Consolidated Financial Statements 2010

Consolidated Statement of Financial Position as of December 31, 2010 pursuant to IFRS

€ thousands	Section I	**12/31/2010**
Assets		
Goodwill	1	20,720
Intangible assets	1	151,475
Property, plant and equipment	1	1,227,354
Other non-current and financial assets	2	50,623
Deferred tax assets	J 18	26,465
Non-current assets		**1,476,637**
Inventories	3	390,082
Trade accounts receivable	4	300,189
Tax receivables		6,254
Other receivables	5	77,960
Cash and cash equivalents		64,181
Assets held for sale	6	1,956
Current assets		**840,622**
Total assets		**2,317,259**
Liabilities and shareholders' equity		
Equity attributable to equity holders of the parent		**555,267**
Hybrid capital		**249,063**
Non-controlling interests	7	**89,834**
Total Equity		**894,164**
Non-current provisions	8	125,475
Non-current financial liabilities	10	432,808
Other non-current liabilities	10	70,985
Deferred tax liabilities	J 18	120,835
Non-current provisions and liabilities		**750,103**
Current provisions	9	37,629
Current financial liabilities	10	268,920
Trade accounts payable	10	167,496
Tax liabilities	10	21,545
Other liabilities	10, 11	177,402
Current provisions and liabilities		**672,992**
Total liabilities and shareholders' equity		**2,317,259**

Consolidated Statement of Income (Loss)
for the year ended* December 31, 2010 pursuant to IFRS

€ thousands	Section J	2010
Sales	12	**1,105,514**
Changes in inventories of finished goods and work in progress		(8,817)
Own work capitalized		852
		1,097,549
Other operating income	13	24,310
Cost of materials		(646,840)
Personnel expenses	14	(203,269)
Other operating expenses	15	(146,389)
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**125,361**
Depreciation	I1	(76,490)
Earnings before interest and taxes (EBIT)		**48,871**
Net interest income (expense)	16	(15,691)
Other financial income (expense)	16	(12,549)
Net financial income (expense)		**(28,240)**
Earnings before tax (EBT)		**20,631**
Current taxes	17	(21,880)
Deferred taxes	18	12,629
Income tax		**(9,251)**
Net income after tax		**11,380**
Attributable to:		
Non-controlling interests		7,834
Equity holders of the parent		3,547

* Definition “year ended”: January 01, 2010 to June 30, 2010 individiual company (Constantia Packaging GmbH) and July 1, 2010 to December 31, 2010 Consolidated Group.

Consolidated Statement of Comprehensive Income (Loss) for the year ended* December 31, 2010 pursuant to IFRS

€ thousands	Section	2010	2009
Net income after tax		**11,380**	**(3,563)**
Change in hedging reserve	L	**(16,850)**	**0**
Gain/(loss) through changes in fair value		(26,898)	0
apportioned deferred taxes		6,982	0
Transfer to statement of income		4,089	0
apportioned deferred taxes		(1,022)	0
Change in Available-for-Sale reserve	L	**(19)**	**0**
Gain/(loss) through changes in fair value		(19)	0
Employee Benefits	I 8	**(9,399)**	**0**
Actuarial gains and losses		(10,786)	0
Deferred tax for actuarial gains and losses		1,387	0
Currency translation differences		**(14,205)**	**0**
Other comprehensive income for the period		**(40,473)**	**0**
Attributable to:			
Non-controlling interests		(4,945)	0
Equity holders of the parent		(35,528)	0
Total comprehensive income for the period		**(29,093)**	**(3,563)**

* Definition “year ended”: January 01, 2010 to June 30, 2010 individiual company (Constantia Packaging GmbH) and July 1, 2010 to December 31, 2010 Consolidated Group.

Consolidated Statement of Cash Flows
for the year ended* December 31, 2010 pursuant to IFRS

€ thousands	Section	2010
Earnings before tax (EBT)		**20,631**
Net interest (income) expense		15,691
Depreciation and impairment/reversal of impairment		76,490
(Gains)/losses on disposals of non-current assets		(417)
Other non-cash (income)/expenses		20,427
Change in inventories		(36,837)
Change in trade accounts receivable		36,013
Changes in other receivables		61,793
Changes in provisions (current and non-current)		(19,205)
Change in trade accounts payable		(16,123)
Changes in other liabilities		(48,451)
		110,012
Taxes paid		(10,105)
Interest received		1,560
Interest paid		(15,535)
Cash flow from operating activities		**85,932**
Proceeds from disposals of non-current assets		3,346
Payments for property, plant and equipment and intangible assets		(68,451)
Net cash outflow on acquisition of subsidiaries	K	(437,131)
Proceeds from other financial assets		3,288
Cash flow used for investing activities		**(498,948)**
Change in debt		107,662
Capital increase		462,614
Payments to acquire non-controlling interests	K	(71,298)
Payments to hybrid capital holders		(15,826)
Payments to non-controlling interests		(6,002)
Cash flow from financing activities		**477,150**
Change in cash and cash equivalents		**64,134**
Cash and cash equivalents at the beginning of the period		47
Cash and cash equivalents at the end of the period		64,181
Change in cash and cash equivalents		**64,134**

* Definition "year ended": January 01, 2010 to June 30, 2010 individiual company (Constantia Packaging GmbH) and July 1, 2010 to December 31, 2010 Consolidated Group.

Consolidated Statement of Changes in Equity
for the year ended* December 31, 2010 pursuant to IFRS

€ thousands	Section	Attributable to equity holders of the parent								Hybrid capital	Non-controlling interests	Total Equity
		Member capital	Additional paid-in capital	Hedging reserve	Available-for-sale-reserve	Currency translation differences	Actuarial gains and losses on employee benefits	Retained earnings	Total			
Balance as of January 1, 2010		**35**	**0**	**0**	**0**	**0**	**0**	**(3,563)**	**(3,528)**	**0**	**0**	**(3,528)**
Other comprehensive income for the period		0	0	(14,705)	(24)	(12,390)	(8,410)	0	**(35,528)**	0	(4,945)	**(40,473)**
Net income after tax		0	0	0	0	0	0	3,547	**3,547**	0	7,834	**11,380**
Transactions with equity holders of parent												
Increase of capital reserve		0	623,874	0	0	0	0	0	**623,874**	0	0	**623,874**
Decrease of capital reserve		0	(543,402)	0	0	0	0	543,402	**0**	0	0	**0**
Acquisition of non-controlling interests		0	0	0	0	0	0	(17,271)	**(17,271)**	0	(54,027)	**(71,298)**
Change in consolidation		0	0	0	0	0	0	0	**0**	0	146,975	**146,975**
Addition of hybrid capital		0	0	0	0	0	0	0	**0**	248,750	0	**248,750**
thereof associated deferred taxes		0	0	0	0	0	0	0	**0**	313	0	**313**
Payments to hybrid capital holder	I7	0	0	0	0	0	0	(15,826)	**(15,826)**	0	0	**(15,826)**
Distribution payout		0	0	0	0	0	0	0	**0**	0	(6,002)	**(6,002)**
		0	**80,472**	**0**	**0**	**0**	**0**	**510,305**	**590,776**	**249,063**	**86,945**	**926,784**
Balance as of December 31, 2010		**35**	**80,472**	**(14,705)**	**(24)**	**(12,390)**	**(8,410)**	**510,289**	**555,267**	**249,063**	**89,834**	**894,164**

* Definition “year ended”: January 01, 2010 to June 30, 2010 individiual company (Constantia Packaging GmbH) and July 1, 2010 to December 31, 2010 Consolidated Group.

Notes to the Consolidated Financial Statements

A. General Information

Constantia Packaging GmbH (1010 Wien, Opernring 17, Company Register No. FN 332189 p at the Vienna Commercial Court) is an Austrian holding company that makes strategic investments in industrial and related service companies. The Group currently focuses its business activities on the manufacture and supply of semi-finished and cast aluminum products for processing industries, packaging products in aluminum, plastic, paper and corrugated board for consumer and other goods.

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).

On October 7, 2010 the commercial court in Vienna confirmed the squeeze out, which had previously been decided upon at the 16th annual general meeting of the Constantia Packaging AG (held on August 24, 2010) in accordance with the decision of the Austrian "Gesellschafterausschlussgesetz" (GesAusG). Thus the non-controlling interests were transferred with effect from October 8, 2010 to the main shareholder, Sulipo Beteiligungsverwaltungs GmbH, by court order.

According to the decision of the annual general meeting, the minority share holders are entitled to a cash payment of 47.00 Euro per Constantia Packaging AG-share, which was paid out in accordance with legal requirements upon the registration of the court order in the commercial register.

The delisting of the shares of Constantia Packaging AG from the Vienna Stock Exchange took effect on October 7, 2010.

At an extraordinary general meeting of the Constantia Packaging AG on November 24, 2010, an upstream merger with Sulipo Beteiligungsverwaltungs GmbH across all legal forms was approved. The entry into the Commercial Register took place on December 1, 2010.

Simultaneously, the name Sulipo Beteiligungsverwaltungs GmbH was changed to Constantia Packaging GmbH (Commercial Register No. FN 332189 p at the Vienna Commercial Court).

2010 is the first time that Constantia Packaging GmbH publishes annual consolidated financial statements pursuant to IFRS because the operating group was formed by the acquisition of Constantia Packaging AG. Constantia Packaging GmbH itself was established on September 4, 2009. The net loss for fiscal year 2009 amounted to € (3,563) thousand and largely includes expenses that were incurred as part of the preparation for the purchase of Constantia Packaging AG Group. The Balance Sheet as of December 31, 2009 was as follows:

in € thousands

Assets		**Liabilities and shareholders' equity**	
Current assets	49	Member Capital	35
		Retained Loss	(3,563)
		Total Equity	(3,528)
		Current liabilities	3,577
Total Assets	49	Total Liabilities and shareholders' equity	49

The opening balance sheet as of July 1, 2010 after the acquisition of Constantia Packaging AG Group is as follows:

pursuant to IFRS			in € thousands
Assets		**Liabilities and shareholders' equity**	
Non-current assets		**Total equity**	
Goodwill	19,884	Share capital	35
Intangible assets	154,740	Capital reserve	574,109
Property, plant and equipment	1,165,744	Loss carried forward	(14,183)
Other non-current and financial assets	85,777	**Equity attributable to equity**	
Deferred tax assets	23,999	**holders of the parent**	**559,961**
	1,450,144	**Hybrid capital**	**249,063**
		Non-controlling interests	**152,991**
		Total equity	**962,015**
		Non-current provisions and liabilities	
Current assets		Non-current provisions	132,429
Inventories	351,955	Non-current financial liabilities	476,617
Trade accounts receivable	310,297	Other non-current liabilities	7,925
Tax receivables	7,862	Deferred tax liabilities	138,345
Other receivables	130,885		**755,316**
Securities	1,908	**Current provisions and liabilities**	
Cash and cash equivalents	93,300	Current provisions	28,818
Assets held for sale	1,054	Current financial liabilities	213,201
	897,261	Trade accounts payable	172,552
		Tax liabilities	9,656
		Other liabilities	205,847
			630,074
		Total liabilities	**1,385,390**
Total assets	**2,347,405**	**Total liabilities and shareholders' equity**	**2,347,405**

The acquisition is described in more detail in section D. Acquisitions and other changes in the consolidation scope.

The 2010 consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as formulated by the International Accounting Standards Board (IASB) and adopted by the European Union, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) whose application was mandatory in 2010.

The figures in the consolidated financial statements are reported in thousand Euro. Amounts and percentages shown in the consolidated financial statements have been rounded up or down and totals may vary from the amounts shown therein.

The statement of income (loss) is prepared in accordance with the total cost method.

B. Reporting currency and currency translation

The consolidated financial statements of Constantia Packaging Gmbh are presented in thousand Euro. The individual financial statements of the consolidated subsidiaries are prepared in the respective functional currencies. For the preparation of the consolidated financial statements, the assets and liabilities of subsidiaries using a functional currency other than the Euro are translated using the exchange rate as of December 31, 2010 for the consolidated statement of financial position and the average annual exchange rate for the consolidated statement of income (loss). All resulting currency translation differences are recognized as currency translation differences directly in equity. These currency translation differences are recognized through profit and loss in the reporting period when the relevant subsidiary is sold.

Foreign currency transactions are recognized using the exchange rate in effect at the time of the transaction. Monetary foreign currency positions are measured using the exchange rates prevailing at the balance sheet date. Currency translation differences are recognized through profit and loss in the period incurred.

The exchange rates for currencies of material significance for the Constantia Packaging GmbH were as follows:

in €	Exchange rate at the end of the reporting period 12/31/2010	Average exchange rate at the end of the reporting period 2010
U.S. dollar (USD)	1.33620	1.32068
Canadian dollar (CAD)	1.33220	1.36602
Hungarian forint (HUF)	277.95000	276.50750
Czech koruna (CZK)	25.06100	25.26308
Bulgarian leva (BGN)	1.95580	1.95580
Pound sterling (GBP)	0.86075	0.85601
Danish krone (DKK)	7.45350	7.44774
Polish zloty (PLN)	3.97500	4.00489
Swiss franc (CHF)	1.25040	1.36996
Serbian dinar (RSD)	106.08000	103.65417
Croatian kuna (HRK)	7.38300	7.29494
Russian ruble (RUB)	40.82000	40.22173

Goodwill arising from the acquisition of subsidiaries is allocated to the acquired company using the exchange rate at the time of the acquisition and converted in the consolidated financial statements using the corresponding exchange rate prevailing on the respective balance sheet date. Currency differences arising from the offsetting of monetary accounts, which are mainly a portion of the net investment in a foreign subsidiary of the Group, are classified as shareholders' equity in the consolidated financial statements until the respective subsidiary is deconsolidated and then recognized through profit or loss at the time of deconsolidation.

C. Consolidation principles

Consolidation scope

The consolidated financial statements include Constantia Packaging GmbH and the companies over which it exercises control. Such control is usually presumed if Constantia Packaging GmbH is in a position to exert significant influence over the company's finances and policies so as to profit from its activities.

The financial statements of fully consolidated Group companies are subject to uniform accounting and valuation principles. The reporting period for all companies ends December 31, 2010.

Business combinations

The acquisition method is used for company acquisitions pursuant to IFRS 3. Companies acquired or disposed of in the course of the fiscal year are included in the consolidated financial statements from the time control was obtained or until the time of sale. For acquisitions, the surplus of acquisition cost of the investment over the fair values of the acquired, identifiable assets, liabilities, provisions and contingent liabilities at the time of obtaining control is recognized as goodwill. If the acquisition costs of acquisitions are less than the fair values of the acquired assets, liabilities, provisions and contingent liabilities at the time of acquisition,a renewed examination is performed in accordance with the provisions of IFRS 3.56 and then any remaining difference, i.e., negative goodwill, is recognized as a gain in the statement of income (loss) . Acquisition-related costs are recognized as expenses in the statement of income (loss).

Shares in joint venture companies

Pursuant to IAS 31 and the benchmark method, joint ventures are recognized in the consolidated financial statements by proportionate consolidation.

The Group has shares in the joint venture company Aluminerie Alouette Inc. There is a contractual agreement between the business partners to jointly manage the commercial activities of this company. In accordance with IAS 31 and the benchmark method, the group recognizes its share in the company in the consolidated financial statements using proportionate consolidation. In the consolidated financial statements for the year 2010, the following amounts are recognized for Aluminerie Alouette Inc.: non-current assets: €192,500 thousand, current assets €21,380 thousand, non-current provisions and liabilities €54,390 thousand, current provisions and liabilities €12,780 thousand and expenses €39,814 thousand.

Consolidation method

Equity is consolidated in accordance with the principles of IAS 27. The carrying amount of the shares of Constantia Packaging GmbH Group in each individual subsidiary and the share of Constantia Packaging GmbH Group in the equity of each subsidiary are eliminated. The share of equity attributable to non-controlling interests is shown separately in equity and the net share of earnings after income taxes attributable to non-controlling interests is shown separately in the statement of income (loss).

The effects of intra-Group transactions among companies consolidated fully or proportionally are eliminated in the preparation of the consolidated financial statements. As part of debt consolidation, intra-Group trade accounts receivable and other receivables are set off against corresponding intra-Group liabilities. All intra-Group expenses and income are eliminated as part of expense and income consolidation. All material intercompany profits or losses from intra-Group delivery of goods and services are eliminated.

D. Acquisitions and other changes in the consolidation scope

The acquisition of Constantia Packaging AG by Constantia Packaging GmbH (formerly Sulipo Beteiligungsverwaltungs GmbH) was accounted for on July 1, 2010. The preliminary purchase price allocation is as follows:

in € thousands	Carrying amount Constantia Packaging AG	IFRS 3 adjustments	Fair Value Constantia Packaging AG
Intangible assets	36,043	118,697	154,740
Property, plant and equipment	994,381	171,363	1,165,744
Other non-current and financial assets	85,777		85,777
Deferred tax assets	23,622	377	23,999
Non-current assets	**1,139,823**	**290,437**	**1,430,260**
Inventories	327,143	24,812	351,955
Trade accounts receivable	310,297		310,297
Tax receivables	7,862		7,862
Other receivables	106,446	6,962	113,408
Securities	1,908		1,908
Cash and cash equivalents	93,253		93,253
Assets held for sale	1,054		1,054
Current assets	**847,963**	**31,774**	**879,737**
Total assets	**1,987,786**	**322,211**	**2,309,997**
Hybrid capital	**249,063**		**249,063**
Non-current provisions	132,429		132,429
Non-current financial liabilities	387,515		387,515
Other non-current liabilities	73,655		73,655
Deferred tax liabilities	51,676	86,669	138,345
Non-current provisions and liabilities	**645,275**	**86,669**	**731,944**
Current provisions	28,818		28,818
Current financial liabilities	214,702		214,702
Trade accounts payable	156,956		156,956
Tax liabilities	9,656		9,656
Other liabilities	187,362		187,362
Current provisions and liabilities	**597,494**		**597,494**
Total liabilities	**1,242,769**	**86,669**	**1,329,438**
	Net Assets as of July 1, 2010		**731,496**

The focus of Constantia Packaging AG Group lies in the production and sale of semi-finished aluminum and cast aluminum products for the manufacturing industry as well as packaging products made of aluminum, plastic, paper and corrugated board for consumer and commercial goods.

in € thousands		Total
purchase price	91.49%	594,388
less net equity attributable to equity holders of the parent		(574,504)
Goodwill		**19,884**

The consideration transferred consists of the following elements:

in € thousands	
Cash	438,388
Exchanges of Shares	156,000
Consideration	**594,388**

The acquisition-related ancillary costs of €10,068 thousand were recognized in other operating expense.

The allocation of goodwill to the business segments is determined by synergies identified in the course of purchase price determination as well as the control by management. When One Equity Partners, an equity investor, acquired Constantia Packing Group, its primary goal was not to achieve significant synergies with production capacities it already possessed. Therefore, as the investor's primary economic interest is in the "Flexibles" segment, the goodwill in the amount of €19,884 thousand was fully assigned to this segment.

In October 2010 the remaining 8.51% of the shares of Constantia Packaging AG were acquired.

In August 2010 Constantia Teich GmbH founded Constantia Tobepal S.L.U., Spain, which took over operations of AF Tobepal from Grupo Amcor Flexibles Hispania S.L on September 1, 2010.

Constantia Tobepal S.L.U. has two production facilities in Logrono and Burgos, with a total of 488 employees, and operates mainly in the divisions food, pharmacy and home and personal care. Constantia Group is therewith enlarging its product range by the division home and personal care and strengthening its market presence in southern Europe. Synergies are generated through the supply of input materials from the group, increases in production capacity in the Group and cross-selling possibilities.

The following acquired assets and liabilities were taken into account in the initial consolidation on September 1, 2010:

in € thousands	Fair Value
non-current assets	73,352
current assets	37,103
liabilites and provisions	(19,815)
Total	**90,640**
purchase price = cash consideration	91,476
Goodwill	**(836)**

This goodwill is fully tax deductible. Non-recurring acquisition-related costs in the amount of €2,496 thousand are recognized in the statement of income (loss) of Constantia Tobepal S.L.U. in the period between September 1, 2010 and December 31, 2010.

As the appraisal reports were not fully available at the date of first consolidation, it is possible that the fair values of Constantia Tobepal S.L.U., and, as a result, the goodwill in the consolidated financial statements in 2011, may change.

In addition, the newly established Constantia CM Labels SDN BDN, Malaysia, in which a non-controlling interest of 30% exists, acquired on July 7, 2010 the following assets. This acquisition was treated as a business combination according to IFRS 3:

in € thousands	Fair Value
non-current assets	2,123
current assets	674
purchase price = cash consideration	**2,797**

The companies made the following contributions to the Group's 2010 results:

in € thousands	Sales	EBITDA
Constantia Tobepal S.L.U. (4 months)	35,399	2,506
Constantia CM Labels SDN BDN (6 months)	2,079	58
Constantia Packaging AG Group (6 months)	1,068,036	133,948
Total	**1,105,514**	**136,512**

If the purchase of Constantia Packaging AG Group had taken place on January 1, 2010, the Group sales would have been €2,196,906 thousand and EBITDA would have been €313,166 thousand.

In November and December 2010, another 5.36% share in Belišće d.d. was acquired, increasing the total share to 67.7%. The transaction was valued at approximately €4.1 million.

In December 2010, the company Alucommerz AG, Switzerland was liquidated.

E. Accounting policies

The following accounting policies were used in preparing the consolidated financial statements of Constantia Packaging GmbH.

Current and non-current assets and liabilities
Assets and liabilities with residual term periods of up to one year were classified as current, while those with residual term periods of more than one year were classified as non-current. The residual term period calculation always takes as its starting point the end of the reporting period.

Intangible assets with indefinite useful lives - goodwill
Goodwill recognized in accordance with IFRS 3 is capitalized and tested for impairment at least once a year or when circumstances for impairment arise. Any impairment loss is immediately recognized through profit and loss in the statement of income (loss). Under IFRS 3, no subsequent reversal of impairments is made.
For the impairment test, a potential individual residual value or liquidation value is estimated based on the respective cash generating unit. The assessment is initially based on cash flows anticipated over the next four years. For the subsequent period, it is based on the residual income in perpetuity. Any impairment that exceeds the goodwill of the cash generating unit is charged against the remaining assets.

Intangible assets with determinable useful lives and property, plant and equipment
Intangible assets are capitalized at acquisition cost less accumulated ordinary amortization and accumulated impairment losses insofar as the assets have a limited life. Property, plant and equipment is capitalized at its acquisition or production cost less accumulated ordinary depreciation and accumulated impairment losses insofar as the assets have a limited life. Systematic depreciation is calculated using the straight-line method over the expected useful life of the asset:

Intangible assets	3 to 10 years
Buildings	25 to 50 years
Machinery and equipment	6 to 50 years
Other assets, fixtures and fittings	4 to 12 years

The expected useful life and depreciation method are reviewed periodically to ensure that they correspond to the expected useful economic life of the asset.

Property, plant and equipment and intangible assets are tested for impairment in accordance with IAS 36 as soon as events or a change of conditions indicate that the carrying amount of the non-current assets may be higher than its net recoverable amount. As soon as the carrying amount of the non-current assets exceeds both the net recoverable amount and their value in use, an impairment charge is recognized. Net recoverable amounts are estimated for the individual assets; if this is not possible, then the superordinate cash-generating unit is assessed.

Intangible assets refer to commercial and industrial property rights, licenses, patents, concessions, trademarks, water protection rights and any customer base with a limited useful life.

The acquisition cost of property, plant and equipment comprises the purchase price, including import duties, non-refundable taxes and all directly attributable costs incurred for the transportation of the asset to its intended location and to place it into service. As a rule, expenditures incurred after the asset has been put into service, such as repairs, maintenance, and refurbishing, are recognized as expenses. These expenses are capitalized when it is likely that they will lead to additional future economic benefits deriving from the use of the asset.

The production costs of property, plant and equipment comprise direct costs as well as the pro rata share of materials and overhead production costs allocated to the production of the asset. Administrative expenses are not capitalized. When the conditions set forth in IAS 23 have been met, interest expenses are capitalized for qualifying assets.

Subsidies granted for property, plant and equipment are recognized as a reduction in the cost of acquisition or production.

Semifinished products comprise assets which are not yet functional and that are valued at the cost of acquisition or production. Depreciation does not apply until the respective asset is completed and fit for use.

Pursuant to IAS 17, significant leased assets, which from an economic viewpoint can be seen as an investment purchased with long-term financing (finance lease), are recognized at the fair value of the leased asset at the inception of the lease agreement or the lower present value of the minimum lease payments. Depreciation is calculated using the straight-line method over the expected useful economic life of the asset. Payment obligations related to future lease payments are recognized as liabilities.

Assets received under other leasing or rental contracts are treated as operating leases and belong to the lessor. Current lease payments are recognized as expenses.

Financial instruments

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

Financial assets and liabilities recognized within the statement of financial position include cash and cash equivalents, securities, trade accounts receivable and payable, 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 to cash flows from the financial instrument expire, or if all material risks and opportunities or disposal authority are transferred to a third party.

Other non-current and financial assets

Other non-current and financial assets consist of securities, loans, unconsolidated investments and remaining other financial assets.

Securities included under other financial assets are classified as financial assets available for sale and measured at fair value. Changes in fair value are recognized directly in equity under the available-for-sale reserve until the financial assets are sold or lasting impairment is determined. At this time, the accumulated gains and losses previously recorded under equity are shown through the statement of income (loss).

Loans are recognized as originated loans granted by the company at their amortized cost using the effective interest rate method in accordance with IAS 39. This method uses the effective interest rate to amortize the difference between the acquisition cost and the nominal value. The effective interest rate is defined as the discount rate at which the sum of future cash flows to maturity or to the next interest rate readjustment date in order to reflect market prices equals the current carrying amount of the financial asset or financial liability.

Unconsolidated investments and other financial assets are recognized at cost less any impairment losses because the fair value cannot be estimated reliably.

Interest on securities and loans is reported under net interest income and accrued over the appropriate period. Income from unconsolidated investments and other financial assets is recorded under other financial income.

Non-interest bearing or low-interest bearing receivables with an expected maturity of more than one year are discounted.

In accordance with IAS 39, the purchase or sale of other financial assets is recognized on the settlement date.

Bank prices or relevant pricing models are used in estimating the present value of financial instruments as of the end of the reporting period.

Financial assets and liabilities
Receivables and liabilities
Receivables are recognized at nominal value, less any bonuses, discounts or specific allowances. Receivables denominated in foreign currencies are measured at period-end exchange rates. Appropriate valuation adjustments are established for identifiable risks.

In accordance with IAS 39, liabilities are recognized at their amortized cost using the effective interest rate method. This method uses the effective interest rate to amortize the difference between the acquisition cost and the nominal value. The effective interest rate is defined as the discount rate at which the sum of future cash flows to maturity or to the next interest rate readjustment date in order to reflect market price conditions equals the current carrying amount of the financial asset or financial liability.

The carrying amounts of receivables and liabilities – all with standard payment terms – correspond broadly to fair values.

Financial assets whose fair value cannot be reliably estimated are recognized at cost less any impairment loss.

Cash and cash equivalents
Cash and cash equivalents include cash balances and capital investments with a maturity of less than three months. Valuation is at mark-to-market as of the end of the reporting period.

The carrying amounts of cash and cash equivalents correspond broadly to their fair values.

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

Derivative financial instruments and hedging

Cash flow hedges
For 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 through profit and loss. If the cash flow hedge gives rise to an asset or liability, the amounts accrued in equity are reported through profit and loss for the period in which the hedged position affects earnings. If the hedge of an expected transaction results in the recording of a non-financial asset or liability, the gains and losses that were previously recognized directly in equity are recognized as part of the asset or liability’s cost or carrying amount.

Constantia Packaging GmbH uses interest rate swaps to hedge interest rate risk. With these swaps, 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. These interest rate swaps offset the impact on cash flows of the underlying variable-rate financial liabilities caused by future changes in interest rates.

The Flexible Packaging segment mainly uses forwards and options in order to hedge foreign currency and price risks arising from aluminum purchases.

The Aluminum segment partially hedges future sales from the pro-rated production of an AMAG subsidiary through forward contracts and options, with the derivative instruments used classified as cash flow hedges.

Fair value hedges
For fair value hedges, both the underlying transaction being hedged and the derivative hedging instrument are measured at fair value through profit and loss.

The hedging of physical inventory is performed through forward sales on the LME, whereby hedge accounting is used in part. The subsequent valuation is based on the market value.

The Aluminum segment hedges the physical inventory against currency and price fluctuations.

Firm commitment
If contingent commitments (customer orders) have been classified as hedged underlying transactions, the subsequent cumulative changes in the fair value of the commitment that correspond to the hedged risk are recognized as assets or liabilities with a corresponding gain or loss in the earnings for the period.

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

Inventories
Raw materials and supplies are measured using moving average prices, with acquisition and acquisition-related costs capitalized and adjusted to reflect lower market prices.

Semifinished products, finished goods and deferred income items are recognized based on variable and fixed production costs or lower net realizable value. Production costs include direct costs and pro rata cost of materials and production overheads based on normal production. General administrative and sales costs are not recognized. The net realizable value is the sales price attainable in the normal course of business less costs necessary to complete the product, including any necessary sales costs. These costs are determined primarily using the FIFO method.

Inventory risks resulting from the storage period or reduced marketability are taken into account by appropriate impairment charges.

Non-current assets held for sale and discontinued operations
Non-current assets or disposal groups (e.g. subsidiaries) that Constantia Packaging GmbH plans to sell in the next 12 months are classified as non-current assets held for sale.

Pursuant to IFRS 5, an impairment test is carried out when required by circumstances. Where necessary, an impairment loss is recorded such that the assets reflect their disposal value less any disposal costs, and subsequently no additional depreciation expenses are recorded until the time of disposal.

Gains and losses from discontinued business units are recognized in the period in which they occur and reported separately in the statement of income (loss) as discontinued business units. The statement of income (loss) for the previous reporting period is adjusted accordingly.

Business units and subsidiaries acquired solely for the purpose of resale are reported in the statement of income (loss) under discontinued operations in the period of the sale or the period in which an agreement has been reached for the sale to take place within the next 12 months.

Equity management

Constantia Packaging GmbH is not subject to legal minimum capital requirements but seeks to optimize its equity regarding future development. Equity is continuously monitored by the consolidation department together with Group treasury. Top management decides about necessary measures and improvements.

Capital Reserve

In accordance with Austrian law, the capital reserve contains capital contributions from shareholders.

Pension, severance and anniversary bonus provisions

Provisions for defined benefit pension plans as well as severance and anniversary bonus obligations are measured annually by qualified and independent actuaries. Liabilities and expenses are calculated by applying the projected unit credit method in accordance with IAS 19. Under this method, the projected benefits are spread over the entire employment period, and provisions are determined based on hypothetical wage trends, weighted reductions for employee turnover, and discount rates. The discount rates are determined by the Group companies based on the prevailing interest rates for medium-term investment grade bonds in each local securities market. The reduction for employee turnover is also calculated for each company. Actuarial gains and losses for anniversary bonus provisions are recognized immediately through profit and loss. Actuarial gains or losses for pensions and severance provisions are recognized in equity.

The biometric basis for actuarial calculations is based on mortality probabilities in accordance with the Austrian Actuarial Association's 2008 "Angestellten-Generationen" data from Pagler & Pagler. In the United Kingdom, mortality probabilities are based on tables published by the Continuous Mortality Investigation Bureau of the Institute and Faculty of Actuaries (PA 92). In Canada, mortality probabilities are based on tables published by the society of actuaries (uninsured pensioner mortality table "UP 1994").

Pension plans that meet the requirements for netting of the plan assets with the provisions pursuant to IAS 19 are netted accordingly. For all other pension plans, the plan assets are reported under other financial assets and recognized at the reinsurance value.

Interest expense on defined benefit pension obligations and capital appreciation of plan assets are reported under net financial income. The same principle applies to severance benefits and anniversary bonuses.

Some Group companies have defined contribution plans for specific employees. Since no obligation exists beyond the amount of the contribution, this amount is recognized in the relevant period as an expense.

Research and development costs
Expenditures for research and development are recognized as expenses in the period in which they occur, since the criteria for their capitalization in accordance with IAS 38 have not been fulfilled. In 2010, expenses totaling €8,648 thousand were recognized.

Revenue recognition
Revenues resulting from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer.

Government grants to cover expenses are principally recognized through profit and loss in the period in which they are granted. In 2010, €1,287 thousand in government grants was recognized through profit and loss.

Interest is accrued pro rata to the respective interest rates. Dividend income is recognized as soon as the right of shareholders to receive payment is authorized.

Borrowing costs
Due to the changes in IAS 23 related to the capitalization of borrowing costs, starting with 2009 borrowing costs for qualifying assets have to be capitalized as purchase or production costs when the conditions have been met under IAS 23 (2009). In 2010 no applicable case has been identified for Constantia Packaging GmbH Group.

Income taxes
The income tax burden is based on the annual profit and takes deferred taxes into account. Deferred taxes are calculated using the balance sheet liability method. They reflect the tax effect of temporary differences between the carrying amounts shown for assets and liabilities and corresponding amounts based on relevant tax regulations.

Deferred tax asset and liability calculations are based on the tax rates (and regulations) either in effect or announced as of the end of the reporting period.

Deferred tax assets and liabilities take into account all temporary differences.

The deferred tax asset is recognized if it is probable that sufficient future taxable income will exist in order to use the deferred tax asset. To this end, the carrying amounts of the deferred tax assets are re-evaluated at the end of each reporting period. In some cases, the carrying amount of deferred tax assets is adjusted to the extent that sufficient taxable income is not likely to be available in the future to make use of the deferred tax asset.

Deferred taxes are directly debited from or credited to equity if they relate to an item recognized directly in equity and the taxes will be directly debited from or credited to equity in the same or another period.

F. Discretionary decisions and estimates

In preparing the consolidated financial statements, certain estimates and assumptions have been made that have an impact on recognized assets, provisions and liabilities, on the reporting of other commitments at the end of each reporting period and recognition of income and expenses for the reporting period. Actual future results may vary from these estimates, which may lead to significant discrepancies in the consolidated financial statements.

The Executive Board of Constantia Packaging GmbH believes that the assumptions it has made are reasonable and that in all material aspects the consolidated financial statements provide a true and fair view of the Group's net worth, financial situation and earnings.

The estimates and underlying assumptions are subject to considerable uncertainty and are checked and updated on a regular basis. Modifications to estimates are recognized in the period in which they are made. The main assumptions underlying estimates are detailed in the notes to the corresponding items.

Assumptions regarding the discount rate, retirement age, life expectancy and future increases in salary and pension benefits were applied for the measurement of existing pension and similar obligations, severance obligations and medical care obligations.

Contingent liabilities not recognized in the balance sheet are assessed regularly with respect to their probability of occurrence. If the outflow of resources embodying economic benefits is neither sufficiently probable to justify recognition of provisions, nor unlikely, the relevant obligations are disclosed as contingent liabilities. The estimation is carried out by the responsible managers based on market data or in individual cases based on external expertise.

The assumptions and estimates made in allocating the purchase price of the net assets of the Constantia Packaging AG Group are especially uncertain; as such, future material corrections to the value of individual assets and liabilities are possible.

The purchase price allocation for the acquisition of 91.49% of the equity of Constantia Packaging AG Group on June 30, 2010 was made by way of identifying and valuing the acquired assets, liabilities and contingent liabilities assumed by the purchase.

The fair value of the identified customer list was determined using the multi-period excess earnings method. The relevant sales and EBITDA margins are based on plan data and the discount rates are WACC-based. The assumed churn rates are based on historic data adjusted for future expectations. The capital cost of the net operating assets was included by way of a capital charge approach. The value of the customer list was amortised over three to seven years on a straight line basis.

Production machinery was valued on a replacement value basis using indices based on original cost and an economic life based on previous experience. Land and buildings were valued by external experts. Owing to the fact that land and buildings consist mostly of operational production sites, the valuation was made according to the replacement cost method.

Existing liabilities and contingent liabilities show no material differences between the carrying amounts and their fair values.

G. Changes to accounting policies

The financial statements include all changes due to new IFRIC, IFRS and revised IAS which are mandatory for financial years beginning on January 1, 2010.

The revised **IFRS 3 – Business Combinations** and **IAS 27 – Consolidated and Separate Financial Statements** were adopted by the European Union in June 2009 and applied by Constantia Packaging GmbH for transactions and business combinations.

The main changes compared to the previous version of IFRS 3 are:

- The revised IFRS 3 gives the option of measuring non-controlling interests either at fair value or at the proportionate share of the net identifiable assets. This option can be exercised for each business combination individually.
- In a business combination achieved in stages, the acquirer shall remeasure through profit and loss its previously held equity interest in the acquiree at the date the acquirer obtains control. Goodwill shall be determined as the difference between the remeasured carrying amount plus consideration transferred for the acquisition of the new shares, minus net assets acquired.
- Contingent consideration shall be measured at fair value at the acquisition date and classified either as equity or as an asset or liability.
- Acquisition-related ancillary costs incurred in connection with business combinations shall be recognized as expenses.
- For possible future changes in contingent consideration to be recognized at the acquisition date, goodwill cannot be remeasured subsequently.
- According to the revised IFRS 3, effects from the winding up of business relationships existing prior to the business combination shall not be included as part of the consideration for the acquisition.

The main changes of IAS 27 compared to the previous version are:

- Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control shall only be recognized in equity.
- If a parent loses control of a subsidiary, it shall derecognize the net assets and recognize the continuing investment at fair value at the date when control is lost; any differences resulting from this shall be recognized in profit or loss.
- When losses attributed to the non-controlling interests exceed the non-controlling interests in the subsidiary's equity, these losses shall be allocated in full to the non-controlling interests.

The changes to **IAS 39 Financial Instruments: Recognition and Measurement** were adopted into European law in September 2009. The amendment on eligible hedged items specifies that an entity may also designate as a hedge just the changes in cash flow and fair value of an underlying that are above or below a specific price or other variable. The amendment did not have an impact on the presentation of Constantia Packaging GmbH Group's results of operations, financial position or cash flows.

The amendments to **IAS 32** clarify that foreign currency denominated rights issues are to be presented as equity in the issuer's balance sheet if both the number and foreign currency amount of equity instruments to be acquired are fixed and the rights are issued pro rata to all existing holders of the same class of equity instruments. The changes have no impact on the net assets, financial position and results of operations of Constantia Packaging GmbH Group.

The **amendments to IFRS 1** in 2009 included additional exemptions for first-time adopters regarding the retrospective application of IFRSs related to the accounting for oil and natural gas reserves and the reassessment of leases. Additional amendments in the 2010 reporting period exempt first-time adopters from disclosing certain comparative information for measurements at fair value and liquidity risk. The changes have no impact on the net assets, financial position and results of operations of Constantia Packaging GmbH Group.

In November 2009, **IFRIC 17 Distribution of Non-Cash Assets to Owners** was adopted into European law. The interpretation provides guidance on the recognition and measurement of liabilities arising from distributions in the form of dividends in kind. The adoption has no impact on the presentation of Constantia Packaging GmbH Group´s results of operations, financial position or cash flows.

IFRIC 18 regulates the accounting for transactions in which a company receives an asset or the funds to purchase or produce such an asset from the customer. Previously, the reversals of the deferred income item have been presented under other operating income. In contrast, IFRIC 18 now requires recognition as revenue. The changes have no impact on the net assets, financial position, results of operations and cash flows of Constantia Packaging GmbH Group.

IFRIC 19 clarifies the accounting for debt-for-equity swaps. If a company repays a financial debt partially or completely by issuing equity instruments, these equity instruments must be measured at fair value. Any difference between the carrying amount of the financial debt and the initial measurement of the issued equity instruments must be recognized in profit or loss. The amendment of this interpretation had no effect on Constantia Packaging GmbH's consolidated financial statements.

The changes in **IFRS 2 Share-based Payment** clarify the accounting for Group-settled share-based payment transactions. In these arrangements, the subsidiary receives goods or services from employees or suppliers, but its parent or another entity in the Group must pay for these goods or services. The adoption has no impact on the presentation of Constantia Packaging GmbH Group´s results of operations, financial position or cash flows.

IFRICs and IFRSs that might be relevant to the Constantia Packaging GmbH but have not yet been adopted by the EU, or not adopted in full, were not applied in these consolidated financial statements.

As of the release date for the publication of these consolidated financial statements, the following standards and interpretations have already been published, although their application is not yet mandatory.

Standard/ Interpretation	**Title**	**First applicable for the fiscal year beginning on or after**
IFRS 9	Financial Instruments	January 1, 2013
IAS 24 (amended)	Related Party Disclosures	January 1, 2011
IFRIC 14 (amended)	Prepayments of a Minimum Funding Requirement	January 1, 2011
IAS 12 (amended)	Recovery of Underlying Assets	January 1, 2012
IFRS 7 (amended)	Financial Instruments: Disclosures	July 1, 2011

For investment property measured at fair value as well as property, plant and equipment and intangible assets measured using the revaluation model, the amendments to **IAS 12** introduce the rebuttable presumption that an asset's carrying amount is recovered through sale. This is significant insofar as the measurement of deferred tax liabilities and deferred tax assets may depend on whether an asset's carrying amount is expected to be recovered through use or through sale. The amendment of this standard is not expected to have an effect on Constantia Packaging GmbH Group's consolidated financial statements.

The amendments to **IAS 24** revised the definition of related parties. Due to greater emphasis on the principle of materiality, future notes disclosures can be limited to such transactions that are collectively but not individually significant. The amendment is not expected to have a significant effect on Constantia Packaging GmbH Group's consolidated financial statements.

As a result of the amendments to **IFRS 7**, disclosure requirements for the derecognition of financial assets have been expanded. Additional disclosures related to transferred but not (or not in their entirety) derecognized financial assets and their relationship to thereby newly incurred liabilities are now required in the notes. If the transferred financial assets have also been derecognized in their entirety, detailed qualitative and quantitative information regarding any rights or obligations retained or assumed as part of the transaction must be disclosed in the future. The disclosures in the notes also include the effects on profit or loss ensuing from the transaction itself and from the measurement of the retained or assumed rights and obligations. The future effects of this amendment on Constantia Packaging GmbH Group’s consolidated financial statements are currently being examined.

IFRS 9 modifies the classification and measurement of financial instruments. This standard represents the end of the first phase of a three-phase project with the goal of replacing IAS 39 in its current form. Under IFRS 9, there are only two categories of financial assets: debt instruments that are held as part of a business model to collect contractual cash flows and which are recognized at amortized cost; and all other debt instruments and equity instruments that are, as a rule, measured at fair value through profit or loss. There is an option to recognize changes in the fair value of equity instruments not held for trading in other comprehensive income. For financial liabilities, the accounting rules according to IAS 39 have been retained substantially. However, if a financial liability is recognized at fair value through profit or loss, IFRS 9 specifies that the amount of the fair value change attributable to changes in a company’s own credit risk must be isolated and recognized separately in other comprehensive income. The expected effects of this new standard on Constantia Packaging GmbH Group’s consolidated financial statements are currently being examined; however, a final assessment can only be made when the second and third phases (“impairment methodology” and “hedge accounting”) are completed. Phases two and three are currently expected to be finalized in Q2/2011.

As a result of the amendments to **IFRIC 14**, companies that must meet minimum funding requirements related to pension plans may now recognize the economic benefit from prepayments for future contributions as an asset. The amendment of this interpretation is not expected to have an effect on the consolidated financial statements of Constantia Packaging GmbH.

The **Annual Improvements to IFRSs in 2010** include changes to a number of individual standards and one interpretation in detail. These amendments are intended tospecify the standards and eliminate unintended inconsistencies within the IFRSs. The future effects of this collection of amendments on Constantia Packaging GmbH Group’s consolidated financial statements are currently being examined.

H. Contingent liabilities/assets

Contingent liabilities are not recognized in the statement of financial position, except for those recognized pursuant to IFRS 3. They are disclosed when the possibility of a material adverse effect on company resources cannot be excluded, but the conditions for recognizing a provision are not met.

Contingent assets are not recognized in the consolidated financial statements but are disclosed if a material positive effect is probable.

I. Notes to the Consolidated Statement of Financial Position

1. Consolidated non-current assets table

Change in acquisition cost

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

Depreciation/amortization and impairment

€ thousands	As of 1/1/2010	Currency translation differences	Additions	Disposals	Change in consolidation scope	Reclassification	Reclassification as non-current assets held for sale	As of 12/31/2010
Goodwill	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Customer lists	0	1	11,266	0	0	0	0	11,267
Other Intangible Assets	0	0	2,535	(132)	0	0	0	2,403
Intangible assets	**0**	**1**	**13,801**	**(132)**	**0**	**0**	**0**	**13,670**
Land	0	(3)	225	0	0	0	0	222
Buildings	0	(19)	10,920	(102)	0	(535)	0	10,264
Undeveloped land	0	0	0	0	0	0	0	0
Machinery and equipment	0	(73)	46,613	(1,794)	0	1,867	0	46,613
Other equipment, fixtures and furniture	0	(11)	4,931	(2,051)	0	(1,332)	0	1,537
Prepayments and construction in progress	0	0	0	0	0	0	0	0
Property, plant and equipment	**0**	**(106)**	**62,689**	**(3,947)**	**0**	**0**	**0**	**58,636**

Carrying amounts

€ thousands	Costs as of 12/31/2010	Accumulated depreciation as of 12/31/2010	Carrying amount as of 12/31/2010
Goodwill	**20,720**	**0**	**20,720**
Customer lists	137,154	11,267	125,887
Other Intangible Assets	27,991	2,403	25,588
Intangible assets	**165,145**	**13,670**	**151,475**
Land	83,882	222	83,660
Buildings	358,404	10,264	348,140
Undeveloped land	11,654	0	11,654
Machinery and equipment	748,607	46,613	701,994
Other equipment, fixtures and furniture	36,688	1,537	35,151
Prepayments for construction in progress	46,755	0	46,755
Property, plant and equipment	**1,285,990**	**58,636**	**1,227,354**

Impairment

In 2010, an impairment loss was recorded on property, plant and equipment in the amount of €210 thousand.

The assessment was based on cash flows anticipated by the Executive Board over the next four years. For the subsequent period, it was based on the residual income in perpetuity. The discount rates applied in 2010 ranged between 9% and 12%.

Goodwill

The goodwill in the amount of €20,720 thousand was assigned to the “Flexibles” segment.

Government grants for property, plant and equipment

In 2010, government grants for property, plant and equipment amounted to €2,915 thousand. The grants are normally bound by conditions such as guaranteeing jobs and attainment of sales goals. Government grants are recognized as a reduction of the acquisition or production costs.

Finance lease agreements

The underlying interest rate on the finance lease transactions is determined for the entire lease period when the lease agreement is concluded. The leases mainly involve buildings and machinery.

The carrying amounts of the assets recognized as leased assets are as follows:

€ thousands	2010
Land	97
Buildings	10,758
Machinery and equipment	12,150
Other equipment, fixtures and furniture	1,410
	24,415

Outstanding minimum lease payments as of the end of the reporting period are as follows:

€ thousands	Minimum lease payments 2010	Present value of minimum lease 2010
Up to one year	6,973	6,480
1 – 5 years	8,589	8,203
Over 5 years	4,321	3,965
	19,883	18,648
Less future finance costs	(1,235)	
Present value of leasing obligations	18,648	

Operating leases

The Group has entered into various operating leases as lessee for buildings, machinery and office space. These lease agreements have no effect on Group activities with regard to dividends, additional borrowings or other lease agreements. A number of lease contracts include renewal options.

Future lease obligations from operating leases are as follows:

€ thousands	2010
Up to one year	10,369
1 – 5 years	21,696
Over 5 years	1,734
	33,799

Commitments related to capital expenditures

Commitments related to capital expenditures totaled €32,144 thousand in 2010.

Restrictions on non-current assets

In 2010, property, plant and equipment pledged as security for liabilities amounted to a net carrying amount of €66,205 thousand.

2. Other non-current and financial assets

€ thousands	**2010**
Securities	4,584
Non-current derivative financial instruments	11,117
Loans	6,402
Unconsolidated equity interests	7,468
Other financial assets	21,052
	50,623

Securities mainly include shares of the CEESEG Aktiengesellschaft and investment funds, which are primarily used to cover provisions for pensions and severance provisions as required under Austrian law.

Non-current derivative financial instruments of AMAG comprise cash flow hedge derivatives valued at €3,256 thousand, fair value hedge derivatives valued at €12 thousand and held-for-trading derivatives valued at €6,940 thousand. A power supply contract of a subsidiary of Austria Metall GmbH is designated as an embedded cash flow hedge derivative and valued at €909 thousand.

The loans contain an inter-company loan agreement concluded between Constantia Packaging GmbH and CP Group B.V. with an amount of €4,962 thousand as well as receivables from security deposits for leasing companies totaling €2,859 thousand whose interest rates reflect market conditions.

Unconsolidated investments in 2010 include mainly shares in Hamburger Aluminium Werk GmbH (€6,378 thousand) as well as Uniprint Knauer GmbH & Co KG (€468 thousand). The investment in Hamburger Aluminium Werk GmbH has been partially impaired with €542 thousand to adjust the investment to the respective share in equity.

The remaining other assets include coverage assets for pensions and asset values for funded insurance plans totaling €9,664 thousand, for which the criteria are not met for netting plan assets against pension provisions under IAS 19. Similarly, the remaining other assets include tax credits totaling €6,320 thousand and €298 thousand in positive valuation effects from firm commitments that qualify as underlying transactions in a hedging relationship under IAS 39.

3. Inventories

€ thousands	**2010**
Raw materials and supplies	187,262
Work in progress	93,786
Finished goods, merchandise	109,033
	390,082
Impairment inventories	(2,290)

The inventories include impairments with an amount of €2,290 thousand. The impairment losses are recognized in the statement of income (loss) under cost of materials.

4. Trade accounts receivable

€ thousands	**2010**
Receivables, including receivables from asset disposals	301,324
Impairment charge	(1,135)
	300,189

5. Other receivables

€ thousands	**2010**
Derivative financial instruments	37,784
Accruals	2,657
Other tax receivables	15,190
Advance payments	1,130
Miscellaneous receivables	21,199
	77,960

The derivative financial instruments are divided into the following categories in accordance with IAS 39 and show the following fair values as of December 31, 2010:

- Derivative financial instruments not designated as hedges pursuant to IAS 39 and recognized as such: €24,818 thousand.

- Derivative financial instruments designated in a documented and demonstrably effective hedging relationship to hedge the fair value of a recognized asset or a binding obligation: €1,908 thousand.

- Derivative financial instruments designated in a documented and demonstrably effective hedging relationship to hedge cash flows: €10,102 thousand.

- Embedded derivatives, which pursuant to IAS 39 should be separated from the host contract and which have a residual term of less than 12 months following the end of the reporting period: €956 thousand. This encompasses the current part of a subsidiary's power supply contract designated as a cash flow hedge.

- Miscellaneous receivables include firm commitments in the amount of €407 thousand.

6. Non-current assets held for sale and liabilities directly associated with non-current assets held for sale

The position "Non-current assets held for sale" includes land and buildings at a production site no longer used by the company. The buildings are to be sold within the next 12 months. The amount included in the statement of financial position includes the opening balance totaling €1,054 thousand, disposals incurred of €104 thousand and reclassifications in the positions in the amount of €1,006 thousand.

7. Equity

Changes in equity are shown separately in the consolidated statement of changes in equity.

Member capital

The member capital of Constantia Packaging GmbH amounts to €35 thousand.

Capital reserve
In the course of the merger of Constantia Packaging GmbH and Constantia Packaging AG, a committed capital reserve of €39,395 thousand has been set up. There is an obligation to retain this designation for a period of at least six months after registration of the merger in the Commercial Register. Furthermore, an uncommitted reserve of €41,077 thousand has been recognized.

Retained earnings

Retained earnings include accumulated retained gains and losses of the Group as well as the reversal of a capital reserve with an amount of €543,042 in 2010.

Retained earnings include a negative effect of €17,271 thousand resulting from the successive acquisition of non-controlling interests in Constantia Packaging AG (goodwill of €17,278 thousand) and Belišće d.d. (negative goodwill of €7 thousand).

Hybrid capital

This line contains a perpetual bond subordinated to all other creditors (hybrid capital) with a nominal volume of €250.0 million. The coupon is 12.16% per annum. After an initial seven-year period (starting with July 2008), Constantia Packaging, but not the creditor, has the right to redeem the bond or renew it at a variable, interest rate (3-month Euribor plus 12.2%). Depending on the achievement of defined metrics, surcharges on fixed or floating interest rates (maximum of 1.00 %) exist. Based on the bond terms, the hybrid capital is recognized as equity under IAS 32. Payments in the amount of €15,826 thousand to bondholders are therefore treated similarly to dividend payments to shareholders. Costs related to the bond issue were deducted directly from the hybrid capital after allowing for deferred income tax.

Non-controlling interests

Non-controlling interests refer mainly to the 49% stake in Drukkerij Verstraete N.V., the 10% stake in the AMAG Group and the 32% stake in the Belisce d.d. Group.

8. Non-current provisions

€ thousands	**2010**
Severance	52,927
Pensions	28,070
Medical care	5,071
Service anniversary bonus	10,208
Sales agents	4,772
Other non-current provisions	24,427
	125,475

The notes regarding the sub-headings “sales agents” and “other non-current provisions” are provided after the reconciliation of pension provisions and similar obligations.

<u>Severance provisions</u>

Employees whose service began on or before December 31, 2002 receive a lump sum severance payment if their employment is terminated by the employer or when they retire based on obligations under Austrian labor law. The amount of this payment depends on the number of years in service and the salary drawn at the time of termination or retirement.

Employees whose service began in Austria after December 31, 2002 are no longer entitled to a direct claim against their employer for a statutory severance payment. For these employment contracts, the employer pays 1.53% of gross salary monthly into an employee pension fund in which the contributions are deposited in an account of the employee. The employer is only obliged to make regular contributions under this severance payment model, which are immediately recognized in the statement of income (loss).

Changes in the the amount of the company’s obligation as reported in the statement of financial position were as follows:

€ thousands	2010
Present value of obligations as of 1/1	0
Change in consolidation scope 6/30	51,699
	51,699
(Gain)/loss on foreign exchange	(14)
Current service cost	995
Interest expense	1,065
Benefits paid	(6,327)
Actuarial (gains)/losses	5,509
Present value of obligations as of 12/31	52,927

Amounts recognized in the statement of income (loss) are as follows:

€ thousands	2010
Current service cost	995
Indemnity expense	2,048
Severance expense	3,043
Payments (defined benefit contribution plan)	423
Severance expense and payments to company savings plans	3,466

Severance provisions refer mainly to provisions for benefits for severance claims in Austria.

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

	2010
Salary increase	2.50 – 5.00 %
Discount rate	4.50 %

Pension provisions

Based on agreements with workers organizations and individual contracts, the company has obligations in respect of pensions payable to (former) employees upon their retirement. These defined-benefit liabilities are partially covered by dedicated pension fund assets and qualified insurance policies.

Charges for the accumulated accrued interest on future payments to employees and the interest on pension-plan assets are shown as part of the net financial result.

The pension obligations are based on actuarial valuations for December 31, 2010.

The amount recognized in the consolidated statement of financial position is derived as follows:

2010 in € thousands	funded	unfunded	total
Present value of obligations as of 1/1	0	0	0
Change in consolidation scope 6/30	54,117	10,303	64,420
	54,117	10,303	64,420
(Gain)/loss on foreign exchange	667	12	679
Current service cost (employer and employees)	271	24	295
Interest expense	1,939	244	2,183
Benefits paid	(2,405)	(930)	(3,335)
Actuarial (gains)/losses	4,495	1,004	5,499
Present value of obligations as of 12/31	59,084	10,657	69,741

less fair value of plan assets:

2010 in € thousands	funded	unfunded	total
Fair value of plan assets as of 1/1	0	0	0
Change in consolidation scope 6/30	37,471	0	37,471
	37,471	0	37,471
Gain/(loss) on foreign exchange	606	0	606
Expected return on plan assets	1,766	0	1,766
Contributions (employer and employee)	1,985	0	1,985
Payments from the plan assets	(947)	0	(947)
Actuarial gains (losses)	790	0	790
Fair value of plan assets as of 12/31	41,671	0	41,671

Amounts recognized in the statement of income (loss) are as follows:

2010 in € thousands	funded	unfunded	total
Current service cost (employer)	(271)	(24)	(295)
Pension fund payments (defined contribution plans)	(346)	(96)	(442)
Pension expense	(617)	(120)	(737)

The pension provisions mainly include provisions for funded and unfunded pensions established in Austria, Germany and Canada.

In Canada, a subsidiary of Austria Metall GmbH offers its employees pension payments tied to length of service and average income and calculated using the projected benefit method. The related costs of the plan are determined in consultation with an actuary.

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

Austria, Germany and Canada	**2010**
Salary increase	3.00 %
Pension increase	1.50 – 3.00 %
Discount rate	4.50 %
Expected return of plan assets	7.25 %

The expected return on plan assets is calculated on the basis of long-term low risk bonds whose duration matches the underlying investment obligation, i.e., when the pension becomes due.

The expected pension payments for 2011 amount to € 2,045 thousand.

The main plan asset categories relative to total plan assets are:

	2010
Equity instruments	41.1 %
Bonds	32.2 %
Other investments	19.7 %
Cash and cash equivalents	7.0 %

<u>Medical care provisions</u>

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

Medical care provisions concern exclusively a Canadian subsidiary of Austria Metall GmbH.

The amount recognized in the consolidated balance sheet is derived as follows:

€ thousands	**2010**
Present value of obligations as of 1/1	0
Change in consolidation scope 6/30	4,722
	4,722
(Gain)/loss on foreign exchange	144
Current service cost (employer and employee)	215
Interest expense	118
Benefits paid	(696)
Actuarial (gains)/losses	568
Present value of obligations as of 12/31	5,071

The main assumptions for the actuarial calculation were:

2010	
discount factor (%)	5.00%
increase in salary (%)	2.00%
female retirement age/pension age(years)	62 on average
male retirement age/pension age (years)	62 on average
medical cost trend rates (%)	6.00%

The measurement of the actuarial parameters assumes a 6% increase in medical benefit costs for 2010 and 2011. Until 2012, however, the rate of cost increases is expected to decline gradually to 5%.

The impact of a one percentage point change in the estimated cost trends for medical care would be as follows:

€ thousands	Increase	Decrease
Impacts on the total of the current service cost and interest expense	95	(76)
Impact on the defined benefit obligation	954	(766)

Anniversary bonus provisions

The amount recognized in the consolidated balance sheet is derived as follows:

€ thousands	**2010**
Present value of obligations as of 1/1	0
Change in consolidation scope 6/30	9,415
	9,415
(Gain)/loss on foreign exchange	(2)
Current service cost	660
Interest expense	306
Benefits paid	(229)
Actuarial (gains)/losses	58
Present value of obligations as of 12/31	10,208

Amounts recognized in the statement of income (loss) are as follows:

€ thousands	**2010**
Current service cost (employer)	660
Actuarial (gains)/losses	58
Expenses for anniversary	718

The main assumptions for the actuarial calculations were:

	2010
Salary increase	2.50 – 5.00 %
Discount rate	4.50 %

Anniversary bonus provisions comprise mainly provisions that must be established by subsidiaries in Austria based on legally mandated or collective bargaining agreements and/or works agreements. The amounts depend on the employee's length of service..

Provisions for sales agents and other non-current provisions

€ thousands	**2010**
Carrying amount as of 1/1	0
Change in consolidation scope 6/30	39,643
	39,643
(Gain)/loss on foreign exchange	(100)
Utilization	(2,798)
Reversal	(9,034)
Additions (including interest)	1,488
Carrying amount as of 12/31	29,199

Non-current provisions include provisions for sales agents totaling €4,772 thousand. The other non-current provisions mainly include provisions for contract risks and hazards, and the follow-up costs in connection with the smelter closing and restoration obligations.

9. Current provisions

€ thousands	2010
Carrying amount as of 1/1	0
Change in consolidation scope 6/30	28,817
	28,817
(Gain)/loss on foreign exchange	(324)
Utilization	(3,797)
Reversal	(5,226)
Reclassification	14,389
Additions	3,770
Carrying amount as of 12/31	37,629

Current provisions mainly relate to contract risks and hazards, legal and consultancy costs, bonuses and other accruals.

10. Liabilities

€ thousands	Total	Remaining term under 1 year	Remaining term over 1 – 5 years	Remaining term over 5 years
Non-current financial liabilities	701,728	268,920	334,211	98,597
Other non-current liabilites	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

Non-current financial liabilities include a variable rate bond issued by Constantia Packaging GmbH in the amount of €50,000 thousand, with a maturity date of December 22, 2012. Constantia Packaging GmbH reserves the right to call the bond early at each coupon date (June 23 and December 23) with three months prior notice. By purchasing interest rate swaps with matching maturities, a fixed interest rate has been achieved for the variable rate bond. The fixed interest rate amounts to 3.33%, not including the margin established in the bond terms. The additional margin, which is calculated on the ratio of net debt to EBITDA, ranges between 1.00% and 1.60% and was 1.20% as of the end of the reporting period.

Financial liabilities also include lease commitments totaling €18,648 thousand.

In 2010, €54,877 thousand of the financial liabilities was backed by mortgages.

Other non-current liabilities include non-interest bearing loans of a subsidiary of Austria Metall GmbH with a carrying amount of €15,923 thousand and firm commitments totaling €12 thousand.

Other non-current liabilities include the liability from the valuation of options for the purchase of the remaining stake in Drukkerij Verstraete N.V. Ursel totaling €29,737 thousand. Furthermore, other non-current liabilities include the non-current part of hedging activities for the smelter production of a subsidiary of Austria Metall GmbH amounting to €3,440 thousand, cash flow hedge derivatives totaling €6,385 thousand, fair value hedge derivatives totaling €298 thousand, held-for-trading derivatives totaling €7,781 thousand, embedded cash flow hedge derivatives totaling €1,174 thousand and embedded held-for-trading derivatives totaling €61 thousand.

Of the trade accounts payable, €14,733 thousand relates to investment liabilities.

11. Other liabilities

€ thousands	**2010**
Derivative financial instruments	35,641
Hedging smelter production	3,676
Personnel expenses	29,386
Accrued unused vacations	11,862
Other tax liabilities	10,866
Medical insurance fund	6,144
Deferred income	2,115
Other liabilities	77,712
	177,402

Derivative financial instruments include derivatives with negative market values, which cannot be designated as part of a hedging relationship under IAS 39 and are recognized as such: €26,553 thousand. These derivatives serve primarily to hedge the AMAG Group's aluminum inventory and orders.

The current portion of the derivatives, which serves to hedge the smelter production of Austria Metall (Quebec) Inc. and satisfies the requirements of IAS 39 for designation as a hedging instrument, is designated as a cash flow hedge.

The remaining derivative financial instruments break down into the following categories pursuant to IAS 39, and had the following market values as of December 31, 2010:

- Derivative financial instruments designated in a documented and demonstrably effective hedging relationship to hedge the fair value of a recognized asset or binding obligation: €4,346 thousand.

- Derivative financial instruments designated in a documented and demonstrably effective hedging relationship to hedge cash flows: €3,700 thousand.

- Embedded derivatives, which pursuant to IAS 39 should be itemized separately and which have a residual term of less than 12 months following the end of the reporting period: €1,042 thousand, hereof €135 thousand held-for-trading derivatives and €907 thousand embedded cash flow hedge derivatives.

Other liabilities include mainly the liabilities from the valuation of the options to purchase the remaining stake in Constantia Hueck Folien GmbH & Co KG in the amount of €28,000 thousand, Constantia Colorcap Sp.z.o.o. in the amount of €13,844 thousand and Novis Casa de Editura si Tipografia S.R.L. in the amount of €2,913 as well as firm commitments totaling €1,906 thousand.

J. Notes to the consolidated statement of income (loss)

12. Revenue and cost of materials

Revenue includes income related to derivatives designated as hedges pursuant to IAS 39 in the amount of €3,753 thousand consisting of cash flow hedge derivatives totaling €1,282 thousand and fair value hedge derivatives totaling €2,471 thousand.

Cost of materials includes expenses from derivatives designated as hedges pursuant to IAS 39 in the amount of €6,627 thousand, of which €4,729 thousand is attributable to cash flow hedge derivatives and €1,898 thousand concerns fair value hedge derivatives.

13. Other operating income

€ thousands	**2010**
Proceeds from property, plant and equipment disposals	2,986
Gains on palette disposals	1,892
Foreign exchange gains	2,200
Rental income	744
Grants and government subsidies	1,287
Insurance proceeds	3,030
Other	12,171
	24,310

The “Other” item includes €7,988 thousand in income to AMAG Group companies from rebillings to third-party customers for services provided. Grants and government subsidies are mainly attached to guarantees of employment and sales objectives.

14. Personnel expenses

€ thousands	**2010**
Wages	101,646
Salaries	57,085
Severance expenses and payments to employee benefit funds	3,465
Pension expense	737
Expenses for mandatory social security contributions, pay-related charges and compilsory contributions	36,696
Other personnel expenses	3,640
	203,269

Severance expenses and payments to company pension plans include payments to company savings plans in the amount of €423 thousand.

Total number of employees as of December 31	**2010**
Total number of wage earners	7,310
Total number of salaried employees	2,773
	10,083

The variable compensation component for members of the Executive Board and senior management of the Group is dependent on company profits. Performance-based compensation currently stands at around 50% of total compensation and is linked to attainment of key performance figures. Targets are determined in conjunction with multi-year budgets. The Group also carries a D&O liability insurance for the Constantia Packaging GmbH Executive Board with an annual premium totaling €80 thousand**.**

The company pension plan for members of the Executive Board consists exclusively of defined contribution plans for which the company does not incur any defined benefit obligation.

Remuneration to the Supervisory Board that was active until December 1, 2010 amounted to €135 thousand.

The Supervisory Board is responsible for distributing the total remuneration among its individual members.

15. Other operating expenses

€ thousands	**2010**
Freight	39,077
Maintenance	24,887
Other third-party expenses and consultant fees	27,624
Rentals, leases	6,863
Travel and vehicle expenses	5,751
Commissions	5,794
Insurance	5,463
Other taxes	2,890
Advertising expense	2,177
Communications expenses	2,022
Foreign exchange differences	4,207
Charges on monetary transactions	1,526
Loss on property, plant and equipment disposals	1,980
Other	16,128
	146,389

Other operating expenses include €6,056 thousand in expenses incurred by AMAG Group companies for re-billed services to third-party customers. Other operating expenses also include income arising from cash flow hedges pursuant to IAS 39 in the amount of €347 thousand.

16. Net financial income (expense)

€ thousands	**2010**
Interest income	3,338
Interest expense	(19,029)
Other financial income (expense)	(12,549)
	(28,240)

Other financial income (expense) include the change in value of the options to buy the remaining stakes 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 in the amount of €9,414 thousand. Other net financial income (expense) also includes the net impact of derivatives not designated as hedges in accordance with IAS 39, comprised of the ineffective part of cash flow hedge derivatives in the amount of €124 thousand and fair value hedge derivatives in the amount of €179 thousand. The remaining amount resulted from expense from foreign currency translation differences.

17. Income taxes

As part of Group tax management, the Constantia Packaging GmbH consolidated the Austrian companies into a tax group pursuant to § 9 of the Austrian Corporate Tax Law (Körperschaftssteuergesetz). Taxable income of Group members is allocated to Constantia Packaging GmbH (lead company) after being set off against their own pre-consolidation losses. As part of the consolidated tax-sharing agreement, a tax assessment for the companies in the tax group was calculated using the stand-alone method.

Tax reconciliation

€ thousands	**2010**
Earnings before tax (EBT)	20,631
Tax expense at 25 %	5,158
Other non-deductible expenses	1,367
Tax-exempt income	(420)
Other tax rates	234
Release of/allocation to reserves tax accrual and deferral, tax audits, withholding taxes	5,743
Changes tax rates	(332)
Tax benefits	(692)
Corrections of prior years Tax Loss Carryforwards	(5,944)
Valuation allowance on Tax Loss Carryforwards in current year	6,962
Fiscal investment amortization	(760)
Other	(2,065)
Total tax expense	9,251
Effective Tax Rate	44.84%

18. Deferred taxes

	2010	
€ thousands	Assets	Liabilities
Intangible assets	1,074	30,580
Property, plant and equipment	3,698	109,040
Financial and non-current assets	7,177	13,798
Inventories	2,190	2,166
Receivables	6,619	18,176
Securities, cash and cash equivalents	6	1,089
Loss carryforward	24,854	0
Hybrid capital	313	0
Untaxed reserves	1	852
Provisions	19,427	719
Liabilities	30,219	13,528
	95,578	189,948
Tax credits with the same tax authority	(69,113)	(69,113)
Net deferred tax assets and liabilities	26,465	120,835

No deferred tax assets were taken into account for tax loss carryforwards of €240,448 thousand.

The net deferred tax position has changed in the period 2010 as follows:

€ thousands	**2010**
As of 1/1/2010	0
Change in consolidation	(114,346)
Changes recognised directly in equity	7,347
Changes recognised through profit or loss	12,629
as of 31/12/2010	(94,370)

The changes directly in equity are mainly profits and losses from available-for-sale financial instruments and cash flow hedges recognized in other comprehensive income. Based on current tax regulations, the Group acts on the assumption that the differences between the taxable investment and the share in the equity of subsidiaries that are incorporated into the annual consolidated financial statements, which result primarily from retained earnings and tax losses carried forward, will remain mostly tax free. Therefore a tax accrual has not been established.

K. Notes to the Consolidated Statement of Cash Flows

The statement of cash flows is prepared using the indirect method and classifies payments into operating, investing and financing activities.

The liquidity shown in the statement of cash flows includes cash on hand and financial instruments with a maximum maturity of three months from the time of purchase and therefore reflects the funds shown under the position cash and cash equivalents.

Acquisition of subsidiaries

Cash flow from the acquisition of subsidiaries totaling €437,131 thousand in 2010 pertains to the acquisition of 91.49% of the shares in Constantia Packaging AG in the amount of €342,858 thousand. The net cash flow from the acquisition of Constantia Packaging AG is calculated based on the purchase price of €594,388 thousand less cash and cash equivalents acquired in the amount of €95,530 thousand as well as a non-cash-effective exchange of shares. Shares in Constantia Packaging AG with an amount of €156,000 thousand were sold from Constantia Packaging B.V. to Constantia Packaging GmbH (former Sulipo Beteiligungsverwaltungs GmbH) in exchange for shares in CP Group Holding B.V.

Furthermore, the Flexible packaging segment acquired Constantia Tobepal S.L.U for €91,476 thousand as well as the assets of Constantia CM Labels SDN BND for €2,797 thousand.

Net cash flow is as follows:

€ thousands	2010
Constantia Packaging AG	(574,504)
Constantia Tobepal S.L.U	(90,640)
Constantia CM Labels SDN BND	(2,797)
Net assets	(667,941)
Cash and cash equivalents	95,530
Exchanges of shares	156,000
Goodwill	(20,720)
Net cash flow	(437,131)

For details about acquired assets and liabilities, please see section D. Acquisitions and other changes in the consolidation scope.

Acquisition of non-controlling interests

Cash flow from the acquisition of non-controlling interests in 2010 pertains mainly to the acquisition of the residual 8.51 % shares in Constantia Packaging AG (squeeze out). The purchase price amounted to €67,173 thousand. The remaining amount was primarily due to the acquisition of 5.36 % shares in Belišće d.d. in the Corrugated Board segment for €4,119 thousand. Non-controlling interests were also acquired in Duropack Trakia Wellpappe in the Corrugated Board segment, and in Constantia Jeanne d'Arc S.A.S. in the Flexible Packaging Segment.

Other notes to the consolidated statement of cash flows

"Other non-cash (income)/expenses" include mainly changes in inventory and impairment losses of financial assets not attributable to investing activities.

L. 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 methods for managing these risks are set forth in Group-wide guidelines. The goal of financial risk management is to limit these market risks through continuous operating and finance-oriented activities. Derivative financial instruments are used only as hedging instruments.

Foreign currency risks

Foreign currency risk arises from the impact of exchange rate fluctuations on valuations of financial instruments. The Group uses currency forwards and options to hedge foreign exchange risk related to cash flow from operating activities (cash flow hedge). The fair value of assets and liabilities reported in the statement of financial position is hedged by currency forwards and options (fair value hedge).

The transaction risk is calculated for each individual foreign currency. Foreign currency receivables and liabilities arising from transactions recognized in the statement of financial position are recognized at the time that the contract is concluded, as are certain off-balance-sheet items, including recurring operating transactions (future planned materials purchases and sales proceeds).

The Constantia Packaging GmbH is exposed to foreign currency risks globally through its foreign operations, production facilities and sales. Given the Group's decentralized organizational structure, raw materials supplies are normally procured in local currencies. Similarly, Group invoices are mainly billed in the respective local currencies, which results in a closed currency position and a significant decrease in identifiable currency risk. For positions that cannot be closed through a matching transaction (natural hedge), resulting overhangs are hedged through currency forwards and options corresponding to the risk position and risk horizon.

Primary financial instruments, which include trade accounts receivable and payable, financial receivables and liabilities and securities, reflected the following currency positions at the end of the reporting period:

	12/31/2010		
	Currency	in € thousands	Share
Primary financial instrument assets	EUR	291,218	69.5 %
	USD	50,211	12.0 %
	CAD	8,304	2.0 %
	CZK	8,456	2.0 %
	GBP	12,205	2.9 %
	PLN	3,433	0.8 %
	HRK	11,525	2.7 %
	BGN	8,537	2.0 %
	DKK	3,654	0.9 %
	HUF	2,862	0.7 %
	RSD	4,128	1.0 %
	RUB	5,173	1.2 %
	Other	9,436	2.3 %
		419,142	**100.0%**

		12/31/2010	
	Currency	in € thousands	Share
Primary financial instrument liabilities	EUR	832,241	84.3 %
	DKK	253	0.0 %
	USD	80,162	8.1 %
	PLN	3,832	0.4 %
	CZK	5,508	0.6 %
	GBP	1,931	0.2 %
	HUF	4,842	0.5 %
	BGN	1,378	0.1 %
	HRK	31,247	3.2 %
	RSD	215	0.0 %
	CAD	16,095	1.6 %
	RUB	2,182	0.2 %
	Other	6,824	0.7 %
		986,710	**100.0%**

Liquidity risks

Liquidity risk is the risk of not being able to raise funds when necessary 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, which is differentiated by currency. Based on these results, capital measures are planned for the Group companies, sub-groups and Constantia Packaging GmbH Group itself.

In order to minimize liquidity risk, the Constantia Packaging GmbH Group has committed credit lines amounting to €323 million and an additional securitized bank guarantees of USD 100 million.

Credit risk

Credit risk, or the risk of delayed payments by a contractual partner, is controlled by the use of credit checks, credit limits and routine audits. Where possible, the Group receives export guarantees from the State or similar private institutions in order to reduce the risk of payment default. The Group’s credit risk is limited by the fact that it works only with financial partners of excellent financial standing.

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

Allowances were recognized for all identified risks, therefore management is of the opinion that no other credit risks will arise.

Interest rate risk

Interest rate risk is comprised of net interest earnings at risk and value at risk. Interest rate risk cannot be eliminated, since net interest earnings at risk and value at risk are interdependent. Value at risk affects the market value of the Group’s interest-bearing financial instruments and investments, while net interest earnings at risk affects its interest expense and income.

As of December 31, 2010, the Group had interest rate swaps that qualified as cash flow hedges denominated in Euro and U.S. dollars as well as interest rate caps and forward rate agreements (FRA) denominated in Euro. For the swap agreements, the Group 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. 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 on the statement of financial position 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. When interest payments begin on the transaction underlying the hedge, there is a reclassification from the hedging reserve in equity to recognition in the statement of income (loss) 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 recognized directly in equity in the hedging reserve.

A forward rate agreement (FRA) represents a fixed interest rate agreement for the future and thereby secures the interest rate on borrowings. When the FRA takes effect, the interest rate of the FRA is applied for the contractual period. If the actual market interest rate differs, a compensatory payment is made.

A breakdown of the weighted interest rates at the end of the reporting period is as follows:

Interest rate summary as of 12/31/2010

Position	**Type**	**Average**	**Bank accounts**	**Current**	**Non-current**
Deposits	Fixed	7.50%	-	-	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%**			

The average interest rate paid on net financial liabilities is 3.42%.

Commodity price risk

In conducting its business activities, Constantia Packaging GmbH is exposed to commodity price risk from aluminum. This risk is based on the fact that the Group produces and processes aluminum. Aluminum production gives rise to price risks, which are mitigated through the use of derivative instruments. Risks also arise from aluminum processing, as aluminum-based metals (e.g. scrap) are purchased and then sold after they have been processed. The related purchasing and sales risks are mitigated through hedging instruments.

The price-change risk for commodities listed on the London Metal Exchange (LME) is hedged through commonly used commodity forwards and commodity options. Hedges of future cash flows through aluminum production are classified as cash flow hedges. Inventory hedges are classified as fair value hedges in accordance with IFRS criteria. 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 light of the long risk horizon in some cases, these derivatives have maturities through 2015.

For commodity price hedging, the same principle applies that derivatives may only be used if they can be clearly defined and measured.

Sensitivity analysis

For a 10% change in the value of the Euro against the U.S. dollar on December 31, 2010, the corresponding impact on net financial liabilities would be €3,153 thousand in either direction. For a 10% change in the value of the Euro against other currencies on December 31, 2010, the corresponding impact on financial liabilities would be €1,002 thousand in either direction.

A 1% rise in interest rates in the Euro zone would result in a €2,363 thousand increase in net interest expense for Euro-denominated variable-rate financial instruments. A 1% rise in U.S. interest rates would result in a €29 thousand increase in net interest expense for USD-denominated variable-rate financial instruments.

A 10% drop in listed aluminum prices on the LME would result in a €10,377 thousand decrease in inventory valuations.

Sensitivity analysis as of 12/31/2010					€ thousands
Type of risk					
Currency risks	**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)**

Primary financial instruments

The value of primary financial instruments can be seen directly in the statement of financial position and accompanying notes.

Cash and cash equivalents

Carrying amounts correspond approximately to 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 as of the end of the reporting period.

At the end of the reporting period, non-current securities were classified as follows:

Carrying amount in € thousands	**12/31/2010**
Fund shares	927
Shares	3,657
	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 that are considered highly likely to occur.

EUR- and USD-denominated interest rate swaps and forward rate agreements are used to hedge interest rate risk. The fair value of the interest rate derivatives is the result of changes in the yield curve after the derivatives were contracted.

Fair value hedges

Currency forwards were concluded to hedge the currency risk on foreign currency receivables and were designated as fair value hedges. Fair value changes in these currency derivatives are are reported in revenue. Forwards were concluded to hedge the fair value of aluminum inventories and were classified as fair value hedges. The fair value fluctuations of these derivatives are reported under cost of materials.

Trading

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

Derivatives qualifying as cash flow hedges and recognized in the hedging reserve were as follows:

	Currency or Commodity		12/31/2010 Nominalvalue [1]	12/31/2010 Market value in € thous.
Cash flow hedges				
Currency derivatives				
Forwards	USD	Sale	155,723	(642)
	GBP	Sale	2,340	2
	CAD	Buy	54,900	3,646
	EUR	Buy	2,770	10
	USD	Buy	8,986	114
Currency options	USD	Put	1,000	0
Commodity derivatives				
Forward contracts	AL	Sale	50,900	(9,915)
	AL	Buy	34,950	5,960
	CU	Buy	250	282
Options	AL	Sale	140,750	0
Interest rate derivatives				
Swaps	EUR		77,000	(2,404)
	USD		38,000	(951)
Caps	EUR		8,563	55
Forward Rate Agreement	USD		10,000	0
Embedded derivatives				
embedded derivative	USD	Sale	N/A	1,865
embedded derivative	AL	Sale	N/A	(2,081)
				(4,059)

1) Nominal values for currencies reported in thousands, for commodities in metric tons of aluminum and copper respectively.

[1] Nominal values for currencies reported in thousand, for commodities in metric tons of aluminum (AL) and copper (CU) respectively.

Derivatives qualifying as fair value hedges or held for trading and recognized through profit and loss were as follows:

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

[1] Nominal values for currencies reported in thousand, for commodities in metric tons of aluminum (AL).

Nominal values correspond to the aggregate gross amount of all derivative purchase and sale transactions, and commodity derivatives are stated in metric tons per transaction currency.

Market values are derived from the trading amounts of the underlying financial transactions as of the end of the reporting period. Market values of commodity derivatives are based on the LME's official listed aluminum prices as of the end of the reporting period. Fair values of currency forwards are calculated on the basis of future prices as of the end of the reporting period. Standard option pricing models are used to determine the value of currency options. The fair value of interest rate swaps and caps is determined by mathematical valuation models that are widely used.

Term periods are in principle 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.

Additional information about financial instruments pursuant to IFRS 7

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

€ thousands	Carrying amount 12/31/2010	Fair value hedge	Cash flow hedge	Held to maturity	Held for trading	Available for sale	Loans and receivalbles	Cash and cash equivalents	Other financial liabilities	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	0	0	0	50,623
Trade accounts receivable	300,189	0	0	0	0	0	300,189	0	0	0	300,189
Other receivables	77,960	2,315	11,058	0	24,818	0	15,564	0	0	24,205	77,960
Cash, cash equivalents and securities	64,181	0	0	0	0	0	0	64,181	0	0	64,181
Total assets	**492,953**	**2,625**	**15,223**	**6,403**	**31,758**	**14,509**	**334,049**	**64,181**	**0**	**24,205**	**492,953**
Liabilities											
Non-current liabilities	503,792	310	10,999	0	7,842	0	0	0	484,641	0	503,792
Current financial liabilities	446,322	6,252	8,283	0	26,688	0	0	0	334,573	70,526	446,322
Trade accounts payable	167,496	0	0	0	0	0	0	0	167,496	0	167,496
Total liabilities	**1,117,610**	**6,562**	**19,282**	**0**	**34,530**	**0**	**0**	**0**	**986,710**	**70,526**	**1,117,610**

Cash and cash equivalents, securities, trade accounts receivable and other receivables normally have short maturities and their carrying amounts as of the end of the reporting period correspond broadly with fair value. Financial instruments not classified pursuant to IFRS 7 and other financial instruments include financial instruments recognized at fair value along with others measured at their amortized cost.

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

Trade accounts payable and other current liabilities mainly have short maturities of under one year; the values shown correspond broadly with fair values.

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

The valuation categories break down as follows:

	12/31/2010			
€ thousands	Level 1	Level 2	Level 3	Total
Assets				
Other non-current and financial assets	4,584	20,431	909	25,924
Other receivables	0	37,235	956	38,191
Shareholders' equity and liabilities				
Non-current liabilities	0	19,151	0	19,151
Current liabilities	0	41,223	0	41,223

The fair value hierarchy levels are as follows:

Level 1: Fair values are determined based on quoted prices in active markets.

Level 2: Fair values are estimated based on the results of a valuation method, which applies market observables to the greatest extent possible and company-specific data to the least extent possible.

Level 3: The valuation methods are based on parameters not observable on the market. The level 3 valuation in this case refers to a power contract of a subsidiary of Austria Metall GmbH. This contract includes an embedded derivative because the price is linked to the aluminum price. Fair value is derived through a mark-to-market valuation. Due to the monopolistic nature of the power market in Canada, no active market price can be derived. The fair value was determined using a discounted cashflow calculation using reference power prices and related interest curves and forward prices for aluminum. Moreover, in order to obtain a near market valuation of the contract, the present value of future electricity payments on the basis of aluminium forwards was subsequently calculated and compared to the present value of future electricity payments on the basis of the electricity reference price.

Net gains and losses on financial instruments by measurement categories are as follows:

Net gain or loss on financial instruments in € thousands	2010
Held to Maturity	(542)
Held for trading	(11,353)
Available for sale	41
Receivables and loans	679
Financial liabilities	(23,964)
Total	**(35,139)**

Net financial income includes dividends but not interest expense or income. The reported net income from financial instruments includes impairment losses and reversals, income and expenses from currency translation, gains or losses on disposals and other changes in the fair value of financial instruments recognized through profit and loss.

In 2010, impairment losses totaling €390 thousand were recorded on financial assets. Impairment losses were recorded on trade accounts receivable in the amount of €1,135 thousand and current other receivables in the amount of €150 thousand. Income and expenses from derivative instruments used to hedge operating risks and whose matching expenses and income are recognized under revenue or cost of materials are not included in net income from financial instruments.

The aging of overdue trade accounts receivable is as follows:

€ thousands	**2010**
Receivables not yet due	258,109
Overdue receivables	
Due less than 30 days	30,921
Due more than 30 days but less than 60 days	6,048
Due more than 60 days but less than 90 days	1,902
Due more than 90 days but less than 180 days	2,166
Due more than 180 days	2,178
Impairment	(1,135)
Total	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 internal guidelines of Constantia Packaging GmbH Group.

A large part of trade accounts receivable is covered by loan insurance with various insurance providers. These insurance policies include a deductible for any claims made. For such claims, local management uses its discretion to recognize impairment up to the value of the deductible.

M. Contingent liabilities

Litigation

One shareholder has sought a court injunction against the squeeze out decision of the general meeting. The application has yet to be heard in the court of first instance and the chances of the applicant succeeding with the injunction are, in the opinion of management, very low. Several shareholders have submitted an application to review the price of the squeeze out pursuant to the provisions of § 6 para 2 of the Austrian Minority Shareholders Expulsion Act (Gesellschafterausschlussgesetz or "GesAusG"). A decision date is not currently foreseeable.

Environmental impact

Due to the acquisition of Constantia Packaging AG, the following environmental risks are to be mentioned:

The Duropack Bupak Papírna s.r.o. plant in the Czech Republic contains a depot for inert material from paper production which was used until 1996. Pursuant to regulatory requirements, the site was sanitized to European standards and is now subject to annual soil measurement controls.

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 the Second World War. Public authorities ordered additional test excavations and a large contaminated area was identified which also affects many other companies. Given the dense development in the area, the authorities are not expected to order the clean-up of the site in the foreseeable future, nor is this site likely to present 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 the spring of 2008. The contract expressly disclaims any warranty under civil law for the condition of the property, while strict liability under public law – Austrian Water Act (WasserrechtsG), Austrian Waste Management Act (AbfallwirtschaftsG) – remains in effect indefinitely. However, recourse against former owners who did not actively cause the contamination or knowingly tolerate it, can be excluded with a probability bordering on certainty.

During routine soil examination on the premises of Constantia Colmar Inc., USA, a contamination of the soil with toxic chemicals was determined. The contamination dates back to the 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 the total decontamination and environmental clean-up costs.

Other

€ thousands	2010
Warranties and guarantees	286
Discounted bank drafts	14,052
Bank guarantees received	11,575
	25,913

Included in warranties and guarantees as of December 31, 2010 is a guarantee to a third company. Furthermore, guarantees and warranties refer mainly to customs guarantees and bank guarantees for margin calls to brokers. As of December 31, 2010, no broker guarantees were used. Of the bank guarantees received, approximately €8,940 thousand have already been recognized as liabilities in the statement of financial position.

N. Related party disclosures

The highest controlling company of Constantia Packaging GmbH is CP Group Holding Coöperatief U.A. with headquarters in Amsterdam, Netherlands.

Business transactions between affiliates are made under arms-length conditions.

Sales with the Paverco Group – which has an interest in the subsidiary Drukkerij Verstraete N.V. - totaled €688 thousand in 2010 (management fees and property leasing); as of the end of the reporting period, liabilities to the Paverco Group amounted to €93 thousand.

As of the end of the reporting period, receivables from Hueck Folien Ges.m.b.H., Austria (the owner of the non-controlling interest of Hueck Folien GmbH & Co. KG has shares in Hueck Folien Ges.m.b.H., Austria.) totaled €85 thousand, and liabilities to the company amounted to €77 thousand. The respective transactions are made under arms-length conditions.

No loans have been granted to members of the Executive Board, nor have any guarantees been granted in their favor. No other material transactions of any kind, particularly purchase contracts for material assets, have been concluded.

O. Auditor's Fees

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

€ thousands	**2010**
Audits	1,415
of which, domestic network	709
Tax advisory services	482
of which, domestic network	130
Total	**1,897**
of which, domestic network	**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 by category include all expenses for Deloitte as the designated Group Auditor as well as the global Deloitte partner network. The auditing costs in 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 by the Group's independent auditor Deloitte. Tax advisory services include all services performed primarily for tax matters at subsidiaries of Constantia Packaging GmbH.

P. Group Companies

		Share in percent	
Name	**Head office**	**direct***	**Indirect****
Full Consolidation			
AMAG Holding GmbH (formerly Constantia Packaging Management Services GmbH)	Vienna, A	100.0	100.0
Constantia Alumet B.V.	Vaasen, NL	100.0	100.0
Austria Metall GmbH	Ranshofen, A	28.6	90.0

Constantia Alumet GmbH	Vienna, A	100.0	100.0
Austria Metall GmbH	Ranshofen, A	33.8	90.0
Austria Metall GmbH	Ranshofen, A	27.6	90.0
Aluminium Austria Metall Inc.	Montréal, CAN	100.0	90.0
AMAG service GmbH	Ranshofen, A	100.0	90.0
AMAG treasury GmbH	Ranshofen, A	100.0	90.0
AMAG metal GmbH	Ranshofen, A	100.0	90.0
AMAG casting GmbH	Ranshofen, A	100.0	90.0
AMAG rolling GmbH	Ranshofen, A	100.0	90.0
AMAG France S.A.R.L.	Colmar, F	100.0	90.0
AMAG Benelux B.V.	Vlaardingen, NL	100.0	90.0
AMAG UK Ltd.	Surrey, GB	100.0	90.0
AMAG USA Corp.	Dover, USA	100.0	90.0
AMAG Italia S.R.L.	Milan, IT	100.0	90.0
AMAG Deutschland GmbH	Saarbrücken, D	100.0	90.0
Metallwerk Furth GmbH	Furth, D	100.0	90.0
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
Thorn Lighting Group Holding GmbH	Dornbirn, A	100.0	100.0
Thorn Europhane S.A.	Madrid, E	100.0	100.0
Thorn Licht GmbH	Lemgo, D	100.0	100.0
Thorn Lighting B.V.	Weinburg, A	100.0	100.0
Thorn Lighting Belgium SPRL	Liege, B	100.0	100.0
Duropack GmbH	Vienna, A	100.0	100.0
Duropack Bupak Obaly a.s.	České Budějovice, CZ	100.0	100.0
Duropack Bupak Papírna s.r.o.	České Budějovice, CZ	100.0	100.0
Duropack Bupak Service s.r.o.	České Budějovice, CZ	100.0	100.0
Duropack Turpak Obaly a.s.	Martin, SK	98.8	98.8
Duropack Krusevac A.D.	Krusevac, RS	93.8	93.8
(formerly Duropack Dusan Petronijevic´A.D.)			
Duropack Karton d.o.o.	Zagreb, HR	100.0	100.0
Duropack Starpack Kft.	Füzesabony, H	100.0	100.0
Duropack Tespack Tovarna embalaze Brestanica d.o.o.	Brestanica, SLO	100.0	100.0
Duropack Trakia-Papir AD	Pazardjik, BG	99.7	99.7
(formerly Trakia-Papir AD)			
Duropack Wellpappe Ansbach GmbH	Ansbach, D	100.0	100.0
Belisce d.d.	Belisce, HR	67.8	67.8
Valkarton d.d.	Logatec, SLO	98.6	66.8
Valkarton Kartonaža Rakek d.o.o.	Rakek, SLO	100.0	66.8
Palk 4 IP d.o.o.	Kisovec, SLO	100.0	66.8
Valkarton embalažni servis Koper d.o.o.	Koper, SLO	74.0	49.4
Embalaža Maribor d.d.	Maribor, SLO	87.1	58.2
Komuna A.D.	Skopje, MKD	53.5	35.7
Bilokalnik-IPA d.d.	Koprivnica, HR	67.9	46.0
Unijapapir d.d.	Zagreb, HR	95.6	64.8
Inos papir servis d.o.o.	Belgrade, RS	100.0	67.8
Constantia Flexibles Holding GmbH	Weinburg, 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
GFT repro-studio GmbH (merged with Haendler & Natermann GmbH as of August 2010)	Hann. Münden, D	100.0	100.0
Haendler & Natermann Iberica S.L.	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 Editură şi Tipografia S.R.L.	Cluj-Napoca, RO	60.0	60.0
SIM'EDIT SAS	Ablis, F	100.0	100.0
Etipack SARL	Vittel, F	100.0	100.0
Exprim SARL	Ablis, F	100.0	100.0
Printer Labels Inc.	Ontario, USA	80.0	80.0
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
Rotoflex Technology Inc.	Colmar, USA	100.0	100.0
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	70.0	70.0
Colorcap Aluminium GmbH	Gau-Odernheim, D	100.0	70.0
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 Inter Aktiengesellschaft	Baar, CH	100.0	100.0
(merged with Constantia Teich GmbH as of July 2010)			
Alucommerz Aktiengesellschaft (closed as of December 2010)	Baar, CH	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	100.0	100.0
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.	Logroño, E	100.0	100.0
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
Teich Russia UnternehmensbeteiligungsgesmbH	Weinburg, A	100.0	100.0
(merged with Constantia Teich GmbH as of July 2010)			
CJSC Constantia KUBAN	Timashevsk, RUS	100.0	100.0
Teich Spedition Gesellschaft m.b.H.	Weinburg, A	100.0	100.0
(merged with Constantia Teich GmbH as of July 2010)			
Constantia Hueck Folien GmbH & Co KG	Pirk, D	70.0	70.0
HC Beteiligungs GmbH	Pirk, D	100.0	70.0

Constantia Hueck Folien SPRL	Louvain-La-Neuve, B	100.0	70.0
Constantia Hueck Foils Holding Co.	Blythewood, USA	100.0	70.0
Constantia Hueck Foils LL.C	Blythewood, USA	100.0	70.0
Constantia Hueck Folien SRL	Montevideo, UR	100.0	70.0
Constantia Fromm GmbH	Remshalden-Geradstetten, D	100.0	70.0
Constantia Pharma Sales SARL	Versailles, F	100.0	70.0
Constantia Hueck Folien s.r.o	Marianske Lazne, CZ	100.0	70.0
Constantia Hueck Folien SA	Buenos Aires, AR	99.0	69.3
Constantia Hueck Folien Geschäftsführungs GmbH	Pirk, D	95.0	95.0
Proportionate consolidation			
Aluminerie Alouette Inc.	Sept-Iles, CAN	20.0	18.0

* from perspective of direct parent company ** from perspective of Constantia Packaging GmbH Group.

Q. Other information

Events after the reporting period

Non-cash dividend Austria Metall GmbH and initial public offering

On February 24, 2011, Constantia Packaging GmbH distributed all shares in AMAG Holding GmbH and the 27.57% share in Austria Metall GmbH, Ranshofen, to its direct sole shareholder CP Group 1 B.V. by way of a non-cash dividend. Thereafter, effective as of the same day, the shares were transferred to Sulipo Dritte Beteiligungsverwaltungs GmbH, Vienna, which is a 100% subsidiary of CP Group 3 B.V. The direct shareholder of both CP Group 1 B.V. and CP Group 3 B.V. is CP Group B.V., Amsterdam. Thus, from the perspective of Constantia Packaging GmbH, the Aluminum segment is now held by a sister company.

Before this transaction took place, a dividend in the amount of €200 million from AMAG Holding GmbH to Constantia Packaging GmbH was agreed on January 19, 2011 with a payment term until April 30, 2011.

These transactions will reduce the equity of Constantia Packaging GmbH Group by approximately €330,000 thousand.

Acquisition of non-controlling interests in Printer Labels Inc., Ontario, USA

Effective on January 1, 2011, SIM'EDIT SAS, France, acquired shares in Printer Labels Inc., USA, for an amount of USD 1.8 million and increased its stake in the company from 80% to 96.7%.

Acquisition of the remaining shares in Hueck Folien GmbH & Co. KG, Pirk, Germany

Constantia Teich GmbH acquired the remaining 30% stake in Hueck Folien GmbH & Co KG effective January 1, 2011 and thus holds 100% of the shares. The purchase price totals €28 million and is recognized as other liabilities in the 2010 statement of financial position.

CEO

Dr. Hanno M. Bästlein

CEO

Dr. Hanno M. Bästlein

Vienna, April 18, 2011

Auditor's report

Report on the consolidated financial statements

We have examined the accompanying consolidated financial statements of Constantia Flexibles Group GmbH, Vienna for the financial year from January 1 to December 31, 2010. These consolidated financial statements consist of the consolidated balance sheet as at December 31, 2010, the consolidated income statement, the consolidated cash flow statement and the calculation of changes in group equity for the financial year ending December 31, 2010, as well as the notes.

Responsibility of the company's legal representative for the consolidated financial statements and the accounting

The legal representative of the company is responsible for the group's accounting and the preparation of the consolidated financial statements, which in accordance with the International Financial Reporting Standards (IFRSs) adopted by the EU provide a true and fair view of the group's asset, financial and income situation. This responsibility includes the design, implementation and maintenance of an internal controlling system, to the extent that this is of importance for the preparation of the consolidated financial statements and the provision of a true and fair view of the group's asset, financial and income situation, in order that these are free from material misstatement due to deliberate deception or unintentional error. This responsibility also covers the selection and application of suitable accounting and measurement methods and the making of estimates, which in view of the given general conditions would seem reasonable.

Auditors' responsibility and description of the type and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Austrian law and the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

These regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to deliberate deception or unintentional error.

In making those risk assessments, the auditor considers the internal control system where this is relevant to the preparation and fair presentation of the consolidated financial statements and the provision of the true and fair view of the group's asset, financial and income position, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal controls.

The audit also includes an evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Audit opinion

Our audit did not raise any objections. As a result of the information obtained during the audit, in our opinion the consolidated financial statements conform with legal requirements and give a true and fair view of the group's assets and financial status as at December 31, 2010, as well as the group's income position and its payment flows for the financial year from January 1 to December 31, 2010 in accordance with the International Financial Reporting Standards (IFRSs), as applied in the EU.

Statement regarding the group management report

Pursuant to legal requirements, the management report is to be audited in order to ascertain whether it is consistent with the consolidated financial statements and if the other information contained in the group management report creates a false impression of the group's status. The opinion must also contain a statement as to whether the group management statement is in conformity with the consolidated financial statements.

In our opinion, the group management statement is in conformity with the consolidated financial statements.

Vienna, April 18, 2011

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Josef Spadinger e.h.
Auditor

ppa.Christa Janhsen e.h.
Auditor