

New Giant CORP
Form S-4/A
November 29, 2007

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As filed with the Securities and Exchange Commission on November 29, 2007

Registration No. 333-145849

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

**Amendment No. 2
to
FORM S-4
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933**

NEW GIANT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

2361

*(Primary Standard Industrial
Classification Code Number)*

26-0405422

*(I.R.S. Employer
Identification Number)*

**814 Livingston Court
Marietta, Georgia 30067
(770) 644-3000**

*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

**Stephen A. Hellrung, Esq.
Senior Vice President, General Counsel and Secretary
814 Livingston Court
Marietta, Georgia 30067
(770) 644-3000**

*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

Copies to:

**William Scott Ortwein, Esq.
Justin R. Howard, Esq.
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New York, New York 10017
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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary proxy statement/prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary proxy statement/prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any state or jurisdiction where the offer or sale is not permitted.

PRELIMINARY COPY SUBJECT TO COMPLETION, DATED [1], 2007

BUSINESS COMBINATION PROPOSED YOUR VOTE IS IMPORTANT

To our stockholders:

I am pleased to invite you to attend the special meeting of stockholders of Graphic Packaging Corporation (Graphic) to be held on [1], [1], 2007 at 10:00 a.m., local time at the offices of Alston & Bird LLP, Atlantic Center Plaza, 1180 West Peachtree Street, 15th Floor, Atlanta, Georgia 30309. At the special meeting, you will be asked to consider and vote on (1) a proposal to adopt the transaction agreement and agreement and plan of merger, dated as of July 9, 2007, that Graphic and certain of its affiliates entered into with Bluegrass Container Holdings, LLC (BCH), the company that holds all of the equity interests of Altivity Packaging, LLC (Altivity), and BCH 's equity holders, which provides for the combination of the businesses of Graphic and Altivity, (2) a proposal to approve provisions in New Giant Corporation 's restated certificate of incorporation authorizing 1.1 billion shares of capital stock, including 1 billion shares of common stock and 100 million shares of preferred stock, and (3) any proposal by Graphic to adjourn or postpone the special meeting, if determined to be necessary.

If the transactions contemplated by the transaction agreement are completed, you will receive one share of common stock of a new company, currently named New Giant Corporation, which we refer to as New Graphic, for each share of Graphic common stock that you held immediately prior to the effective time of the merger. New Graphic will also issue shares of its common stock to BCH 's current equity holders such that upon the completion of these transactions, BCH 's current equity holders will own approximately 40.6% of New Graphic common stock, and holders of Graphic common stock immediately prior to the effective time will own approximately 59.4% of New Graphic common stock, each calculated on a fully diluted basis. In connection with these transactions, New Graphic will be renamed Graphic Packaging Holding Company, and its common stock will be listed on the New York Stock Exchange under the symbol GPK, which is the symbol under which Graphic common stock is currently traded on the NYSE.

The board of directors of Graphic has unanimously approved the transaction agreement and the transactions and has determined that the transactions are advisable and in the best interests of Graphic and its stockholders.

This proxy statement/prospectus describes these transactions and provides specific information concerning the special meeting. We encourage you to read this entire document carefully.

Sincerely,

David W. Scheible
President and Chief Executive Officer

For a discussion of certain risk factors that you should consider in evaluating the transactions contemplated by the transaction agreement and an investment in New Graphic common stock, see Risk Factors beginning on

page 20.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the transactions or passed on the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

We may amend or supplement this proxy statement/prospectus from time to time by filing amendments or supplements as required.

This proxy statement/prospectus is dated [1], 2007, and is first being mailed to Graphic stockholders on or about [1], 2007.

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GRAPHIC PACKAGING CORPORATION

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD [1], 2007**

To our stockholders:

Graphic Packaging Corporation (Graphic) will hold a special meeting of its stockholders on [1], 2007 at 10:00 a.m., local time, at the offices of Alston & Bird LLP, Atlantic Center Plaza, 1180 West Peachtree Street, 15th Floor, Atlanta, Georgia 30309, for the following purposes:

1. To vote on a proposal to adopt the transaction agreement and agreement and plan of merger, dated as of July 9, 2007, by and among Graphic, Bluegrass Container Holdings, LLC (BCH), TPG Bluegrass IV, L.P., TPG Bluegrass IV-AIV 2, L.P., TPG Bluegrass V, L.P., TPG Bluegrass V-AIV 2, L.P., Field Holdings, Inc., TPG FOF V-A, L.P., TPG FOF V-B, L.P., BCH Management, LLC, (collectively with TPG Bluegrass IV, L.P., TPG Bluegrass IV-AIV 2, L.P., TPG Bluegrass V, L.P., TPG Bluegrass V-AIV 2, L.P., Field Holdings, Inc., TPG FOF V-A, L.P., TPG FOF V-B, L.P. and any transferees of their interests in BCH, the Sellers), New Giant Corporation (New Graphic) and Giant Merger Sub, Inc. (Merger Sub) and to approve the transactions contemplated by such transaction agreement. The transaction agreement contemplates, among other transactions, that:

Merger Sub, a new, wholly-owned subsidiary of New Graphic, will merge with and into Graphic, as a result of which Graphic will become a wholly-owned subsidiary of New Graphic (the merger);

each share of Graphic common stock outstanding immediately prior to the merger will be converted into the right to receive one share of the common stock of New Graphic pursuant to the merger; and

immediately after the merger, the Sellers will transfer all of their equity interests in BCH, the company that holds all of the equity interests in Altivity Packaging, LLC, to New Graphic in exchange for shares of common stock of New Graphic (the exchange, and together with the merger, the transactions).

2. To vote on a proposal to approve provisions in New Graphic s restated certificate of incorporation authorizing 1.1 billion shares of capital stock, including 1 billion shares of common stock and 100 million shares of preferred stock. THIS PROVISION WILL ONLY BE IMPLEMENTED IF PROPOSAL 1 IS ALSO APPROVED.

3. To vote upon any proposal by Graphic to adjourn or postpone the special meeting, if determined to be necessary.

A copy of the transaction agreement is attached to this proxy statement/prospectus as Annex A. The certificate of incorporation and by-laws of New Graphic to be in effect following the merger are set forth as Annex B and Annex C, respectively, to this proxy statement/prospectus.

The board of directors of Graphic has unanimously approved the transaction agreement and the transactions and has determined that the transactions are advisable and in the best interests of Graphic and its stockholders. **The board of directors of Graphic recommends that you vote FOR the adoption of the transaction agreement and the approval of the transactions, FOR the approval of the provisions of New Graphic s restated certificate of incorporation increasing New Graphic s authorized capital stock, and FOR the adjournment or postponement of the special meeting, if determined to be necessary.**

Only Graphic stockholders of record at the close of business on [1], 2007 are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. No business other than the proposals described in this notice will be considered at the special meeting or any adjournment or postponement thereof. A complete list of Graphic stockholders of record entitled to vote at the special meeting will be available for inspection at the special meeting.

Your vote is very important, regardless of the number of shares you own. Graphic cannot complete the transactions unless the transaction agreement is adopted and the transactions are approved by the affirmative vote of a majority of the issued and outstanding shares of Graphic common stock. Please submit your proxy as soon as possible to make sure that your shares are represented at the special meeting.

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For your shares to be voted, you may complete, sign, date and return the enclosed proxy card or you may submit your proxy by telephone or over the Internet. If you are a holder of record, you may also cast your vote in person at the special meeting. If your shares are held in an account by a broker, bank or other nominee, you must instruct them on how to vote your shares. **If you do not submit your proxy, vote in person or instruct your broker, bank or other nominee how to vote, it will have the same effect as voting AGAINST the adoption of the transaction agreement and the approval of the transactions.**

By order of the board of directors,

Stephen A. Hellrung
Senior Vice President, General Counsel and Secretary
[1], 2007

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REFERENCE TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Graphic from other documents that are not included in or delivered with this proxy statement/prospectus. The Securities and Exchange Commission (the SEC) maintains a website that contains annual, quarterly and current reports, proxy and information statements and other information regarding registrants, like Graphic, that file reports with the SEC electronically. The SEC's website address is <http://www.sec.gov>. You may also read and copy any document Graphic files with the SEC at the SEC's public reference room, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. The information Graphic files with the SEC and other information about Graphic is also available on Graphic's website at <http://www.graphicpkg.com>. However, the information on Graphic's website is not a part of, nor incorporated by reference into, this proxy statement/prospectus. For a listing of the documents incorporated by reference, please see Where You Can Find More Information.

You can also obtain those documents incorporated by reference in this proxy statement/prospectus without charge by contacting Graphic at:

Graphic Packaging Corporation
814 Livingston Court
Marietta, Georgia 30067
(770) 644-3000
Attention: Investor Relations Department

In order to ensure timely delivery of requested documents, any request should be made at least five business days prior to the date on which an investment decision is to be made and, in any event, no later than [1], 2007, which is five business days prior to the special meeting.

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Annex C New Graphic Form of Amended and Restated Bylaws

Annex D Voting Agreement

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING

The following questions and answers are intended to briefly address some frequently asked questions regarding the merger (as defined below) and the exchange (as defined below and together with the merger, the transactions) contemplated by the transaction agreement (as defined below). These questions and answers may not address all questions that may be important to you as a stockholder of Graphic Packaging Corporation (Graphic). You are urged to read this entire proxy statement/prospectus carefully and the other documents to which Graphic and New Graphic (as defined below) refer you before casting your vote on adoption of the transaction agreement and approval of the transactions.

Q: When and where is the special meeting?

A: The special meeting will take place on [1], 2007, at 10:00 a.m., local time, at the offices of Alston & Bird LLP, Atlantic Center Plaza, 1180 West Peachtree Street, 15th Floor, Atlanta, Georgia 30309.

Q: What am I being asked to vote on?

A: You are being asked to vote to adopt the transaction agreement and agreement and plan of merger, dated as of July 9, 2007 (the transaction agreement), by and among Graphic, Bluegrass Container Holdings, LLC (BCH), the company that holds all of the equity interests in Altivity Packaging, LLC (Altivity), TPG Bluegrass IV, L.P., TPG Bluegrass IV-AIV 2, L.P., TPG Bluegrass V, L.P., TPG Bluegrass V-AIV 2, L.P., TPG FOF V-A, L.P., TPG FOF V-B, L.P. (collectively with TPG Bluegrass IV, L.P., TPG Bluegrass IV-AIV 2, L.P., TPG Bluegrass V, L.P., TPG Bluegrass V-AIV 2, L.P. and TPG FOF V-A, L.P., the TPG Entities), BCH Management, LLC, Field Holdings, Inc. (together with BCH Management, LLC, the TPG Entities, and any transferee of their interests in BCH, the Sellers), New Giant Corporation (New Graphic) and Giant Merger Sub, Inc. (Merger Sub) and approve the transactions. The transaction agreement contemplates, among other transactions, that:

Merger Sub, a new, wholly-owned subsidiary of New Graphic, will merge with and into Graphic, as a result of which Graphic will become a wholly-owned subsidiary of New Graphic (the merger);

each share of Graphic common stock outstanding immediately prior to the merger will be converted into the right to receive one share of the common stock of New Graphic pursuant to the merger; and

immediately after the merger, the Sellers will transfer all of their equity interests in BCH to New Graphic in exchange for shares of common stock of New Graphic (the exchange).

Upon the completion of the transactions, Graphic stockholders, in the aggregate, will hold approximately 59.4%, and the Sellers will hold approximately 40.6%, of the outstanding common stock of New Graphic, each calculated on a fully diluted basis.

For a more detailed discussion about the transactions, please see The Transactions beginning on page 33 and The Transaction Agreement and Agreement and Plan of Merger beginning on page 62.

You are also being asked to vote to approve a provision in New Graphic's restated certificate of incorporation authorizing 1.1 billion shares of capital stock, including 1 billion shares of common stock and 100 million shares of preferred stock.

In addition, you are being asked to vote to approve any proposal by Graphic to adjourn or postpone the special meeting, if determined to be necessary.

Q: What will I receive after the transactions are completed?

A: After the transactions are completed, you will receive one share of New Graphic common stock for each share of Graphic common stock you hold.

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Q: Are there any important risks related to the transactions or New Graphic's business of which I should be aware?

A: Yes, there are important risks involved. Before making any decision on whether and how to vote, Graphic urges you to read carefully and in its entirety the section entitled "Risk Factors" beginning on page 20.

Q: Will my rights as a stockholder of New Graphic be different from my rights as a stockholder of Graphic?

A: Yes, there are certain material differences between your rights as a stockholder of Graphic and your rights as a stockholder of New Graphic. We urge you to read the section entitled "Description of New Graphic Capital Stock" beginning on page 133 and "Comparison of Rights of Graphic Stockholders and New Graphic Stockholders" beginning on page 140.

Q: What stockholder approvals are needed to approve the transactions?

A: The adoption of the transaction agreement and the approval of the transactions and the approval of the provision in New Graphic's restated certificate of incorporation each requires the affirmative vote of a majority of the issued and outstanding shares of Graphic common stock as of the record date.

Pursuant to the voting agreement, dated as of July 9, 2007, entered into by and among BCH, Graphic, certain members and affiliates of the Coors family (the "Coors Family Stockholders"), Clayton, Dubilier & Rice Fund V Limited Partnership (the "CDR Fund") and EXOR Group S.A. ("EXOR"), each of the Coors Family Stockholders, the CDR Fund and EXOR has agreed, subject to limited exceptions, to vote all of its shares of Graphic common stock in favor of adopting the transaction agreement and approving the transactions and any other action reasonably requested by BCH in furtherance thereof. The Coors Family Stockholders, the CDR Fund and EXOR collectively hold 129,376,414 issued and outstanding shares of Graphic common stock, which represented approximately 65% of the total number of shares of Graphic common stock issued and outstanding as of July 9, 2007 and as of the record date.

Q: Who is entitled to vote at the special meeting?

A: Graphic stockholders as of the close of business on [1], 2007, which is the record date for the special meeting, are entitled to vote at the special meeting. As of [1], 2007, there were [1] shares of Graphic common stock issued and outstanding and entitled to be voted at the special meeting. Each share of Graphic common stock outstanding on the record date will entitle its holder of record on such date to one vote on the transaction agreement and the transactions.

Q: Who can attend the special meeting?

A: Only stockholders, their designated proxies and guests of Graphic may attend the special meeting. If you plan to attend the special meeting, you must be a stockholder of record as of [1], 2007 or, if you have beneficial ownership of shares of Graphic common stock held of record by a broker, bank or other nominee, you must bring an account statement or letter from your broker, bank or other nominee showing that you are the beneficial owner of shares of Graphic common stock as of the record date in order to be admitted to the special meeting.

Q: What happens if I sell my shares of Graphic common stock before the special meeting?

A:

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The record date for the special meeting is [1], 2007. If you transfer your shares of Graphic common stock after the record date but before the special meeting, you will retain your right to vote at the special meeting but will transfer the right to receive one share of New Graphic common stock for each share of Graphic common stock you hold (if the transactions are completed) to the person to whom you transfer your shares.

Q: If I would like to submit a proxy, what do I need to do now?

A: If your shares are registered directly in your name at Graphic's transfer agent, you are considered a stockholder of record and you may submit your proxy (i) by mail by completing, signing, dating and returning the enclosed proxy card by mailing it in the enclosed postage prepaid envelope provided for

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receipt prior to the date of the special meeting or (ii) by telephone or through the Internet until 11:59 p.m. Eastern Time on [1], 2007. Instructions for voting by telephone or through the Internet are contained on the enclosed proxy card. Please submit your proxy as soon as possible so that your shares may be represented at the special meeting.

Q: If my shares are held in street name by a broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?

A: If your shares are registered through a broker, bank or other nominee, your shares are considered to be held beneficially in street name. Your broker, bank or other nominee will vote your shares for you only if you provide instructions to it on how to vote. You should follow the directions your broker, bank or other nominee provides on how to instruct it to vote your shares. If your broker, bank or other nominee holds your shares and you wish to vote your shares in person at the special meeting, please bring an account statement or a letter from your broker, bank or other nominee identifying you as the beneficial owner of the shares as of the record date and granting you a proxy to vote those shares at the special meeting.

Q: What do I do if I want to change my vote or vote in person?

A: You may revoke your vote at any time before the special meeting by:

executing and submitting a revised proxy (including by telephone or over the Internet);

sending written notice of revocation to Graphic's Secretary at the address provided at the beginning of this proxy statement/prospectus; or

voting in person at the meeting.

If your shares are registered directly in your name, you are considered the stockholder of record and you may vote in person at the special meeting. If your shares are held beneficially in street name and you wish to vote in person at the special meeting, you will need to obtain a proxy from the broker, bank or other nominee that holds your shares. Please note that even if you plan to attend the special meeting, Graphic recommends that you submit your proxy card voting your shares before the special meeting in case you later decide not to attend the meeting.

Q: What will happen if I do not send in my proxy or if I abstain from voting?

A: If you do not send in your proxy or if you abstain from voting, it will have the effect of a vote AGAINST the adoption of the transaction agreement and the approval of the transactions, and AGAINST the approval of the provisions in New Graphic's restated certificate of incorporation increasing the authorized capital stock of New Graphic. If you do not send in your proxy it will not affect the proposal to adjourn or postpone the special meeting, if determined to be necessary. If you return your proxy, but mark abstain, it will have the effect of a vote AGAINST the proposal to adjourn or postpone the special meeting, if determined to be necessary.

Q: Should I send in my stock certificates now?

A: No. If the transactions are completed and you hold stock certificates evidencing your shares of Graphic common stock, New Graphic will send you written instructions for exchanging your Graphic stock certificates.

Q: How will Graphic solicit proxies?

A: Proxies may be solicited by mail or facsimile, or by Graphic's directors, officers or employees, without extra compensation, in person or by telephone. Graphic will reimburse brokers, banks and other nominees for their reasonable out-of-pocket expenses for forwarding solicitation material to the beneficial owners of Graphic common stock.

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Q: Who can help answer my questions?

A: If you have any questions about the special meeting or the transaction agreement or the transactions, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you may contact:

Graphic Packaging Corporation
814 Livingston Court
Marietta, Georgia 30067
(770) 644-3000
Attention: Investor Relations Department

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SUMMARY

This summary is qualified in its entirety by the more detailed information included elsewhere in this proxy statement/prospectus. Because this is a summary, it may not contain all of the information that is material or important to you. You should read this entire proxy statement/prospectus carefully, including the section entitled Risk Factors, as well as Graphic's periodic and other reports filed with the SEC under the Securities and Exchange Act of 1934, as amended (the Exchange Act), and incorporated by reference in this proxy statement/prospectus before making a decision. See Where You Can Find More Information.

The Companies

GRAPHIC PACKAGING CORPORATION

814 Livingston Court
Marietta, Georgia 30067
(770) 644-3000

Graphic is a leading provider of paperboard packaging solutions for a wide variety of products to multinational food, beverage and other consumer products companies. Graphic strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost by capitalizing on its low-cost paperboard mills and converting plants, its proprietary carton designs and packaging machines, and its commitment to customer service.

Graphic focuses on providing a range of paperboard packaging products to major companies with well-recognized brands. Its customers generally have prominent market positions in the beverage, food and household products industries. Graphic offers customers its paperboard, cartons and packaging machines, either as an integrated solution or separately. Graphic has long-term relationships with major companies, including Kraft Foods, Inc., Anheuser-Busch Companies, Inc., General Mills, Inc., SABMiller plc., Molson Coors Brewing Company, and numerous Coca-Cola and Pepsi bottling companies.

BLUEGRASS CONTAINER HOLDINGS, LLC and ALTVITY PACKAGING, LLC

1500 Nicholas Boulevard
Elk Grove Village, Illinois 60007
(888) 801-2579

Bluegrass Container Holdings, LLC is a privately-held holding company that conducts no operations and its only material asset is its membership interest in Altivity Packaging, LLC (Altivity). Altivity, headquartered in the Chicago, Illinois area, is a provider of packaging solutions, including folding cartons and paperboard, multi-wall bags, flexible packaging and labels. The end-markets for Altivity's products are primarily consumer oriented, which provides stability and long-term predictable growth. Altivity has approximately 7,900 employees and owns 6 boxboard mills, 23 folding carton plants, 12 multi-wall bag and specialty facilities, 10 flexible packaging and labels facilities and 5 ink facilities.

Across its businesses, Altivity provides packaging solutions to customers in the consumer packaged goods, agriculture, pet care, building materials and chemicals industries. These end-markets are generally characterized by stable and predictable demand growth. Key demand drivers in these markets include rising disposable income levels and increased consumption of non-durable goods among consumers. Altivity's customer base includes a number of

well-known, blue-chip companies.

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NEW GIANT CORPORATION

814 Livingston Court
Marietta, Georgia 30067
(770) 644-3000

New Graphic was formed in June 2007 as a Delaware corporation and is currently a wholly-owned subsidiary of Graphic. To date, New Graphic has not conducted any activities other than those related to its formation and the completion of the transactions. In connection with the transactions, New Graphic's name will be changed to Graphic Packaging Holding Company, and its common stock will be listed on the New York Stock Exchange (NYSE) under the symbol GPK, which is the symbol under which Graphic common stock is currently listed on the NYSE.

GIANT MERGER SUB, INC.

814 Livingston Court
Marietta, Georgia 30067
(770) 644-3000

Merger Sub was formed in June 2007 as a Delaware corporation and is currently a wholly-owned subsidiary of New Graphic. To date, Merger Sub has not conducted any activities other than those related to its formation and the completion of the transactions. In the merger, Merger Sub will be merged with and into Graphic, with Graphic as the surviving corporation.

Organization of Graphic and BCH

The following charts depict the organization and ownership structure of Graphic and BCH immediately prior to the consummation of the transactions.

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Organization of New Graphic

The following chart depicts the anticipated organization of New Graphic upon the completion of the transactions and a post-closing inter-company reorganization that New Graphic expects to take to position BCH and Altivity as subsidiaries of Graphic's operating company, Graphic Packaging International, Inc. This reorganization will include the contribution of the BCH equity interests from New Graphic to Graphic, and from Graphic to Graphic Packaging International, Inc., the results of which are reflected in the following chart.

The Transaction Agreement and the Transactions (Page 62)

The Transaction Agreement

The transaction agreement, a summary of which is provided beginning on page 62 of this proxy statement/prospectus, is attached as Annex A to this proxy statement/prospectus. You are urged to read the transaction agreement in its entirety.

Merger of Graphic and Merger Sub

The transaction agreement provides that Merger Sub, a new, wholly-owned subsidiary of New Graphic, will merge with and into Graphic. As a result, Graphic will survive the merger and become a wholly-owned subsidiary of New Graphic.

What Graphic Stockholders Will Receive in the Merger

Upon the completion of the merger, each outstanding share of Graphic common stock will be converted into the right to receive one share of New Graphic common stock.

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Contribution from the Sellers to New Graphic

Immediately after the completion of the merger, the Sellers will transfer all of the outstanding equity interests of BCH to New Graphic in exchange for 139,445,038 shares of New Graphic common stock.

Ownership of New Graphic Upon Completion of the Transactions

Upon the completion of these transactions, Graphic stockholders, in the aggregate, will hold approximately 59.4%, and the Sellers will hold approximately 40.6%, of the outstanding common stock of New Graphic, each calculated on a fully diluted basis.

Recommendation of Graphic's Board of Directors (Page 38)

Graphic's board of directors has unanimously determined that the transaction agreement and the transactions are advisable, fair to and in the best interests of Graphic stockholders, and has unanimously approved the transaction agreement and the transactions. Graphic's board of directors recommends that you vote FOR the adoption of the transaction agreement and approval of the transactions. If the board of directors of Graphic amends, modifies or otherwise changes its recommendation regarding adoption of the transaction agreement and approval of the transactions, Graphic is still obligated to submit the transaction agreement and the transactions to a vote of its stockholders.

Reasons of Graphic for the Transactions (Page 38)

The Graphic board of directors, in reaching its unanimous decision to approve the transaction agreement and the transactions and recommend them to Graphic stockholders, consulted with Graphic's management, its financial advisor and its legal counsel, and considered the following factors, among others described herein, as generally supporting its decision:

The Graphic board of directors believed that the combination of the operations of Graphic and Altivity would provide stronger and more stable cash flows, and therefore greater financial stability, than could have been achieved by Graphic on a stand-alone basis. This enhanced financial performance and position should permit New Graphic to accelerate its debt reduction, enhance the company's credit profile, improve leverage ratios and finance ongoing investments.

The complementary product offerings of Graphic and Altivity, which when combined create an ability to offer comprehensive consumer packaging solutions to existing and new customers of both companies.

The new company will have expanded market reach into smaller specialty segments of the folding carton market, as well as new packaging markets, including labels, flexible packaging and multi-wall bags.

The opportunity to achieve significant cost synergies identified in connection with the transactions, including:

- operating and overhead expense reductions;
- supply chain procurement improvements;
- facility optimization; and
- manufacturing process improvements.

The opportunity for additional cost savings from Altiivity's ongoing integration of Smurfit-Stone Container Corporation's Consumer Packaging Division and the Field Companies (as defined below) as a result of manufacturing network optimization efforts, overhead reduction and supply chain improvements.

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The ability to offer a tax-free transaction to Altivity's current owners by structuring the transactions under the federal income tax laws as a contribution by Graphic and BCH of their respective businesses to New Graphic.

The opinion of Goldman Sachs, dated July 9, 2007, provided to the Graphic board of directors, that, as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the 139,445,038 shares of New Graphic common stock, taken in the aggregate, to be issued by New Graphic in exchange for 100% of the outstanding equity interests in BCH pursuant to the transaction agreement was fair from a financial point of view to Graphic, as more fully described below under "The Transactions" Opinion of Financial Advisor to Graphic.

In making its determination to approve the transaction agreement and the transactions, the Graphic board of directors did not assign any relative or specific weights to the various factors that it considered in reaching its determination that the transaction agreement and the transactions are advisable, fair to, and in the best interests of, Graphic and Graphic stockholders. Rather, the Graphic board of directors viewed its position and recommendation as being based on the totality of the information presented to it, and the factors it considered. In addition, individual members of the Graphic board of directors, in making their decisions, may have given different weight to different information and factors.

Opinion of Financial Advisor (Page 40)

On July 9, 2007, Goldman Sachs delivered its opinion to Graphic's board of directors that, as of July 9, 2007 and based upon and subject to the factors and assumptions set forth in the opinion, the 139,445,038 shares of New Graphic common stock, taken in the aggregate, to be issued by New Graphic in exchange for 100% of the outstanding equity interests in BCH pursuant to the transaction agreement was fair from a financial point of view to Graphic.

The full text of the written opinion of Goldman Sachs, dated July 9, 2007, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex G. Goldman Sachs provided its advisory services and opinion for the information and assistance of Graphic's board of directors in connection with its consideration of the transactions. The Goldman Sachs opinion is not a recommendation as to how any holder of Graphic common stock should vote with respect to such transactions or any other matter. Pursuant to an engagement letter between Graphic and Goldman Sachs, Graphic has agreed to pay Goldman Sachs a transaction fee of \$20 million, all of which is payable only upon consummation of the transactions.

Interests of Certain Persons (Page 51)

In considering the recommendation of the Graphic board of directors with respect to the transaction agreement and the transactions, Graphic stockholders should be aware that some of Graphic's executive officers and directors have interests in the transactions and have arrangements that are different from, or in addition to, those of Graphic stockholders generally. The Graphic board of directors was aware of these interests, which include the vesting of certain equity compensation awards, arrangements under certain executive officer employment agreements, continuing board positions, indemnification obligations and reimbursement of certain legal fees, and considered them, among other matters, in reaching its decisions to approve the transaction agreement and the transactions and to recommend that Graphic stockholders vote in favor of adopting the transaction agreement and approving the transactions.

Conditions to the Transactions (Page 63)

The obligations of the parties to complete the transactions are subject to, among others, the following conditions:

the adoption of the transaction agreement and the approval of the transactions by Graphic stockholders;

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no law, order or judgment having been issued, enacted, entered or enforced by any court or other governmental authority preventing or making illegal the consummation of the transactions;

the expiration or termination of any waiting period applicable to the transactions in respect of filings by Graphic and BCH under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act).

the approval of the listing on the NYSE of New Graphic common stock to be issued in connection with the transactions;

the registration statement of which this proxy statement/prospectus forms a part shall have become effective under the Securities Act of 1933, as amended (the Securities Act) and shall not be the subject of any stop order or proceedings seeking a stop order; and

other customary conditions set forth in the transaction agreement, including the receipt of tax opinions, the accuracy of the representations and warranties, and the performance of obligations under the transaction agreement having been satisfied or waived.

Regulatory Approvals (Page 53)

The transaction agreement requires that Graphic and BCH submit filings with, and obtain certain orders or approvals from the Federal Trade Commission and the Department of Justice (DOJ) pursuant to the HSR Act and the German Cartel Office. Clearance of the transactions from the German Cartel Office was received on August 28, 2007. A request was received on August 22, 2007 for additional information, commonly referred to as a second request, from the Antitrust Division of the DOJ regarding the transactions. The second request extends the waiting period imposed by the HSR Act until 30 days after the second request has been substantially complied with, unless that period is extended voluntarily by the parties or terminated sooner by the DOJ. On November 2, 2007, Graphic and BCH certified to the DOJ that they had substantially complied with the second request. At the request of the DOJ, Graphic and BCH have voluntarily agreed to extend the waiting period imposed by the HSR Act until December 31, 2007.

No Solicitation (Page 65)

The transaction agreement generally prohibits Graphic, BCH and each Seller from directly or indirectly soliciting or participating in discussions or negotiations regarding any takeover proposal other than the transactions. If, however, prior to obtaining its stockholders approval of the transactions, Graphic receives an unsolicited bona fide, written takeover proposal that the Graphic board of directors determines in good faith, after consultation with its legal advisor and financial advisor, would reasonably be expected to result in a superior proposal, as described herein, Graphic may furnish information to the person making such takeover proposal and participate in discussions or negotiations regarding such takeover proposal, if and only to the extent that the Graphic board of directors concludes in good faith, after consultation with its counsel, that the failure to take such action would be reasonably expected to violate its fiduciary duties under applicable law.

Termination (Page 67)

The transaction agreement may be terminated at any time prior to the occurrence of the transactions under any of the following circumstances:

by mutual consent of the Sellers Representative (as defined herein) and Graphic;

by either the Sellers Representative or Graphic if:

any governmental law or order prohibiting the completion of the transactions becomes final;

the transactions have not been completed by March 31, 2008 (which date may be extended to May 31, 2008 if the delay is the result of the failure to obtain antitrust approvals);

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Graphic stockholders fail to adopt the transaction agreement and approve the transactions at the special meeting; or

there shall have been a breach by the other party of any of the covenants, agreements, representations or warranties of such other party contained in the transaction agreement in a material way; or

by the Sellers Representative if the Graphic board of directors (i) changes its recommendation regarding the transaction agreement and the transactions or (ii) fails to publicly reaffirm its recommendation regarding the transaction agreement and the transactions or if Graphic otherwise breaches certain provisions of the transaction agreement relating to its obligations not to solicit alternative takeover proposals.

Termination Fees (Page 68)

If the transaction agreement is terminated in certain circumstances in which the Graphic board of directors adversely changes its recommendation regarding the transaction agreement and the transactions or takes certain other specified actions, Graphic may be required to pay BCH a termination fee of \$35,000,000. If the transaction agreement is terminated in certain circumstances in which a takeover proposal has been made prior to the transaction agreement being terminated, but the takeover proposal is not consummated, Graphic may be required to pay BCH an amount equal to the documented out-of-pocket fees and expenses of BCH incurred by BCH and the Sellers in connection with the transaction agreement and the transactions, up to a maximum amount of \$5,000,000. If within 12 months of such termination Graphic consummates or enters into a binding written agreement with respect to a takeover proposal, Graphic shall pay BCH the excess of the difference between \$35,000,000 and any out-of-pocket expenses previously paid.

Financing (Page 58)

Graphic currently expects to complete the following financing transactions through its wholly-owned subsidiary, Graphic Packaging International, Inc., in connection with the transactions:

The closing of a new \$1.2 billion senior secured term loan facility to refinance the outstanding amounts under BCH's existing first and second lien credit facilities.

The closing of a \$400 million revolving credit facility.

Assuming hypothetically the transaction closed on September 30, 2007, Graphic and BCH currently expect that approximately \$1.2 billion of borrowings and cash-on-hand would have been required to consummate the refinancing of BCH's existing indebtedness and pay fees and expenses related to the financing and the transactions with approximately \$1.1 billion expected to be drawn under the new senior secured term loan facility and approximately \$8 million expected to be drawn under the revolving credit facility. With the new borrowings, Graphic and BCH expect that all outstanding amounts under BCH's existing first and second lien credit facilities (estimated to be approximately \$1.1 billion at the time of the transactions) will be repaid in full and such BCH credit facilities will be terminated. Undrawn amounts under the revolving credit facility will be available on a revolving credit basis for general corporate purposes of the borrower and its subsidiaries.

The indentures governing Graphic Packaging International Inc.'s 8.5% Senior Notes and 9.5% Senior Subordinated Notes do not prohibit the consummation of the transactions. Both of Graphic Packaging International, Inc.'s 8.5% Senior Notes and 9.5% Senior Subordinated Notes will remain outstanding without amendment after the consummation of the transactions.

No Dissenters Rights (Page 32)

Although Graphic stockholders that are not subject to the voting agreement may vote against adoption of the transaction agreement and approval of the transactions, under no circumstances are holders of Graphic common stock entitled to dissenters' rights of appraisal under Delaware law in connection with the transactions.

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Material U.S. Federal Income Tax Consequences (Page 53)

The parties have structured the transactions to qualify as exchanges under Section 351 of the Internal Revenue Code or a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The exchange of Graphic shares for New Graphic shares will generally not be taxable to Graphic stockholders. The completion of the transactions is conditioned upon, among other things, Graphic receiving an opinion of Alston & Bird LLP regarding the tax treatment of the transactions and BCH receiving an opinion of Simpson Thacher & Bartlett LLP regarding the tax treatment of the transactions.

Tax matters are very complicated and the tax consequences of the transactions to each Graphic stockholder will depend on such stockholder's particular facts and circumstances. **Graphic stockholders are urged to consult their tax advisors to understand fully the tax consequences to them of the transactions.**

Restated Certificate of Incorporation and Amended and Restated By-laws (Page 133)

Effective upon the closing of the transactions, New Graphic's certificate of incorporation and by-laws will be amended (as amended, New Graphic's certificate of incorporation and New Graphic's by-laws, respectively) to set forth certain rights, preferences, powers and restrictions of the capital stock of New Graphic and will govern certain aspects of the internal affairs of New Graphic. A summary of these rights is set forth in Description of New Graphic Capital Stock. New Graphic's certificate of incorporation and New Graphic's by-laws, in the forms which give effect to certain changes contemplated in connection with the merger, are attached as Annex B and Annex C, respectively, to this proxy statement/prospectus.

You are urged to read these documents, as they will govern your rights as a stockholder of New Graphic, which will be different from your rights currently as a Graphic stockholder. For further discussion regarding these differences, please see Comparison of Rights of Graphic Stockholders and New Graphic Stockholders.

The Stockholders Agreement (Page 73)

Certain entities that will be significant stockholders of New Graphic after the completion of the transactions, which we refer to as the covered stockholders, have entered into a stockholders agreement that will become effective upon completion of the transactions. The covered stockholders are the Coors Family Stockholders, the CDR Fund, EXOR, Field Holdings, Inc. and the TPG Entities. The stockholders agreement is attached as Annex E to this proxy statement/prospectus, and you are urged to read the stockholders agreement in its entirety. The stockholders agreement, among other things: (i) provides the covered stockholders certain rights to designate members of New Graphic's board of directors; (ii) restricts the ability of the covered stockholders to transfer their shares of New Graphic common stock; and (iii) limits the covered stockholders from acquiring additional shares of New Graphic common stock and from taking certain other actions with respect to New Graphic described herein.

The Registration Rights Agreement (Page 77)

The covered stockholders, certain other individuals who will become stockholders of New Graphic and New Graphic have entered into a registration rights agreement that will become effective upon completion of the transactions. The registration rights agreement is attached as Annex F to this proxy statement/prospectus, and you are urged to read the registration rights agreement in its entirety. The registration rights agreement, among other things, provides the parties thereto with the right to request registration of their New Graphic common stock with the SEC and/or participate in registered offerings of common stock by New Graphic under certain circumstances described herein.

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**SUMMARY HISTORICAL AND UNAUDITED PRO FORMA
CONDENSED CONSOLIDATED/COMBINED FINANCIAL DATA**

Summary Historical Consolidated Financial Data of Graphic

The following summary historical consolidated financial data of Graphic as of December 31, 2006 and 2005 and for the years ended December 31, 2006, 2005 and 2004 have been derived from Graphic's audited consolidated financial statements incorporated by reference in this proxy statement/prospectus. The following summary historical consolidated financial data of Graphic as of December 31, 2004, 2003 and 2002 and for the years ended December 31, 2003 and 2002 have been derived from Graphic's audited consolidated financial statements which are not included in, or incorporated by reference in, this proxy statement/prospectus. The following summary historical consolidated financial data of Graphic as of September 30, 2007 and for the nine months ended September 30, 2007 and 2006 have been derived from Graphic's unaudited condensed consolidated financial statements incorporated by reference in this proxy statement/prospectus. Graphic's unaudited condensed consolidated financial statements were prepared on a basis consistent with that used in preparing its audited consolidated financial statements and include all material adjustments that, in the opinion of Graphic's management, are necessary for a fair presentation of Graphic's financial position and results of operations for the unaudited periods. The summary historical consolidated financial data of Graphic set forth below should be read in conjunction with Graphic's Management's Discussion and Analysis of Financial Condition and Results of Operations and Graphic's historical consolidated financial statements and the notes thereto included in its Current Report on Form 8-K filed on November 27, 2007, and in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007, each incorporated by reference herein. Historical results are not necessarily indicative of results that may be expected for any future period. The historical results of Graphic are not necessarily indicative of the results that may be expected for New Graphic for any future period.

Nine Months Ended September 30, 2007 2006 (unaudited)	2006	Years Ended December 31,			2002
		2005	2004	2003(a)	

In millions, except per share amounts

Statement of Operations Data:

Net Sales	\$ 1,819.3	\$ 1,756.0	\$ 2,321.7	\$ 2,294.3	\$ 2,295.5	\$ 1,591.6	\$ 1,170.8
Cost of Sales	1,555.6	1,521.5	2,020.6	1,985.9	1,944.6	1,319.2	921.3
Selling, General and Administrative	141.5	147.4	197.0	203.0	198.4	149.4	114.2
Research, Development and Engineering	6.7	8.3	10.8	9.2	8.7	6.6	4.5
Other Expense (Income), Net	2.1	0.4	(0.5)	9.7	32.2	17.7	(0.6)
Income from Operations	113.4	78.4	93.8	86.5	111.6	98.7	131.4
Interest Income	0.3	0.5	0.6	0.6	0.5	0.9	1.3
Interest Expense	(127.8)	(127.8)	(172.0)	(156.4)	(148.1)	(143.7)	(146.8)
Loss of Early Extinguishment of Debt	(9.5)					(45.3)	(11.5)
Loss before Income Taxes and Equity in Net Earnings of Affiliates	(23.6)	(48.9)	(77.6)	(69.3)	(36.0)	(89.4)	(25.6)

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Income Tax Expense	(19.1)	(15.3)	(20.8)	(22.0)	(28.6)	(12.7)	(30.9)
Loss before Equity in Net Earnings of Affiliates	(42.7)	(64.2)	(98.4)	(91.3)	(64.6)	(102.1)	(56.5)
Equity in Net Earnings of Affiliates	0.7	0.8	1.0	1.2	1.4	1.4	1.0
Loss from Continuing Operations	(42.0)	(63.4)	(97.4)	(90.1)	(63.2)	(100.7)	(55.5)
(Loss) Income from Discontinued Operations, Net of Taxes	(31.9)	(1.2)	(3.1)	(1.0)	2.3	5.0	6.5
Net Loss	(73.9)	(64.6)	(100.5)	(91.1)	(60.9)	(95.7)	(49.0)
Loss Per Share Basic:							
Continuing Operations	(0.21)	(0.31)	(0.48)	(0.45)	(0.32)	(0.68)	(0.48)
Discontinued Operations	(0.16)	(0.01)	(0.02)	(0.01)	0.01	0.03	0.05
Total	(0.37)	(0.32)	(0.50)	(0.46)	(0.31)	(0.65)	(0.43)
Loss Per Share Diluted:							
Continuing Operations	(0.21)	(0.31)	(0.48)	(0.45)	(0.32)	(0.68)	(0.48)
Discontinued Operations	(0.16)	(0.01)	(0.02)	(0.01)	0.01	0.03	0.05
Total	(0.37)	(0.32)	(0.50)	(0.46)	(0.31)	(0.65)	(0.43)
Weighted Average Shares Outstanding:							
Basic	201.7	200.5	201.1	200.0	198.9	148.3	115.1
Diluted	201.7	200.5	201.1	200.0	198.9	148.3	115.1

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	Nine Months Ended		Years Ended December 31,				2002
	2007	2006	2006	2005	2004	2003(a)	
	(unaudited)						
	In millions, except per share amounts						
Balance Sheet Data:							
Cash and Cash Equivalents	10.2	4.9	7.3	12.7	7.3	17.5	13.8
Total Assets	3,187.7	3,307.5	3,233.6	3,356.0	3,465.3	3,612.0	2,251.2
Total Debt	1,949.7	1,977.2	1,922.7	1,978.3	2,025.2	2,154.6	1,528.4
Total Shareholders Equity	125.3	214.1	181.7	268.7	386.9	438.4	87.8
Other Data:							
Depreciation and Amortization	144.6	141.9	188.5	198.8	223.1	154.6	129.0
Capital Spending(b)	61.6	63.8	94.5	110.8	149.1	136.6	56.0

(a) Graphic (formerly known as Riverwood Holding, Inc.) was incorporated on December 7, 1995 under the laws of the State of Delaware. On August 8, 2003, the corporation formerly known as Graphic Packaging International Corporation (GPIC) merged with and into Riverwood Acquisition Sub LLC, a wholly-owned subsidiary of Riverwood Holding, Inc. (Riverwood Holding), with Riverwood Acquisition Sub LLC as the surviving entity. Riverwood Acquisition Sub LLC then merged into Riverwood Holding, which was renamed Graphic Packaging Corporation.

(b) Includes capitalized interest and amounts invested in packaging machinery.

Table of Contents**Summary Historical Consolidated Financial Position of BCH**

Altivity Packaging, LLC (formerly known as Bluegrass Container Company, LLC) (Altivity, or the Successor), a Delaware limited liability company and a wholly-owned subsidiary of BCH, purchased substantially all of the assets of the Consumer Packaging Division (CPD or the Predecessor) of Smurfit-Stone Container Enterprises, Inc. (SSCE), a wholly-owned subsidiary of Smurfit-Stone Container Corporation (SCCC) (the CPD acquisition). BCH is majority-owned by investment vehicles affiliated with TPG Capital, L.P. (TPG). Bluegrass completed the CPD acquisition on June 30, 2006. On August 16, 2006, Bluegrass completed the acquisition of substantially all of the operational assets of Field Holdings, Inc., a Delaware corporation, Field Container Company, L.P., a Delaware limited partnership and Field Container Management Corporation, a Delaware corporation (collectively, the Field Companies) (the Field acquisition).

The following summary historical consolidated financial data of BCH, the company that holds all of the equity interests of Altivity, as of December 31, 2006 and 2005 and for the period from July 1, 2006 to December 31, 2006, the period from January 1, 2006 to June 30, 2006 and for the years ended December 31, 2005 and 2004 have been derived from BCH's audited consolidated financial statements included in this proxy statement/prospectus. The following summary historical consolidated financial data of BCH as of December 31, 2004 and 2003 and for the year ended December 31, 2003 have been derived from BCH's audited consolidated financial statements which are not included in this proxy statement/prospectus. The following summary historical consolidated financial data of BCH as of September 30, 2007 and 2006 and for the nine months ended September 30, 2007 and three months ended September 30, 2006 have been derived from BCH's unaudited condensed consolidated financial statements included in this proxy statement/prospectus. BCH's unaudited condensed consolidated financial statements were prepared on a basis consistent with that used in preparing its audited consolidated financial statements and include all material adjustments that, in the opinion of BCH's management, are necessary for a fair presentation of BCH's financial position and results of operations for the unaudited periods. Financial data as of December 31, 2002 and for the fiscal year ended December 31, 2002 is unavailable and has not been presented. As noted above, Altivity was created by the acquisition and combination of CPD, a division of SCCC, a publicly held company, and the privately held Field Companies. When Altivity acquired CPD, SCCC had only prepared audited financial statements for CPD as of December 31, 2005 and 2004 and for each of the three years in the period ended December 31, 2005. Information for 2002 is unavailable and cannot be provided without unreasonable effort and expense. The omission of this data does not have a material impact on the reader's understanding of BCH's financial results and related trends.

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The summary historical consolidated financial data of BCH set forth below should be read in conjunction with BCH's Management's Discussion and Analysis of Financial Condition and Results of Operations and BCH's historical consolidated financial statements and the notes thereto included in this proxy statement/prospectus. Historical results are not necessarily indicative of results that may be expected for any future period. The historical results of BCH are not necessarily indicative of the results that may be expected for New Graphic for any future period.

	Successor				Predecessor		
	Successor Nine Months Ended September 30, 2007	Three Months Ended September 30, 2006	July 1, 2006 to December 31, 2006	January 1, 2006 to June 30, 2006	Years Ended December 31, 2005 2004 2003		
	(unaudited)	(unaudited)					
	In millions						
Statement of Operations Data:							
Net Sales	\$ 1,527.7	\$ 463.0	\$ 964.2	\$ 789.4	\$ 1,584.4	\$ 1,541.2	\$ 1,520.2
Cost of Sales	1,321.8	416.0	881.3	699.0	1,381.1	1,338.2	1,316.8
Selling, General and Administrative Litigation Charge	141.5	37.0	89.7	75.4	141.0	137.9	136.5
Restructuring Charges					4.0		
Loss (Gain) on Sale of Assets	(0.1)			(0.1)	(0.1)	0.1	0.1
Gain on Insurance Claim	(1.3)						
Income (Loss) from Operations	65.8	10.0	(6.8)	15.1	53.4	63.1	56.0
Interest Expense, Net Other (Expense)	(71.6)	(22.0)	(45.8)	(0.6)	(1.2)	(0.9)	(0.8)
Income, Net	(0.5)	1.0	(0.4)		0.1	0.2	0.4
Income (Loss) before Income Taxes and Cumulative Effect of Accounting Change	(6.3)	(11.0)	(53.0)	14.5	52.3	62.4	55.6
Income Tax Expense	(1.6)	(0.3)	(0.5)	(5.8)	(20.9)	(24.8)	(22.1)
Income (Loss) before Cumulative Effect of Accounting Change	(7.9)	(11.3)	(53.5)	8.7	31.4	37.6	33.5
Cumulative Effect of Accounting Change							(0.1)
Net (Loss) Income	(7.9)	(11.3)	(53.5)	8.7	31.4	37.6	33.4
Balance Sheet Data:							
Cash and Cash Equivalents	85.9	77.3	99.2				0.1

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Total Assets	1,679.8	1,764.2	1,671.2	836.0	821.8	841.8	830.1
Total Debt	1,157.0	1,165.5	1,163.3	17.0	16.9	17.6	10.6
Total Equity	232.5	332.5	244.5	615.0	576.6	587.9	596.3
Other Data:							
Depreciation and							
Amortization	67.7	17.7	42.5	20.4	40.4	39.5	36.8
Capital Spending	53.8	8.9	21.4	39.0	37.9	31.5	37.8

Table of Contents**Summary Unaudited Pro Forma Condensed Combined Financial Data of New Graphic (Page 76)**

The following summary unaudited pro forma condensed combined statement of operations data of New Graphic for the year ended December 31, 2006 and for the nine months ended September 30, 2007 give effect to the transactions as if they had been completed on January 1, 2006. The following summary unaudited pro forma condensed combined balance sheet data of New Graphic as of September 30, 2007 give effect to the transactions as if they had been completed on September 30, 2007.

The summary unaudited pro forma condensed combined financial data of New Graphic for the year ended December 31, 2006 and as of and for the nine months ended September 30, 2007 are based on the unaudited pro forma condensed combined financial information set forth elsewhere in this proxy statement/prospectus. See Unaudited Pro Forma Condensed Combined Financial Information. Such financial data does not purport to reflect what New Graphic's actual results of operations and financial position would have been had the transactions in fact occurred (i) as of January 1, 2006 (in the case of the unaudited pro forma condensed combined statement of operations data for the year ended December 31, 2006 and the nine months ended September 30, 2007) or (ii) as of September 30, 2007 (in the case of the unaudited pro forma condensed combined balance sheet data as of September 30, 2007), nor are they necessarily indicative of the results of operations that New Graphic may achieve in the future.

The summary unaudited pro forma condensed combined financial data of New Graphic set forth below should be read in conjunction with Graphic's Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and the notes thereto included in Graphic's Current Report on Form 8-K filed on November 27, 2007, and in Graphic's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2007, each incorporated by reference herein. The summary unaudited pro forma condensed combined financial data of New Graphic set forth below should also be read in conjunction with Unaudited Pro Forma Condensed Combined Financial Information and the historical financial statements of BCH and the notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations of BCH included in this proxy statement/prospectus. The historical results of Graphic and BCH are not necessarily indicative of the results that may be expected for New Graphic for any future period.

The pro forma financial information included herein does not include adjustments for any transactions other than the transactions contemplated by the transaction agreement. The financial condition, results of operations and cash flows of the Field Companies have not been included in the combined financial statements of BCH as of any dates or for any periods prior to its acquisition by BCH.

	Nine Months Ended September 30, 2007	Year Ended December 31, 2006
	In millions, except per share data	
Statement of Operations Information		
Net Sales	\$ 3,314.5	\$ 4,273.0
Income from Operations	154.7	74.4
Loss per Basic and Diluted Share	(0.17)	(0.44)
Balance Sheet Information		
Cash and Cash Equivalents	10.2	
Total Assets	5,256.9	
Total Debt	3,064.8	

Total Shareholders Equity

787.0

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The following table shows selected historical per share data for Graphic and unaudited pro forma per share data for New Graphic. The pro forma data gives effect to the transactions as if they had occurred on January 1, 2006. We compute basic earnings per share based upon the weighted average number of shares of Graphic common stock outstanding during the period presented. We include options to purchase shares of Graphic common stock and restricted stock units or other securities convertible into shares of Graphic common stock granted to Graphic's directors, officers and employees in the computation only after the options or stock units become fully vested and only if Graphic or New Graphic has positive net income. We compute diluted earnings per share based upon the weighted average number of shares of Graphic common stock and dilutive common stock equivalents outstanding during the periods presented. The diluted earnings per share computations include the dilutive impact of options to purchase common stock which were outstanding during the period calculated by the treasury stock method, unvested stock grants and other restricted awards to directors, officers and employees. The pro forma data gives effect to the issuance of the total number of shares to be issued in the transactions (based on the weighted average number of shares outstanding during the year ended December 31, 2006 and the nine months ended September 30, 2007).

	As of and for the Nine Months Ended September 30, 2007 (Unaudited)	As of and for the Year Ended December 31, 2006
Basic earnings per share Continuing Operations		
Historical	\$ (0.21)(1)	\$ (0.48)(2)
Pro forma	(0.17)	(0.44)
Diluted earnings per share Continuing Operations		
Historical	(0.21)(1)	(0.48)(2)
Pro forma	(0.17)	(0.44)
Dividends per share		
Historical		
Pro forma		
Book value per share		
Historical	0.62	0.91
Pro forma	2.30	

(1) Amounts derived from Graphic's unaudited condensed consolidated financial statements as of, and for the nine months ended September 30, 2007.

(2) Amounts derived from Graphic's audited consolidated financial statements as of, and for the year ended December 31, 2006.

Table of Contents**PER SHARE MARKET PRICE INFORMATION****Historical Price Range of Graphic Common Stock**

Graphic common stock is traded on the NYSE under the symbol GPK. The following table shows the high and low sales prices per share of Graphic common stock for the periods indicated, as reported on the NYSE composite transaction tape. On July 9, 2007, the last trading day before the public announcement of the execution of the transaction agreement, the last reported sale price of Graphic common stock was \$4.89 per share. On [1], 2007, the last reported sale price of Graphic common stock was \$[1] per share. As of [1], 2007, Graphic common stock was held by [1] holders of record and, as of [1], 2007, the number of outstanding shares of Graphic common stock was [1]. The historical range of the high and low sales price per share for each quarter of 2007 (year to date), 2006 and 2005 are as follows:

	High	Low
2007		
First Quarter	\$ 6.04	\$ 4.11
Second Quarter	\$ 5.40	\$ 4.52
Third Quarter	\$ 6.10	\$ 4.07
Fourth Quarter (through [1], 2007)	\$ [1]	\$ [1]
2006		
First Quarter	\$ 3.00	\$ 1.94
Second Quarter	\$ 4.09	\$ 2.09
Third Quarter	\$ 4.09	\$ 3.20
Fourth Quarter	\$ 4.57	\$ 3.45
2005		
First Quarter	\$ 7.42	\$ 4.26
Second Quarter	\$ 4.63	\$ 2.98
Third Quarter	\$ 3.97	\$ 2.72
Fourth Quarter	\$ 3.04	\$ 2.09

Dividend Policy

No dividends have been paid since 1996 to the Graphic common stockholders. New Graphic does not intend to pay dividends at this time. Additionally, Graphic's credit facilities and the indentures governing its debt securities place substantial limitations on Graphic's ability to pay cash dividends on its common stock.

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RISK FACTORS

Risks Related to the Transactions

In addition to the other information included or incorporated by reference in this proxy statement/prospectus, Graphic stockholders should carefully consider the matters described below to determine whether to vote to adopt the transaction agreement and approve the transactions. Many of the risks described below are present with Graphic's current business activities and opportunities and will continue after the completion of the transactions.

The anticipated benefits of combining the operations of Graphic and Altivity may not be realized, and New Graphic may face difficulties integrating Altivity's operations.

Graphic and BCH entered into the transaction agreement with the expectation that the transactions would result in various benefits, including, among other things, cost synergies and operating efficiencies. However, the achievement of the anticipated benefits of the transactions, including the cost synergies, cannot be assured or may take longer than expected. In addition, New Graphic may not be able to integrate Altivity's operations with Graphic's existing operations without encountering difficulties, including:

inconsistencies in standards, systems and controls;

the diversion of management's focus and resources from ordinary business activities and opportunities;

difficulties in achieving expected cost savings associated with the transactions;

difficulties in the assimilation of employees and in creating a unified corporate culture;

challenges in retaining existing customers and obtaining new customers; and

challenges in attracting and retaining key personnel.

These risks may be exacerbated by the fact that Altivity is the result of the combination of the Smurfit-Stone Container Corporation's Consumer Packaging Division and the Field Companies in 2006, and Altivity continues to integrate these predecessor companies and receive integration support from Smurfit-Stone Container Corporation. As a result of these risks, New Graphic may not be able to realize the expected revenue and cash flow growth and other benefits that it expects to achieve from the transactions. In addition, New Graphic may be required to spend additional time or money on integration efforts that would otherwise have been spent on the development and expansion of its business and services.

Graphic and Altivity will be subject to business uncertainties and contractual restrictions in advance of the transactions, which could have a material adverse effect on their businesses.

Uncertainty about the effect of the transactions on customers or suppliers could cause customers, suppliers and others that deal with Graphic and Altivity to seek to change existing business relationships with Graphic and Altivity prior to the close of the transactions, which may have an adverse effect on New Graphic. In addition, if key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain an employee of New Graphic, New Graphic's business could be materially affected. Further, the transaction agreement restricts Graphic and Altivity, without the other party's consent, from making certain acquisitions and taking other specified actions until the transactions occur or the transaction agreement terminates. These restrictions may prevent Graphic

and Altivity from pursuing otherwise attractive business opportunities and making other changes to their businesses that may arise prior to completion of the transactions or termination of the transaction agreement.

The failure to complete the transactions could cause Graphic to incur significant fees and expenses and could lead to negative perceptions among investors, potential investors and customers.

In the event the transactions are not completed, Graphic may bear certain fees and expenses associated with the transactions that would not be offset by any benefits from the transactions, in addition to the

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significant costs incurred prior to any termination of the transaction agreement. In addition, investors, potential investors and customers may consider the failure to complete the transactions to be a significantly negative development regarding Graphic. The market price of Graphic common stock may reflect positive market assumptions that the transactions will be completed and the related benefits will be realized. As a consequence of any or all of the foregoing, Graphic's stock price may be negatively impacted by the failure to complete the transactions.

Graphic may waive one or more of the conditions to the transaction agreement that is important to you without your approval.

Each of the conditions to Graphic's obligation to complete the transactions may be waived, in whole or in part, by Graphic, to the extent permitted by applicable law. Graphic's board of directors will evaluate the materiality of any waiver to determine whether amendment of this proxy statement/prospectus and resolicitation of proxies is necessary. If Graphic's board of directors determines that a waiver is not significant enough to require resolicitation of its stockholders' proxies, it will have the discretion to complete the transactions without seeking further stockholder approval. See The Transaction Agreement and Agreement and Plan of Merger Conditions. Because certain conditions may not be satisfied prior to the date of the special meeting, there is a risk that Graphic's board of directors may waive a condition that is important to you without your approval.

The transactions are subject to various regulatory approvals, approval by Graphic stockholders and other customary closing conditions prior to consummation.

The transactions, which have been unanimously approved by the boards of directors of Graphic and New Graphic and the board of managers of BCH, are subject to various regulatory approvals, approval by Graphic's stockholders and other customary closing conditions. If the necessary approvals are not obtained by the contractual deadline of March 31, 2008 (which date may be extended to May 31, 2008 if the delay is the result of the failure to obtain antitrust approvals), the transactions may not be completed, which could cause Graphic's earnings or stock price to decline.

With respect to the approval required from the Federal Trade Commission and the Antitrust Division of the DOJ, a request was received on August 22, 2007 for additional information, commonly referred to as a second request, from the Antitrust Division of the DOJ regarding the transactions. The second request extends the waiting period imposed by the HSR Act until 30 days after the second request has been substantially complied with, unless that period is extended voluntarily by the parties or terminated sooner by the DOJ. On November 2, 2007, Graphic and BCH certified to the DOJ that they had substantially complied with the second request. At the request of the DOJ, Graphic and BCH have voluntarily agreed to extend the waiting period imposed by the HSR Act until December 31, 2007. In addition, the DOJ, the Federal Trade Commission or others could take additional action under the antitrust laws with respect to the transactions, including seeking to enjoin the consummation of the transactions before the effective time of the transactions or to impose conditions on, or to require divestitures relating to, the divisions, operations or assets of Graphic or BCH. These conditions or divestitures may jeopardize or delay completion of the transactions or may reduce the benefits of the transactions and negatively impact the pro forma financial information included in this proxy statement/prospectus. Even if all governmental approvals are obtained, no assurance can be given as to the terms, conditions and timing of the governmental approvals.

Certain directors and executive officers of Graphic may have interests in the transactions different from, or in addition to, the interests of other stockholders of Graphic.

Certain of the directors and executive officers of Graphic are parties to agreements or participate in other arrangements that give them interests in the transactions that are different from, or in addition to, your interests as a stockholder of Graphic. In voting on the adoption of transaction agreement and approval of the transactions, you should consider whether these interests may have influenced the decisions of Graphic's directors and executive officers

in pursuing, executing, approving and recommending the transaction agreement and the transactions. These different interests include vesting of certain equity compensation awards,

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arrangements under certain executive officer employment agreements, continuing board positions, indemnification obligations and reimbursement of certain legal fees and are described under The Transaction Interests of Graphic s Directors and Executive Officers in the Transactions.

Neither New Graphic nor its stockholders will have the protection of any indemnification, escrow, price adjustment or other provisions that allow for a post-closing adjustment to be made to the transaction consideration in the event that any of the representations and warranties made by BCH or the Sellers in the transaction agreement ultimately proves to be inaccurate or incorrect.

As is often the case in stock for stock transactions, the representations and warranties made by Graphic and BCH to each other in the transaction agreement will not survive the completion of the transactions. As a result, Graphic and its stockholders will not have the protection of any indemnification, escrow, price adjustment or other provisions that allow for a post-closing adjustment to be made to the transaction consideration if any representation or warranty made by BCH or Sellers in the transaction agreement proves to be inaccurate or incorrect. Accordingly, to the extent such representation or warranties are incorrect, our financial condition or results of operations could be adversely affected.

Risks Relating to the Business of New Graphic

After completion of the transactions, New Graphic will be subject to many risks and uncertainties. Many of these risks are substantially similar to the risks currently faced by Graphic. New Graphic s risks and uncertainties include the following.

New Graphic will have significant debt that could negatively impact its business, and its credit ratings are anticipated to be less than investment grade.

New Graphic will be highly leveraged and will have pledged substantially all of its assets to secure its debt. Assuming hypothetically that the transactions were closed on September 30, 2007, on that date New Graphic would have total pro forma net debt (defined as total debt minus cash and cash equivalents) of \$3.1 billion, which includes:

debt outstanding under New Graphic s credit agreement, as amended or amended and restated in connection with the transactions, which is expected to include term loans in an aggregate outstanding principal amount at the time of the consummation of the transactions equal to \$2.2 billion and revolving loans in an aggregate outstanding principal amount equal to approximately \$8 million;

\$425 million of 8.5% Senior Notes;

\$425 million of 9.5% Senior Subordinated Notes; and

approximately \$10.2 million of other debt.

New Graphic s significant level of debt could:

make it difficult to satisfy its financial obligations, including debt service requirements;

limit its ability to obtain additional financing to operate its business;

limit its financial flexibility in planning for and reacting to business and industry changes;

impact the evaluation of its creditworthiness by counterparties to commercial agreements;

place it at a competitive disadvantage compared to less leveraged companies;

increase its vulnerability to general adverse economic and industry conditions, including changes in interest rates and volatility in commodity prices; and

require it to dedicate a substantial portion of its cash flows to payments on its debt, thereby reducing the availability of its cash flow for other purposes including its operations, capital expenditures and future business opportunities.

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New Graphic may incur additional indebtedness as part of completing the transactions and in the future. If new debt is added to the current debt levels of New Graphic and its subsidiaries, the related risks that New Graphic and its subsidiaries face could increase significantly.

The payment of dividends on New Graphic common stock will be restricted and, moreover, subject to the discretion of New Graphic's board of directors.

The financing agreements under which certain of New Graphic's subsidiaries will be borrowers and New Graphic will be a guarantor will contain certain restrictions on the payment of dividends on New Graphic common stock similar to those to which Graphic is currently subject. See Per Share Market Price Information Dividend Policy. Moreover, even if permitted under New Graphic's financing agreements, dividend payments on New Graphic common stock will be at the discretion of New Graphic's board of directors. Graphic has not paid a dividend on its common stock since 1996, and New Graphic does not intend to pay dividends at this time.

New Graphic's access to the capital markets may be limited.

New Graphic will be a highly leveraged company that may require additional capital from time to time. Unlike those companies in New Graphic's industry that are investment grade and for which the capital markets are typically open, New Graphic's access to the capital markets may be limited (following the closing of the transactions). Moreover, the timing of any capital-raising transaction may be impacted by unforeseen events, such as strategic growth opportunities, which could require New Graphic to pursue additional capital in the near term. New Graphic's ability to obtain capital and the costs of such capital are dependent on numerous factors, including:

- general economic and capital market conditions;
- covenants in its existing debt and credit agreements;
- credit availability from banks and other financial institutions;
- investor confidence in New Graphic;
- its consolidated financial performance;
- its levels of indebtedness;
- its maintenance of acceptable credit ratings;
- its cash flow;
- provisions of tax and securities laws that may impact raising capital; and
- its long-term business prospects.

New Graphic may not be successful in obtaining additional capital for these or other reasons. An inability to access capital may limit New Graphic's ability to pursue development projects, plant improvements or acquisitions that it may rely on for future growth and to comply with regulatory requirements and, as a result, may have a material adverse effect on New Graphic's financial condition, results of operations and cash flows, and on its ability to execute its business strategy.

New Graphic will be dependent on key customers and strategic relationships, and the loss of or reduced sales to key customers or changes in these relationships could result in decreased revenues, lower cash flows and harm New Graphic's financial position.

The loss of one or more key customers or strategic relationships, or a declining market in which these customers reduce orders or request reduced prices, may result in decreased revenues, negatively impact New Graphic's cash flows and harm its financial condition. New Graphic's success will depend upon its relationships with the key customers of Graphic and Altivity, including Anheuser-Busch Companies, SABMiller plc, Molson Coors Brewing Company, numerous Coca-Cola and Pepsi bottling companies, Inbev, Asahi

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Breweries, Kraft Foods, Inc., General Mills, Inc. Nestle Group, Unilever, PepsiCo, Inc., The Schwann's Food Company, and Perseco, among others. Graphic's top ten customers accounted for approximately 48% of its net sales in 2006, and Altivity's top ten customers accounted for approximately 29% of its net sales in 2006.

From time to time New Graphic's contracts with its customers will come up for renewal, and New Graphic may be unable to renew agreements with its key customers. New Graphic may not be able to enter contracts with new customers to replace any key customers or strategic relationships that are lost or reduced. In addition, Graphic's and Altivity's contracts typically do not require customers to purchase any minimum level of products and many of New Graphic's contracts will permit customers to obtain price quotations from its competitors, which New Graphic would generally have to meet to retain their business.

New Graphic will face intense competition and, if it is unable to compete successfully against other manufacturers of packaging product solutions it could lose customers and its revenues may decline.

Graphic and Altivity currently are, and New Graphic will be, subject to strong competition. New Graphic has a number of large domestic and foreign competitors in the paperboard packaging industry. New Graphic's primary competitors in one or more of the segments in which it competes include Caraustar Industries, Inc., Cascades, Inc., Stora Enso (OYJ) Corporation, Ponderosa Paper, LLC, Klabin S.A., Hansol Paper Manufacturing Company, International Paper Company, MeadWestvaco Corporation (MeadWestvaco), Packaging Corporation of America, R.A. Jones & Company, Inc. and Rock-Tenn Company. In addition, companies not currently in direct competition with Graphic or Altivity may introduce competing products in the future, and New Graphic may face increasing competition from products imported from Asia and South America. There are also substitutes for paperboard packaging for many products currently packaged in paperboard, including plastic, corrugated and shrink-wrap packaging.

New Graphic's highly leveraged capital structure could limit its ability to respond to market conditions or to make necessary or desirable capital expenditures as quickly as its competitors. In addition, New Graphic could experience increased competition if there are new entrants in segments in which it operates. In beverage multiple packaging, cartons made from CUK board compete with plastics and corrugated packaging for packaging glass or plastic bottles, cans and other primary containers. Plastics and corrugated packaging generally provide lower-cost packaging solutions.

New Graphic's paperboard sales for use in consumer products packaging are affected by competition from other substrates, including CUK board, solid bleached sulfate and recycled clay-coated news and, internationally, white lined chip board and folding boxboard. Paperboard grades compete based on price, strength and printability. There are a large number of suppliers in paperboard packaging which are subject to significant competitive and other business pressures. Suppliers of paperboard compete primarily on the basis of strength and printability of their paperboard, quality, service and price. These grades of paperboard face substitution in folding carton applications for each other or by alternative substrates including corrugated paperboard, flexible packaging and a variety of paper and film laminated structures.

Significant increases in prices for raw materials, energy, transportation and other necessary supplies and services could adversely affect New Graphic's financial results.

Increases in the cost and availability of raw materials, including petroleum-based materials, the cost of energy, transportation and other necessary services could have an adverse effect on New Graphic's financial results. New Graphic may also be limited in its ability to pass along such cost increases to customers due to contractual provisions and competitive reasons.

There is no guarantee that New Graphic's efforts to reduce costs will be successful.

New Graphic will utilize a global continuous improvement initiative that uses statistical process control to help design and manage many types of activities, including production and maintenance. New Graphic's ability to implement successfully its business strategies and to realize anticipated savings is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond New Graphic's control. These strategies include the infrastructure and reliability improvements at New Graphic's West

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Monroe mill. In addition, Altivity has been actively engaged in integrating the recently acquired Smurfit-Stone Container Corporation's Consumer Packaging Division and the Field Companies, and New Graphic will continue to focus on realizing cost savings from manufacturing network, overhead and supply chain improvements. If New Graphic cannot successfully implement the strategic cost reductions or other cost savings plans, it may not be able to compete successfully against other manufacturers. In addition, any failure to generate anticipated efficiencies and savings could adversely affect New Graphic's financial results.

Loss of key management personnel could adversely affect New Graphic's business.

New Graphic's future success will depend, in significant part, upon the service of David W. Scheible, who will be its President and Chief Executive Officer, and Daniel J. Blount, who will be its Senior Vice President and Chief Financial Officer. New Graphic has employment agreements with each of these executive officers. The loss of the services of one or both of these executive officers could adversely affect its future operating results because of their experience and knowledge of New Graphic's business and customer relationships. New Graphic does not expect to maintain key person insurance on any of its executive officers.

Work stoppages and other labor relations matters may make it substantially more difficult or expensive for New Graphic to manufacture and distribute its products, which could result in decreased sales or increased costs, either of which would negatively impact New Graphic's financial condition and results of operations.

Approximately 46% of Graphic's and Altivity's workforce is represented by labor unions, whose goals and objectives may differ significantly from New Graphic's. The collective bargaining agreements covering these employees expire between October 31, 2008 and February 28, 2013, with seventeen agreements covering approximately 37% of the workforce expiring in 2008. Graphic or New Graphic may not be able to successfully negotiate agreements on terms that are advantageous to New Graphic without work stoppages or other labor difficulties. These events may also occur in the ordinary course of business apart from contract re-negotiations. In addition, labor organizing activities could occur at any of New Graphic's facilities. Increased unionization of the workforce or a prolonged disruption at any of New Graphic's facilities due to work stoppages or other labor difficulties could have a material adverse effect on its net sales, margins and cash flows. In addition, if new union agreements contain significant increases in wages or other benefits, New Graphic's margins would be adversely impacted.

New Graphic may not be able to adequately protect its intellectual property and proprietary rights, which could harm its future success and competitive position.

New Graphic's future success and competitive position depend in part upon its ability to obtain and maintain protection for certain proprietary carton and packaging machine technologies used in its products, particularly those incorporating the Fridge Vendor[®], IntegraPak[®], MicroFlex Q[®], Micro-Rite[®], Quilt Wave[®], Qwik Crisp[®] and Z-Flute[®], Alti-Kraft[®], Alti-Print[®], Cap-Sac[®], DI-NA-Cal[®], Force Flow[®], Kitchen Master[®], Lithoflute[®], Lustergrip[®], Master Impressions[®], Master Coat[®], Peel Pak[®], Shape FX[®], Soni-Lok[®], Soni-Seal[®], The Yard Master[®] technologies. Failure to protect New Graphic's existing intellectual property rights may result in the loss of valuable technologies or may require it to license other companies' intellectual property rights. It is possible that any of the patents owned by New Graphic may be invalidated, circumvented, challenged or licensed to others or any of its pending or future patent applications may not be issued within the scope of the claims sought by New Graphic, if at all. Further, others may develop technologies that are similar or superior to New Graphic's technologies, duplicate its technologies or design around its patents, and steps taken by New Graphic to protect its technologies may not prevent misappropriation of such technologies.

New Graphic will be subject to environmental, health and safety laws and regulations, and costs to comply with such laws and regulations, or any liability or obligation imposed under such laws or regulations, could

negatively impact its financial condition and results of operations.

New Graphic will be subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations that change from time to time, including those governing discharges to air, soil and water, the management, treatment and disposal of hazardous substances, solid waste and hazardous wastes, the investigation and remediation of contamination resulting from historical site operations and releases of

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hazardous substances, and the health and safety of employees. Compliance initiatives could result in significant costs, which could negatively impact New Graphic's financial position, results of operations or cash flows. Any failure to comply with such laws and regulations or any permits and authorizations required thereunder could subject New Graphic to fines, corrective action or other sanctions.

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

New Graphic's operations outside the U.S. will be subject to the risks of doing business in foreign countries.

New Graphic will have several converting plants in 7 foreign countries and will sell its products worldwide. For 2006, before intercompany eliminations, net sales from operations outside of the U.S. represented approximately 17% of Graphic's net sales and approximately 5% of BCH's net sales. New Graphic's revenues from export sales will fluctuate with changes in foreign currency exchange rates. At December 31, 2006, approximately 8% of Graphic's total assets and approximately 4% of BCH's total assets were denominated in currencies other than the U.S. dollar. New Graphic will have significant operations in countries that use the British pound sterling, the Australian dollar, the Japanese yen, the Euro, the Canadian dollar and the Mexican peso as their functional currencies. New Graphic cannot predict major currency fluctuations. New Graphic will continue to pursue Graphic's currency hedging program in order to limit the impact of foreign currency exchange fluctuations on financial results.

New Graphic will be subject to the following significant risks associated with operating in foreign countries:

compliance with and enforcement of environmental, health and safety and labor laws and other regulations of the foreign countries in which New Graphic operates;

export compliance;

imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and

imposition or increase of investment and other restrictions by foreign governments.

If any of the above events were to occur, New Graphic's financial position, results of operations or cash flows could be adversely impacted, possibly materially.

If New Graphic issues a material amount of its common stock in the future, certain New Graphic stockholders sell a material amount of New Graphic common stock, or a material amount of interests in the indirect stockholders of New Graphic are sold, New Graphic's ability to use its net operating losses to offset its future taxable income may be limited under Section 382 of the Internal Revenue Code.

New Graphic's ability to utilize previously incurred net operating losses (NOLs) of Graphic to offset future taxable income would be reduced if New Graphic were to undergo an ownership change within the meaning of Section 382 of the Internal Revenue Code. In general, an ownership change occurs whenever the percentage of the stock of a corporation owned, directly or indirectly, by 5-percent stockholders (within the meaning of Section 382 of the Internal Revenue Code) increases by more than 50 percentage points over the lowest percentage of the stock of such

corporation owned, directly or indirectly, by such 5-percent stockholders at any time over the preceding three years. Under certain circumstances, issuances of New Graphic common stock by New Graphic or sales or other dispositions of New Graphic common stock by the Coors Family Stockholders, the CDR Fund, EXOR, the TPG Entities or other stockholders could trigger an ownership change, and New Graphic will have limited control over the timing of any such issuances, sales or other dispositions of New Graphic common stock. Additionally, under certain circumstances,

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issuances, sales or other dispositions of interests in the CDR Fund, the TPG Entities or other stockholders could trigger an ownership change, and New Graphic will have no control over the timing of any such issuances, sales or other dispositions of interests in such entities. Any such future ownership change could result in limitations, pursuant to Section 382 of the Internal Revenue Code, on New Graphic's utilization of NOLs to offset its future taxable income.

More specifically, depending on prevailing interest rates and New Graphic's market value at the time of such future ownership change, an ownership change under Section 382 of the Internal Revenue Code would establish an annual limitation which might prevent full utilization of the deferred tax assets attributable to Graphic's previously incurred NOLs against the total future taxable income of a given year. The transactions will increase the likelihood that previously incurred NOLs will become subject to the limitations set forth in Section 382 of the Internal Revenue Code. If such an ownership change were to occur, New Graphic's ability to raise additional equity capital may be adversely affected.

The magnitude of such limitations and their effect on New Graphic is difficult to assess and depends in part on New Graphic's value at the time of any such ownership change and prevailing interest rates. For accounting purposes, at December 31, 2006, Graphic's United States federal net operating loss was approximately \$1.3 billion and the related deferred tax asset attributable to its previously incurred NOLs was valued at approximately \$514.3 million fully offset by a corresponding valuation allowance. Graphic believes that it has generated material incremental NOLs in 2007.

Risks Associated with New Graphic Common Stock

The value of the shares of New Graphic common stock that you receive upon the completion of the transactions may be less than the value of your shares of Graphic common stock as of the date of the transaction agreement or on the date of the special meeting.

The exchange ratio of Graphic common stock for New Graphic common stock in the merger, as well as the number of shares to be issued to the Sellers, is fixed and will not be adjusted in the event of any change in the stock price.