12/31	5,304	0	5,304

2010 in €k	funded	unfunded	Gesamt
Present value of plan assets as at 1/1	0	0	0
Change in the scope of consolidation as at 06/30	51,037	13,383	64,420
	51,037	13,383	64,420
Gain/(loss) on currency translation differences	667	12	679
Current service cost (employer and employees)	271	24	295
Interest expense	1,939	244	2,183
Use of provision for pension payments made	(2,405)	(930)	(3,335)
Actuarial gains (losses)	4,495	1,004	5,499
Current value of plan assets as at 12/31	56,004	13,737	69,741
Less provision formed for the coverage of obligations			28,070

2010 in €k	funded	unfunded	Gesamt
Current value of plan assets as at 1/1	0	0	0
Change in the scope of consolidation as at 06/30	37,471	0	37,471
	37,471	0	37,471
Gain/(loss) on currency translation differences	606	0	606
Expected return on plan assets	1,766	0	1,766
Contributions to plan assets (employer and employee)	1,985	0	1,985
Payments from the plan assets	(947)	0	(947)
Actuarial gains (losses)	790	0	790
Current value of plan assets as at 12/31	41,671	0	41,671

The following amounts are reported in the income statement:

2011 in €k	funded	unfunded	Gesamt
Current service cost (employer)	316	244	560
Pension fund payments	0	670	670
Pension expense	316	914	1,230

2010 in €k	funded	unfunded	Gesamt
Current service cost (employer)	(271)	(24)	(295)
Pension fund payments	(346)	(96)	(442)
Pension expense	(617)	(120)	(737)

The provision for pensions consists largely of funded and unfunded cover for pensions in Austria and Germany.

The most important assumptions for the actuarial calculation were:

Austria, Germany and Canada	2011	2010
Salary increase	3.00 %	3.00 %
Pension increase	1.50 - 3.00 %	1.50 - 3.00 %
Discount rate	5.00%	4.50%
Expected return on plan assets	3.25 - 3.60%	7.25%

The anticipated return derives from long-term, low-risk equity bonds in accordance with the underlying investment deadline, which is the retirement date.

The expected pension payments for the 2012 financial year amount to € 723k (2010: € 2,045k).

Following the changes in the scope of consolidation, the plan assets only consist of qualified insurance contracts. The main of the plan asset categories relative to total plan assets are as follows:

in %	2011	2010
Equity	0.00%	41.10%
Bonds	0.00%	32.20%
Other investments	100.00%	19.70%
Cash and cash equivalents	0.00%	7.00%

Provision for medical care

This pension-like obligation affects the employer contribution to supplementary health insurance premiums (medical costs) following retirement. The calculation of the provision was completed analogously to that for pensions.

The provision relates exclusively to the Canadian subsidiary of Austria Metall GmbH, which was fully consolidated in February 2011.

The amount stated in the balance sheet is as follows:

in €k	2011	2010
Present value of obligations as at 1/1	5,071	0
Change in the scope of consolidation	(5,071)	4,722
	0	4,722
(Gain)/loss on currency translation differences	0	144
Current service cost (employer and employee)	0	215
Interest expense	0	118
Use of provision for paid medical care	0	(696)
Actuarial (gains)/losses	0	568
Present value of obligations as at 12/31	0	5,071

in €k	2011	2010
Current service cost (employer and employee)	0	215
Expense for medical care	0	215

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Provision for jubilee benefits

The amount reported in the balance sheet due to company obligations is as follows:

in €k	2011	2010
Present value of obligations as at 1/1	10,208	0
Change in the scope of consolidation	(4,687)	9,415
	5,521	9,415
(Gain)/loss from currenca translation differences	0	(2)
Current service cost	331	660
Aperiodic service cost	677	0
Interest expense	319	306
Use of provision for jubilee benefits payments made	(422)	(229)
Acturial (gains)/losses	(165)	58
Present value of obligations as at 12/31	6,262	10,208

The following amounts are reported in the income statement:

in €k	2011	2010
Current service cost	331	660
Aperiodic service cost	677	0
Acturial (gains)/losses	(165)	58
Jubilee benefit payment expense	844	718

in €k	2011	2010	2009	2008
Present value of the obligations as at 12/31	6,262	10,208		
Provision for severance payments as at 12/31	6,262	10,208	0	0

The most important assumptions for the actuarial calculation were as follows:

	2011	2010
Salary increase	2.50 - 5.00%	2.50 - 5.00%
Discount rate	5.00%	4.50%

By and large, the provisions for severance payments relate to Austrian subsidiaries, which on the basis of legal statutes, collective agreements and/or company agreements are obliged to form provisions in line with the length of service.

Provision for commercial agents and other non-current provisions

in €k	2011	2010
Carrying amount as at 1/1	29,199	0
Change in the scope of consolidation	(21,049)	39,643
	8,150	39,643
(Gain)/loss on currency translation differences	(291)	(100)
Utilization	(807)	(2,798)
Reversal	(1,012)	(9,034)
Additons (including interest)	557	1,488
Present value of the obligations as at 12/31	6,596	29,199

The long-term provisions contain provisions for commercial agents amounting to € 3,654k (2010: € 4,772k).

9. Current Provisions

in €k	2011	2010
Carrying amount as at 1/1	37,629	0
Change in the scope of consolidation	(20,849)	28,817
	16,780	28,817
(Gain)/loss on foreign exchange	(108)	(324)
Utilization	(3,301)	(3,797)
Reversal	(367)	(5,226)
Transfer/Revaluation	0	14,389
Additions	13,608	3,770
Carrying amount as at 12/31	26,612	37,629

The current provisions relate mainly of provisions for contract risks and ventures, legal and consultancy costs, as well as bonuses and other accruals.

10. Liabilities

2011 in €k	Total	Remaining term: Less than 1 year	Over 1 up to 5 years	Over 5 year
Interest-bearing financial liabilities	434,142	195,080	171,479	67,583
Other non-current liabilities	53,984	0	53,965	19
Trade accounts payable	127,713	127,713	0	0
Tax liabilities	14,412	14,412	0	0
Other liabilities	61,413	61,413	0	0
	691,664	398,618	225,443	67,603

2010 in €k	Total	Remaining term: Less than 1 year	Over 1 up to 5 years	Over 5 year
Interest-bearing financial liabilities	701,728	268,920	334,211	98,597
Other non-current liabilities	70,985	0	24,959	46,026
Trade accounts payable	167,496	167,496	0	0
Tax liabilities	21,545	21,545	0	0
Other liabilities	177,402	177,402	0	0
	1,139,156	635,363	359,170	144,623

The interest-bearing financial liabilities contain leasing liabilities totalling € 12,143k (2010: € 21,189k).

In the year under report, hedged interest-bearing financial liabilities amounted to € 16,575k (2010: € 54,877k).

Other non-current liabilities contain the liability derived from the measurement of the options for the purchase of the remaining shares of Drukkerij Verstraete N.V. Ursel totalling € 41,647k (2010: € 29,737k), as well as Asas A.S. totalling € 6,512k. In addition, the other non-current financial liabilities contain cash flow hedge derivatives with periods to maturity of one to five years amounting to € 2,052k (2010: € 6,385k).

Of the trade accounts payable, € 14,299k (2010: € 14,733k) relate to investment liabilities.

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11. Other Liabilities

in €k	2011	2010
Derivative financial instruments	7,132	35,641
Hedging electrolysis production	0	3,676
Personnel expenses	22,854	29,386
Accrued unused vacations	8,954	11,862
Other tax liabilities	5,206	10,866
Liabilities to medical insurance funds	3,748	6,144
Deferred income	474	2,115
Other liabilities	13,044	77,712
	61,413	177,402

In 2010, the derivative financial instruments contained derivatives with a negative current values amounting to € 26,553k, which are not designated as being part of a hedge relationship as defined by IAS 39 and were recognized as such. In the main, these derivatives served the hedging of aluminium inventory and the order backlog of the AMAG Group. These derivatives are excluded in 2011 owing to a change in the scope of consolidation.

The remaining derivative financial instruments are divided into the following categories in accordance with IAS 39 and demonstrated the following current values on the balance sheet date:

- Derivative financial instruments, which are designated in a documented and demonstrably effective hedging relationship for the hedging of cash flows: € 6,821k (2010: € 3,700k).
- Embedded derivatives, which in accordance with IAS 39 should be itemized separately and on the balance sheet date had a residual term of less than 12 months: € 311k (2010: € 1,042k). Of this amount € 311k (2010: € 135k) relate to held for trading derivatives and € 0 (2010: € 907k) to cash flow hedge derivatives.

K. Notes to the Consolidated Income Statement

12. Sales and Cost of Materials

The sales revenues contain income related to derivatives, which in accordance with IAS 39 are designated as being in a hedge relationship, totalling € 924k (2010: € 3,753k). This amount comprises gains from cash flow hedges of € 363k (2010: € 1,282k) and fair value hedges of € 561k (2010: € 2,471k).

The cost of materials includes an expense from derivatives, which in accordance with IAS 39 are designated as being in a hedge relationship, totalling € 6,238k (2010: € 6,627k). This amount contains expenses for cash flow hedges of € 5,703k (2010: € 4,729k) and fair value hedges of € 535k (2010: € 1,898k).

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13. Other Operating Income

in €k	2011	2010
Proceeds from property, plant and equipment disposals	1,109	2,986
Revenues from pallet sales	1,185	1,892
Gains from currency translation differences	6,067	2,200
Rental income	682	744
Subsidies and government grants	1,622	1,287
Insurance proceeds	890	3,030
Other	11,060	12,171
	22,615	24,310

The sub-item "Other" contains income for the companies of the AMAG Group derived from the charging of external clients for services rendered amounting to € 3,822k (2010: € 7,988k). The subsidies and government grants are largely linked to conditions such as job guarantees and the attainment of sales targets.

14. Personnel Expenses

in €k	2011	2010
Wages	138,607	101,646
Salaries	95,697	57,085
Expenses for severance payments and payments to company employee pension funds	8,513	3,465
Pension expense	1,230	737
Expenses for mandatory social security contributions, pay-related charges and compulsory contributions	54,434	36,696
Other social expenses	5,123	3,640
	303,604	203,269

The expenses for severance payments and contributions to company employee pension funds contained contributions to employee pension funds of € 358k (2010: € 423k).

Total number of employees as at December 31 (FTE)	2011	2010
Total number of wage earners	3,636	7,310
Total number of salaried employees	1,661	2,773
	5,297	10,083

The variable salary component of CEOs in the Constantia Packaging GmbH Group is dependent upon company profits. The performance-related share of salary constitutes 50 per cent of total earnings and is linked to the achievement of certain key income indicators. The income targets are agreed in the course of budgeting for several years. In addition, a D&O third party insurance policy for the Constantia Packaging GmbH CEOs exists with a premium of € 97k (2010: € 80k)

The provision for company pensions of the CEOs takes place via defined contribution insurance plans for which the company does not incur any defined benefit obligation.

Remuneration to the Supervisory Board amounted to € 375k (2010: € 135k).

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15. Other Operating Expenses

in €k	2011	2010
Freight	44,644	39,077
Maintenance	25,575	24,887
Other third-party expenses and consultant fees	23,104	27,624
Rentals, leases	11,672	6,863
Travel and vehicle expenses	8,949	5,751
Commissions	9,083	5,794
Insurance	7,060	5,463
Other taxes	3,174	2,890
Advertising expense	2,845	2,177
Communications expenses	2,803	2,022
Expense on currency translation differences	4,877	4,207
Expense on monetary transactions	2,301	1,526
Loss on property, plant and equipment disposals	1,535	1,980
Other	18,134	16,128
	165,756	146,389

Other operating expenses contain expenses for re-billed services incurred by the companies of the AMAG Group totalling € 3,664k (2010: € 6,056k). In addition, this item also includes fees and contributions of € 2,281k (2010: € 1,280k), expenses for further training of € 1,461k (2010: € 1,548k) and for personnel recruitment of € 1,273k (2010: € 460k), as well as energy costs of € 1,120k (2010: € 55k). In 2010, the other sundry expenses included an amount of € 347k derived from a cash flow hedge designated pursuant to IAS 39.

16. Net Financial Income

in €k	2011	2010
Interest income	2,533	3,338
Interest expense	(26,988)	(19,219)
Other financial income (expense)	201,276	(10,916)
	176,821	(26,797)

Other financial income contains a dividend from AMAG Holding GmbH of € 200,000k. Realization took place following the deconsolidation of the AMAG Group. In addition, other financial income contains the net impact of derivatives, which could not be designated as being in a hedge relationship pursuant to IAS 39. Of these € 14k (2010: € 124k) relate to the ineffective part of cash flow hedge derivatives and € 6k (2010: expense of € 179k) from fair value hedge derivatives. The remainder resulted from expenses and gains from currency translation differences and expenses arising from the change to the repurchase values from reinsurance. In 2010, the other financial income contained the measurement of the options for the purchase of the remaining shares of Constantia Colorcap Sp. z.o.o., Drukkerij Verstraete N.V. Ursel, Novis Casa de Editura si Tipogerafia S.R.L. and Constantia Hueck Folien GmbH & Co. KG amounting to € 7,781k. This amount is € 1,633k lower than the figure reported in 2010, as the measurement of the option liability from the purchase of Drukkerij Verstraete N.V. Ursel has been adjusted. Another difference to the reporting for 2010 relates to the interest expenses, which rose by € 190k as a result of the accrued interest on an adjusted financial leasing liability. Further information is available in Section I “Changes to the initial accounting of the business combination”.

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17. Income Taxes

Within the framework of group taxation, the Austrian companies in the Constantia Packaging Group were combined to form a tax group pursuant to § 9 of the Austrian Corporation Tax Act. Following offsetting against their pre-consolidation losses, the tax results of Group members are allocated to Constantia Packaging GmbH (lead company). As a counterbalance to the transferred tax results, as part of the consolidated and tax-sharing agreement, a tax assessment for the companies in the tax group was agreed, which is calculated according to the stand-alone method.

Tax reconciliation

in €k	2011	2010
Earnings before tax (EBT)	267,497	21,898
Tax expense at 25.0%	66,874	5,475
Other non-deductible expenses	2,577	1,367
Tax-exempt income	(50,104)	(420)
Other tax rates	3,265	234
Release of/allocation to reserves tax accrual and deferral, tax audits, withholding tax	2,878	5,743
Changes tax rates	(33)	(332)
Tax benefits	(914)	(692)
Correction of tax loss carryforwards from previous years	(5,338)	(5,944)
Valuation allowance on tax loss carryforwards in the current year	6,204	6,962
Fiscal investment amortization	(1,498)	(760)
Other	(2,440)	(2,447)
Total tax expense	21,471	9,186
Effective Tax Rate	8.03%	41.95%

18. Deferred Taxes

	2011		2010	
	Deferred Tax		Deferred Tax	
in €k	Assets	Liabilities	Assets	Liabilities
Intangible assets	625	24,196	1,074	30,580
Tangible assets	1,106	56,786	3,698	109,040
Financial and non-current assets	6,346	1,879	7,177	13,798
Inventories	1,297	310	2,190	2,166
Receivables	230	2,301	6,619	18,176
Securities, cash and cash equivalents	0	9	6	1,089
Loss carryforward	2,476	0	24,854	0
Hybrid capital	188	0	313	0
Untaxed reserves	0	762	1	852
Provisions	5,748	1,412	19,427	719
Liabilities	5,468	490	30,219	11,799
	23,484	88,146	95,578	188,219
Tax credits with the same tax authority	(17,611)	(17,611)	(69,113)	(69,113)
Net deferred tax assets and liabilites	5,873	70,535	26,465	119,106

No deferred tax assets were taken into account for tax loss carryforwards of € 244,283k (2010: € 240,448k).

The net item for deferred taxes changed in the 2011 reporting period as follows:

in €k	
As at 1/1/2011 prior to adjustment	(94,370)
Correction in connection with the initial balance sheet form as at 06/30/2010	1,729
As at 1/1/2011 following adjustment	(92,641)
Changes to the scope of consolidation (ASAS) - addition	(4,750)
Changes to the scope of consolidation (AMAG, DUROPACK) - disposal	25,192
Changes recognized directly in equity	2,752
Changes recognized through profit or loss	4,785
As at 12/31/2011	(64,662)

The changes recognized directly in equity relates largely to the gains and losses contained in the other comprehensive income, which result from the sale of available-for-sale financial instruments and cash flow hedges. Given the current tax regulations, it may be assumed that the difference between taxable investment and the proportional share of equity of the subsidiaries included in the consolidated financial statements, which results essentially from retained earnings and uncovered losses, will remain largely exempt from taxation. Therefore, a tax accrual was not undertaken.

L. Notes to the Consolidated Cash Flow Statement

The presentation of the cash flow statement employs the indirect method. Within 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 include 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.

Acquisition of Subsidiaries

In 2011, a 92.72 per cent interest was purchased in ASAS Ambalaj Baski Sanayi ve Ticaret A.S. including its subsidiary Asas Romania S.R.L. The purchase price amounted to € 32,573k.

With regard to the structure of the acquired assets and debts, please refer to Section D. Acquisitions and other changes in the scope of consolidation.

Outflows of Cash and Cash Equivalents due to Non-Cash Dividends

In February and April 2011, the AMAG and Duropack sub-groups were distributed to the owner as non-cash dividends. The deconsolidation of the sub-groups resulted in an outflow of cash and cash equivalents amounting to € 40,385k.

With regard to the structure of the deducted assets and debts, please refer to Section D. Acquisitions and other changes in the scope of consolidation.

Acquisition of Non-Controlling Interests

The acquisition of non-controlling interests consists of purchases of a 40 per cent interest in Novis Casa de Editura si Tipografia S.R.L. (€ 2,309k), a 30 per cent interest in Constantia Color Cap Sp. z.o.o. (€ 14,000k), a 30 per cent interest in Constantia Hueck Folien GmbH & Co. KG (€ 28,500k) and a 16.7 per cent interest in Printer Labels Inc. (€ 1,347k).

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OTHER NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The item “Other non-cash (income)/expenses” consists largely of changes in inventory and impairment losses on financial assets not attributable to investing activities, as well the change in long-term provisions.

M. FINANCIAL INSTRUMENTS

RISK MANAGEMENT STRATEGIES

Constantia Packaging GmbH is subject to risks with respect to its assets, liabilities and planned transactions arising from changes to exchange rates, interest rates and stock market prices. The handling of these risks is regulated by guidelines that apply throughout the group. The aim of financial risk management is to limit these market risks through continuous operative and finance-oriented activities. Derivative financial instruments are only used as hedging instruments.

Foreign currency risks

Foreign currency risk arises from the fact that the value of a financial instrument can alter due to exchange rate fluctuations. The Group concludes currency forwards and options (2010) in order to reduce the foreign exchange risk related to cash flow from operating activities (cash flow hedge). The fair value of assets and liabilities reported in the balance sheet is hedged by currency forwards and options (2010) (fair value hedge).

The transaction risk is calculated for each individual foreign currency. Foreign currency receivables and liabilities arising from transactions recognized in the balance sheet at the time that the contract is concluded are considered, as are certain off-balance sheet items, which above all include recurring operating transactions (anticipated material purchases and sales returns).

The Constantia Packaging Group’s foreign currency risks derive from its worldwide operations in a variety of countries, production facilities and sales. Owing to the group’s decentralized organizational structure, material purchasing generally takes place in the respective national currency of the local company. Similarly, the resultant invoices of the foreign companies are largely billed in the same local currency. This results in a closed currency item and a significant reduction in the identifiable currency risk. In the case of items, which cannot be closed through a matching transaction (natural hedge) overhangs are hedged through currency forwards or options that correspond to the risk item and horizon.

On the balance sheet date, primary financial instruments, which include trade accounts receivable and liabilities, financial receivables and liabilities, and securities were divided among the following currency items:

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	12/31/2011			12/31/2010		
	Currency	in €k	Share	Currency	in €k	Share
Primary financial instrument assets	EUR	242,436	77.3 %	EUR	291,218	69.5 %
	USD	37,681	12.0 %	USD	50,211	12.0 %
	CAD	643	0.2 %	CAD	8,304	2.0 %
	CZK	184	0.1 %	CZK	8,456	2.0 %
	GBP	8,175	2.6 %	GBP	12,205	2.9 %
	PLN	2,160	0.7 %	PLN	3,433	0.8 %
	HRK	0	0.0 %	HRK	11,525	2.7 %
	BGN	0	0.0 %	BGN	8,537	2.0 %
	DKK	2,249	0.7 %	DKK	3,654	0.9 %
	HUF	0	0.0 %	HUF	2,862	0.7 %
	RSD	0	0.0 %	RSD	4,128	1.0 %
	RUB	4,634	1.5 %	RUB	5,173	1.2 %
	RON	3,311	1.1 %	RON	0	0.0 %
	TRY	9,991	3.2 %	TRY	0	0.0 %
	Other	2,131	0.7 %	Other	9,436	2.3 %
		313,595	**100.0%**		**419,142**	**100.0%**

	12/31/2011			12/31/2010		
	Currency	in €k	Share	Currency	in €k	Share
Primary financial instrument liabilities	EUR	588,660	94.2 %	EUR	832,241	84.3 %
	DKK	755	0.1 %	DKK	253	0.0 %
	USD	17,426	2.8 %	USD	80,162	8.1 %
	PLN	1,999	0.3 %	PLN	3,832	0.4 %
	CZK	15	0.0 %	CZK	5,508	0.6 %
	GBP	1,300	0.2 %	GBP	1,931	0.2 %
	HUF	0	0.0 %	HUF	4,842	0.5 %
	BGN	0	0.0 %	BGN	1,378	0.1 %
	HRK	0	0.0 %	HRK	31,247	3.2 %
	RSD	0	0.0 %	RSD	215	0.0 %
	CAD	281	0.0 %	CAD	16,095	1.6 %
	RUB	1,299	0.2 %	RUB	2,182	0.2 %
	RON	2,927	0.5 %	RON	0	0.0 %
	TRY	7,283	1.2 %	TRY	0	0.0 %
	Other	2,905	0.5 %	Other	6,824	0.7 %
		624,850	**100.0%**		**986,710**	**100.0%**

Liquidity risks

Liquidity risk is designated as being the risk of having sufficient funds at all times in order to settle financial obligations. To cover this risk, the group ensures that sufficient liquid funds are available, or that the necessary financing can be obtained through existing borrowing facilities.

Liquidity risks are determined through the group-wide liquidity planning. Based on these results, capital measures are planned for the group companies, sub-groups and the Constantia Packaging Group.

In order to preempt the liquidity risk, the Constantia Packaging Group has committed credit lines of € 208 million at its disposal.

Credit risks

Credit risks, or the risk of delayed payments by a contractual partner, are controlled by the use of credit checks,
credit limits and routine audits. Where possible, the group receives state export guarantees or guarantees from
private credit insurers in order to reduce the risk of payment default. The group also limits credit risk by only

working with financial partners with excellent credit ratings.

On the assets side, the reported amounts of primary financial instruments represent both the maximum credit and maximum default risk.

Impairments are recognized for all identified risks with the result that the management is of the opinion that no other credit risks will arise.

Interest rate risk

Interest rate risk consists of net interest earnings and present value risks. Interest rate risk cannot be eliminated, since cash value and net interest earnings risks are interdependent. Cash value risk affects the current value of the group's interest-bearing financial instruments and investments, while the net interest earnings risk affects its interest expense and income.

On the balance sheet date, the group had both interest rate swaps and interest rate caps based on the euro that are qualified as cash flow hedges. For the swap agreements, Constantia Packaging pays a fixed interest rate on the face value of the swap and in return receives variable interest rates on the same capital amount. These interest rate swaps offset the impact on cash flows of underlying variable-rate financial liabilities caused by future changes in interest rates. The interest rate swaps are recognized in the balance sheet at fair value. Changes in the fair value of interest rate swaps classified as cash flow hedges are recognized directly in equity under hedging reserves. With the commencement of interest payments on the transaction underlying the hedge, there is a reclassification from the hedging reserve in equity to recognition in the statement of income under net interest income.

Interest rate caps place a ceiling on net interest earnings at risk. If interest rates rise to a level above the cap, an offsetting payment is received from the counterparty. Changes in the fair value of interest rate caps classified as cash flow hedges are included as a hedging reserve recognized directly in equity.

In detail the weighted interest rates on the balance sheet date were as follows:

Interest rate summary as at 12/31/2011

Position	Type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	7.5%	-	-	7.5%
	Variable	1.32%	0.97%	2.57%	-
	Average	**1.69%**			
Financial liabilities	Fixed	3.99%	-	4.36%	3.89%
	Variable	3.04%	2.03%	3.04%	3.15%
	Average	**3.65%**			
Total net financial liabilities	**Total**	**4.13%**			

The average interest rate paid for net financial liabilities amounts to 4.13 per cent (2010: 3.42%).

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Interest rate summary as at 12/31/2010

Position	Type	Average	Bank accounts	Current	Non-current
Deposits	Fixed	7.5%	-	-	7.50%
	Variable	0.92%	0.42%	1.99%	-
	Average	**1.39%**			
Financial liabilities	Fixed	3.92%	-	3.81%	3.93%
	Variable	2.31%	2.38%	2.43%	1.97%
	Average	**3.21%**			
Total net financial liabilities	**Total**	**3.42%**			

Commodity price risks

During its business activities, Constantia Packaging is exposed to commodity price risks derived from aluminium. This risk is based on the fact that the Constantia Packaging Group processes aluminum.

The price-change risk for commodities listed on the London Metal Exchange (LME) is hedged through standard commodity forwards. Hedges on future cash flows through aluminum purchase are classified as cash flow hedges. Under the current regulations in effect, derivatives classified as held for trading may not be designated as cash flow or fair value hedges, but nevertheless serve to hedge the group's economic risk.

In the commodity price hedging area, the principle applies that derivatives are only used if they can be clearly defined and measured.

Sensitivity analyses

If the value of the euro against the U.S. dollar were to move up or down by 10 per cent on December 31, 2011, net liabilities would either rise or fall by € 307k (2010: € 3,153k). Were the value of the euro to increase or decrease by 10 per cent in relation to other important currencies for the group, then net liabilities would either be € 591k (2010: € 1,002k) higher or lower.

A 1% rise in interest rates in the euro zone would result in a € 846k (2010: € 2,363k) increase in net interest expense for financial instruments subject to variable interest and denominated in euros. A 1% rise in the interest rates on U.S. dollars would result in a € 31k reduction in the net interest expense for financial instruments subject to variable interest and denominated in U.S. dollars (2010: € 29 k increase).

A 10 per cent fall in listed aluminum prices on the LME would result in a € 2,624k (2010: € 10,377k) decrease in inventory valuation.

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Sensitivity analysis as at 12/31/2011 (values in €k)					
Type of risk					
Currency risk	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net financial liabilities due to change in exchange rates of	10%	0	307	591	**899**
Interest rate risk	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net interest expense due to a change in interest rates of	1%	(846)	(31)	(59)	**(756)**
Commodity price risk	**Change**			**AL**	**Total**
Change in inventory valuation due to reduction in LME list prices of	10%			(2,624)	**(2,624)**

Sensitivity analysis as at 12/31/2010 (values in €k)					
Type of risk					
Currency risk	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net financial liabilities due to change in exchange rates of	10%	0	(3,153)	(1,002)	**(4,155)**
Interest rate risk	**Change**	**EUR**	**USD**	**Other**	**Total**
Change in net interest expense due to a change in interest rates of	1%	(2,363)	(29)	(46)	**(2,438)**
Commodity price risk	**Change**			**AL**	**Total**
Change in inventory valuation due to reduction in LME list prices of	10%			(10,377)	**(10,377)**

The deconsolidation of AMAG and Duropack in 2011 resulted in a change in the net foreign currency position. The basis for the exchange rate risks relating to the US dollar and other currencies changed from a net financial liability to a net receivable.

PRIMARY FINANCIAL INSTRUMENTS

The inventory of primary financial instruments can be seen directly in the balance sheet and the accompanying notes.

Cash and cash equivalents

The carrying amounts may be regarded as reasonable estimates for the fair values.

Securities included in non-current and current assets

The fair value of publicly-traded securities is based on their current market prices. All securities held by the group are classified as available-for-sale assets and valued at market price on the balance sheet date.

On the balance sheet date, the non-current securities were structured as follows:

Carrying amounts in €k	12/31/2011	12/31/2010
Fund shares	1,521	927
Shares	2,257	3,657
	3,778	**4,584**

DERIVATIVE FINANCIAL INSTRUMENTS

Only standard market instruments with sufficient liquidity are used for this purpose.

Cash flow hedges

Currency derivatives are used to hedge future cash flows on provisional and anticipated foreign currency transactions.

Commodity derivatives are also used to hedge commodity price risks (aluminum) from anticipated transactions the occurrence of which is considered to be highly likely.

Euro-based interest swaps and interest caps are used to hedge interest rate risk. The current value of the interest derivatives results from the change in the interest curve, which has taken place since the start of the contract.

Fair value hedges

Currency forwards were used to hedge the currency risk on foreign currency receivables and recorded as fair value hedges. Fluctuations in the current value of these currency derivatives are reported in the sales revenues.

Trading

Foreign currencies and commodity derivatives (aluminium) that do not meet the conditions for hedge accounting pursuant to IAS 39 with regard to documentation and effectiveness are classified as held for trading derivatives. Changes in the fair value of these derivative financial instruments are recognized through profit and loss.

The derivative financial instruments qualifying as cash flow hedges and recognized in the hedging reserve were as follows:

	Currency or Commodity		12/31/2011 Nominalvalue [1]	12/31/2011 Market value in €k	12/31/2010 Nominalvalue [1]	12/31/2010 Market value in €k
CASH FLOW HEDGE						
Currency derivatives						
Forwards	USD	Sale	34,756	(477)	155,723	(642)
	GBP	Sale	3,640	(88)	2,340	2
	EUR	Buy	0	0	2,770	10
	CAD	Buy	0	0	54,900	3,646
	USD	Buy	160	2	8,986	114
Currency options	USD	Put	0	0	1,000	0
Commodity derivatives						
Forward contracts	AL	Sale	10,625	116	50,900	(9,915)
	AL	Buy	49,550	(6,525)	34,950	5,960
	CU	Buy	0	0	250	282
Options	AL	Sale	0	0	140,750	0
Interest rate derivatives						
Swaps	EUR		85,634	(1,132)	77,000	(2,404)
	USD		0	0	38,000	(951)
Caps	EUR		281	0	8,563	55
Forward Rate Agreement	USD		0	0	10,000	0
Embedded derivatives						
embedded derivative	USD	Sale	0	0	N/A	1,865
embedded derivative	AL	Sale	N/A	826	N/A	(2,081)
				(7,278)		**(4,059)**

[1] Nominal values for currencies reported in thousands, commodities inmetric tons of aluminium (AL) and copper (CU) respectively.

Financial instruments qualifying as fair value or held for trading hedges and recognized through profit and loss:

	Currency or Commodity		12/31/2011 Nominal value [1]	12/31/2011 Market value in €k	12/31/2010 Nominal value [1]	12/31/2010 Market value in €k
FAIR VALUE HEDGE						
Currency derivatives						
Forwards	USD	Sale	260	2	4,645	(81)
Commodity derivatives						
Forwards	AL	Sale	0	0	44,668	(3,975)
	AL	Buy	0	0	19,434	1,332
Hedged binding commitmer	AL	Sale	0	0	19,434	(1,332)
	AL	Buy	0	0	4,668	118
				2		**(3,938)**
HELD FOR TRADING						
Currency derivatives						
Forwards	USD	Buy	0	0	22,655	2
	GBP	Sale	0	0	1,950	27
	JPY	Sale	0	0	35,500	(10)
	USD	Sale	0	0	55,660	290
	CHF	Sale	0	0	85	(4)
	NOK	Sale	0	0	7,880	(45)
Currency options	USD	Put	0	0	0	1
Commodity derivate						
Forwards	AL	Buy	50	3	146,991	25,304
	AL	Sale	180	336	146,257	(28,038)
Options	AL	Sale	0	0	300	158
	AL	Buy	0	0	7,000	(261)
Embedded derivatives						
Embedded derivatives	AL	Sale	N/A	(311)	N/A	(196)
				28		**(2,772)**

[1] Nominal values for currencies reported in thousands, commodities inmetric tons of aluminium (AL).

The nominal values result from the gross amount of all financial derivative purchase and sale transactions and commodity derivatives are stated in metric tons per transaction currency.

Current values are extrapolated from the trading amounts of the related financial transactions on the balance sheet date. The market values of commodity derivatives are based on the LME's official listed aluminum

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prices on the balance sheet date. The fair values of currency futures are calculated on the basis of future prices on the balance sheet date. Standard models are used to determine option prices. The current value of interest rate swaps and caps is determined using generally recognized mathematical measurement models.

Term periods are generally based on the term of the underlying transaction. Maturities on currency derivatives extend to 2016, while those on commodity and interest rate derivatives extend to 2015. Hedged cash flows occur between 2012 and 2016. Where the preconditions for hedge accounting are fulfilled, the previously unrecognized changes in current value are previously transferred to the income statement.

Additional information regarding financial instruments pursuant to IFRS 7

Carrying amounts, valuations and fair values based on measurement categories:

in €k	Carrying amount 12/31/2011	Fair value hedge	Cash flow hedge	Held to maturity	Held for trading	Available for sale	Loans and receivalbles and liabilities*	Cash and cash equivalents	Financial instruments not classified under IFRS 7	Fair Value 12/31/2011
ASSETS										
Other non-current and financial assets	17,596		676			4,384	12,020		516	17,596
Trade accounts receivable	206,496						206,496			206,496
Other receivables	22,757	2	925		333		9,131		12,366	22,757
Cash, cash equivalents and securities	80,248							80,248		80,248
TOTAL ASSETS	**327,097**	**2**	**1,601**	**0**	**333**	**4,384**	**227,647**	**80,248**	**12,882**	**327,097**
EQUITY AND LIABILITIES										
Non-current liabilities	293,046		2,052				287,230		3,764	293,046
Current financial liabilities	256,493		6,927		205		201,531		47,830	256,493
Trade accounts payable	127,713						127,713			127,713
TOTALEQUITY AND LIABILITIES	**677,252**	**0**	**8,979**	**0**	**205**	**0**	**616,474**	**0**	**51,594**	**677,252**

in €k	Carrying amount 12/31/2010	Fair value hedge	Cash flow hedge	Held to maturity	Held for trading	Available for sale	Loans and receivalbles and liabilities*	Cash and cash equivalents	Financial instruments not classified under IFRS 7	Fair Value 12/31/2010
ASSETS										
Other non-current and financial assets	50,623	310	4,165	6,403	6,940	14,509	18,296			50,623
Trade accounts receivable	300,189						300,189			300,189
Other receivables	77,960	2,315	11,058		24,818		15,564		24,205	77,960
Cash, cash equivalents and securities	64,181							64,181		64,181
TOTAL ASSETS	**492,953**	**2,625**	**15,223**	**6,403**	**31,758**	**14,509**	**334,049**	**64,181**	**24,205**	**492,953**
EQUITY AND LIABILITIES										
Non-current liabilities	503,792	310	10,999		7,842		484,641			503,792
Current financial liabilities	446,322	6,252	8,283		26,688		334,573		70,526	446,322
Trade accounts payable	167,496						167,496			167,496
TOTAL EQUITY AND LIABILITIES	**1,117,610**	**6,562**	**19,282**	**0**	**34,530**	**0**	**986,710**	**0**	**70,526**	**1,117,610**

*Measured at amortized cost

Cash and cash equivalents, securities, trade accounts receivable and other receivables have short maturities. Therefore, their carrying amounts as at the reporting date correspond broadly with fair value. Financial instruments not classified pursuant to IFRS 7 are measured at amortized cost.

The fair values of other non-current receivables and financial investments with periods to maturity of more than one year, correspond with the cash value of payments due on the assets, taking into account current interest rate parameters, which reflect market and partner-based changes to conditions and expectations.

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Trade accounts payable and other current liabilities mainly have short maturities of less than one year and the values reported correspond approximately with fair values.

The fair values of unlisted bonds, liabilities to banks and other financial liabilities are determined as the cash value of payments relating to the debt, taking into account the currently valid yield curves.

The valuation categories are structured as follows:

	12/31/2011				12/31/2010			
in €k	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS								
Other non-current and financial assets		5,060		**5,060**	781	24,234	909	**25,924**
Other receivables		1,260		**1,260**		37,235	956	**38,191**
EQUITY AND LIABILITIES								
Non-current liabilities		2,052		**2,052**		19,151		**19,151**
Current financial liabilities		7,132		**7,132**		41,223		**41,223**

The figure reported in 2010 for Fair Value Level 1 was reduced by € 3,803k to € 781k, as this category contained interests in unlisted companies and investment funds. Reporting of these securities now takes place under Level 2.

The fair value hierarchy measurement categories are as follows:

Level 1: Fair values are determined based on publicly quoted market prices.

Level 2: Fair values are estimated on the basis of the results of a valuation method, which uses market data to the greatest and specific company data to the smallest possible extent.

Level 3: The valuation methods employed in 2010 are based on parameters not observable on the market. The case in point relates to an electricity purchasing contract of an Austria Metall GmbH subsidiary, which as a result of the linkage between the electricity and aluminium prices, contains an embedded derivative. Fair value was calculated using mark-to-market measurement. However, owing to the monopolistic nature of the power market in Canada, no active market price exists in a normal sense. Therefore, measurement was completed by means of a discounted cash flow analysis using reference power prices and the related interest curves and forward prices for aluminum. Moreover, in order to obtain a near market valuation of the contract, the cash value of future electricity payments on the basis of aluminium forwards was subsequently calculated and compared to the cash value of future electricity payments on the basis of the electricity reference price.

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Net financial instrument gains and losses according to measurement categories.

in €k	2011	2010
Held to Maturity	0	(542)
Held for Trading	1,298	(54)
Available for Sale	78	25
Loans and receivables and liabilities*	(2,688)	(13,473)
TOTAL	**(1,312)**	**(14,044)**

* Measured at amortized cost

Net financial income includes dividend proceeds but not interest expenses or income. The figure reported in 2010 included interest expenses and income and was therefore adjusted accordingly. Another change in 2010 related to the adjustment to the put option liability derived from the purchase of Drukkerij Verstraete N.V. amounting to € 1.633k, which is reported in Section I under "Changes to the initial accounting of the business combination". In the 2011 financial year provisions for trade accounts receivable of € 788k (2010: € 1,135k) and for short-term other receivables of € 41k (2010: € 150k) were made. In 2010, provisions of € 390k were made for financial assets.

Income and expenses from the derivative instruments used to hedge operating risks and the matching expenses and income recognized under sales revenues or counterbalanced with the cost of materials are not included in income from financial instruments.

Maturity of overdue trade accounts receivable:

in €k	**2011**	**2010**
Receivables not yet due	174,314	258,109
Overdue receivables		
Due less than 30 days	21,586	30,921
Due more than 30 days but less than 60 days	3,879	6,048
Due more than 60 days but less than 90 days	1,446	1,902
Due more than 90 days but less than 180 days	2,167	2,166
Due more than 180 days	3,585	2,178
Impairment	(481)	(1,135)
Total	206,496	300,189

Trade accounts receivable that are not yet due refer mainly to receivables from long-term business partners. The measurement of credit quality is made in accordance with the internal guidelines of Constantia Packaging GmbH.

A large part of trade accounts receivable is covered by loan insurance with differing insurers. These insurances include a deductible for any claims made. For such claims, local management uses its discretion to make a provision up to the value of the deductible.

The change in the provisions can be traced largely to the final consolidation of the AMAG and Duropack sub-groups and the ongoing adjustment to the provision for bad debts among existing group companies.

N. Contingent Liabilities

Litigation

One shareholder sought a court injunction against the squeeze out decision of the AGM in August 2010. The judicial proceedings were decided in favour of the company in the second instance with a binding verdict. The costs will be borne by the plaintiff.

Several shareholders signed an application for an out-of-court review of the amount of cash to be paid in the squeeze out according to the provisions of § 6 para 2 of the Austrian Shareholder Exclusion Act. An expert was appointed to validate the company valuation at the end of the 2011 financial year. The results and a decision are not foreseeable at present.

Environmental Impact

Due to the acquisition of Constantia Packaging AG Group the following environmental risks are to be mentioned.

During construction work at the headquarters of Petruzalek GmbH in Vösendorf near Vienna, contaminated

soil was discovered from a former heating oil storage depot dating from World War II. The public authorities reacted by ordering additional test excavations and a large contaminated area was identified, which also affects numerous other companies. In view of the dense development in the area, measures on the part of the authorities

regarding the clean-up of the site are not expected in the foreseeable future. It is also unlikely that the site will cause a financial burden for the industrial and commercial operations located in the area. The land was not taken over by the buyer following the sale of Petruzalek GmbH in 2003, and was sold in spring 2008. The contract expressly disclaims any warranty for a certain quality of the site under civil law, while the second public law warranty under the Austrian Water Act and the Austrian Waste Management Act remains in effect indefinitely. However, recourse against former owners who did not actively cause the contamination or knowingly tolerated it can be excluded with a probability bordering on certainty.

During routine soil examinations on the premises of Constantia Colmar Inc., USA, a contamination of the soil with toxic chemicals was determined. The contamination dates back to activities of a third-party company on the land about 20 years ago. An “Environmental Indemnification Agreement”, which is a form of liability indemnification agreement, has been concluded with the polluter. The third-party company hereby assumes unlimited liability, which indemnifies the landowner from all financial responsibility for damages. Therefore there are no further financial obligations for Constantia Colmar Inc., USA, arising from this damage.

It is not possible at this point in time to quantify total decontamination and environmental clean-up costs.

OTHER

in €k	2011	2010
Warranties and guarantees	286	286
Discounted bank drafts	818	14,052
Bank guarantees received	2,431	11,575
	3,535	25,913

As at December 31, 2011, guarantees and warranties included a guarantee to a third company. The bank guarantees received largely relate to customs and excise guarantees and guarantees for receivables received. Of the bank guarantees received, € 0 (2010: € 8,940k) are recognized as liabilities in the balance sheet.

O. RELATED PARTY DISCLOSURES

The highest controlling company of Constantia Packaging GmbH is CP Group Holding Coöperatief U.A. with headquarters in Amsterdam, Netherlands. The consolidated financial statements are made public in the company register of the Amsterdam Chamber of Commerce.

Business transactions between group companies are completed subject to arms-length conditions.

Sales with the Paverco Group in the financial year amounted to € 1,380k (2010: € 688k) (management fees and real estate leasing), while liabilities to the Paverco Group (holds a 49 per cent interest in Drukkerij Verstraete N.V.) on the balance sheet date totalled € 244k (2010: € 93k).

On the reporting date, receivables from Constantia Packaging B.V., Holland, amounted to € 136k (2010: € 0). The respective business transactions are completed subject to arms-length conditions.

No loans have been granted either to members of the Executive Board, nor have any guarantees been given in their favour. No other material transactions of any kind, particularly purchase contracts for material assets, have been concluded. In 2011, the Constantia Flexibles executive management received remuneration of € 8.9 million.

Supply and services relationships with AMAG and Duropack (in €):

	Received and completed	Receivables	Payables
AMAG	(61.871)	720	16,445
Duropack	(647)	83	3,302
CP Group B.V.	0	5,346	0

P. AUDITORS' FEES

In accordance with § 266 Clause 11 of the Austrian Commercial Code, the auditors' fees for the financial year are to be reported.

in €k	2011	2010
Audits	687	1,415
thereof domestic network	*167*	*709*
Tax consultancy	66	482
thereof domestic network	*59*	*130*
TOTAL	**753**	**1,897**
thereof domestic network	**226**	**839**

The domestic network consists of Deloitte Audit Wirtschaftsprüfungs GmbH as the designated group auditor and its affiliates pursuant to § 228 Para. 3 of the Austrian Commercial Code. The totals per category include all expenses for Deloitte as the designated group auditor, as well as the global Deloitte partner network. The auditing costs for the financial statements include the auditing fees for the individual financial statements under local law, the IFRS packages of the individual companies and the consolidated financial statements of Constantia Packaging GmbH received by the group auditor Deloitte. Tax consultancy services consist mainly of services provided to Constantia Packaging GmbH subsidiaries.

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Q. GROUP COMPANIES

Name	Headquarters	Interest in per cent Direct*	Indirect**
Full consolidation			
Constantia Flexibles GmbH	Vienna, A	100.0	100.0
Constantia Colmar Inc.	Colmar, USA	100.0	100.0
H & N (Suzhou) Packaging Materials Co. Ltd.	Taicang, RC	100.0	100.0
Constantia Labels GmbH	Heiligenstadt, D	100.0	100.0
Constantia Ebert GmbH	Wiesbaden, D	90.0	100.0
Constantia CM Labels SDN BDN	Kuala Lumpur, MAL	70.0	70.0
Haendler & Natermann GmbH	Hann. Münden, D	90.0	100.0
Haendler & Natermann Iberica SLU	Seville, E	100.0	100.0
Haendler et Natermann Benelux SPRL	Waterloo, B	100.0	100.0
Drukkerij Verstraete N.V.	Knesselare, B	51.0	51.0
Novis Casa de Editura si Tipografia S.R.L.	Cluj-Napoca, RO	100.0	100.0
SIM'EDIT SAS	Ablis, F	100.0	100.0
Etipack SARL	Vittel, F	100.0	100.0
Exprim SARL	Ablis, F	95.0	95.0
Printer Labels Inc.	Ontario, USA	96.7	96.7
SIM'EDIT IMPRIMEUR	Coueron, F	99.9	99.9
SIM'Label Inc.	Cowansville, CAN	100.0	100.0
SIM'EDIT Iberica SL	Madrid, E	100.0	100.0
Constantia St. Petersburg OOO	St. Petersburg, RUS	100.0	100.0
Haendler & Natermann Packaging Ltd.	St. Petersburg, RUS	74.0	74.0
Haendler & Natermann GmbH	Hann. Münden, D	10.0	100.0
Constantia Ebert GmbH	Wiesbaden, D	10.0	100.0
Constantia Teich GmbH	Weinburg, A	100.0	100.0
Constantia Color Cap Sp. z.o.o.	Jejkowice, PL	100.0	100.0
Colorcap Aluminium GmbH	Gau-Odernheim, D	100.0	100.0
Constantia Verpackungen Deutschland GmbH	Wangen im Allgäu, D	100.0	100.0
Constantia Aloform GmbH	Werdohl, D	70.0	70.0
Constantia Imballaggi SRL	Schio, I	100.0	100.0
Constantia Emballage France SARL	Versailles, F	100.0	100.0
Corona Packaging Ap S	Ishoej, DK	100.0	100.0
Constantia Sittingbourne Ltd.	Sittingbourne, GB	100.0	100.0
Constantia Jeanne d'Arc SAS	Joinville, F	99.3	99.3
Constantia Nusser GmbH	Wangen im Allgäu, D	100.0	100.0
Constantia Packaging AB	Stockholm, S	100.0	100.0
Constantia Packaging Inc.	Barrington, USA	100.0	100.0
Constantia Packaging Ltd.	Girvan, GB	100.0	100.0
Constantia Tobepal S.L.U.	Logroìo, E	100.0	100.0
Asas Ambalaj A.S.	Ankara, TR	92.7	92.7
Asas Romania S.R.L.	Budesti, RO	100.0	92.7
Constantia Packaging Sales GmbH	Vienna, A	100.0	100.0
Constantia Patz Ges.m.b.H.	Natschbach-Loipersbach, A	100.0	100.0
Constantia Teich Poland Sp. z.o.o.	Kleszczów, PL	100.0	100.0
Constantia KUBAN	Timashevsk, RUS	100.0	100.0
Constantia Hueck Folien GmbH & Co KG	Pirk, D	100.0	100.0
HC Beteiligungs GmbH	Pirk, D	100.0	100.0
Constantia Hueck Folien SPRL	Louvain-La-Neuve, B	100.0	100.0
Constantia Hueck Foils Holding Co.	Blythewood, USA	100.0	100.0
Constantia Hueck Foils LL.C.	Blythewood, USA	100.0	100.0
Constantia Hueck Folien SRL	Montevideo, UR	100.0	100.0
Constantia Fromm GmbH	Remshalden-Geradstetten, D	100.0	100.0
Constantia Pharma Sales SARL	Versailles, F	100.0	100.0
Constantia Hueck Folien s.r.o	Marianske Lazne, CZ	100.0	100.0
Constantia Hueck Folien Geschäftsf. GmbH	Pirk, D	100.0	100.0
Austria Metall Deutschland GmbH	Mayen, D	100.0	100.0

AMAG ALUTEAM Extrusion GmbH	Mayen, D	100.0	100.0
Constantia Finance Holding GmbH	Vienna, A	100.0	100.0
Constantia Finance GmbH	Vienna, A	100.0	100.0
Eveku Österreich GmbH	Vienna, A	100.0	100.0
Eveku Spain SL.	Madrid, E	100.0	100.0
Eveku Deutschland GmbH	Hann. Münden, D	100.0	100.0
Eveku Netherlands BV	Amsterdam, NL	100.0	100.0
Eveku Belgium SPRL	Liege, B	100.0	100.0

*) From the perspective of the direct parent company
**) From the perspective of CONSTANTIA PACKAGING GMBH

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R. Other Information

Events after the Balance Sheet Date

There were no events of material importance after December 31, 2011.

Company Bodies

During the year under report, the following persons were active:

a) in the Executive Board
Thomas Unger (since December 16, 2011)
Hanno M. Bästlein (until December 15, 2011)

b) in the Supervisory Board (since December 14, 2011)
Jan Homan, Chairman
Christopher von Hugo, Deputy Chairman
Hanno M. Bästlein, member
Johann Melchior von Peter, member
Wolfgang Pfarl, member
Helmut Burmester, member
Jörg Zirener, member
Günther Cerha, member

CEO

Thomas Unger

CEO

Thomas Unger

Vienna, February 29, 2012