

October 30, 2003

Dear Shareholder:

Enclosed are your Company's Third Quarter 2003 results. Your Board of Directors is pleased to see the continued improvement in earnings before unusual items and excluding the unfavourable impact of foreign currency translation. The significant appreciation of the Canadian dollar compared to, in particular, the United States dollar continues to mask real improvement in earnings per share when the results are translated into Canadian dollars for reporting purposes. If foreign currencies were unchanged in 2003 compared to the same periods in 2002, your Company would have reported a \$0.03 and \$0.18 per share improvement in earnings before unusual items in the third quarter and year-to-date respectively over the record levels of 2002.

Your Board of Directors has approved a dividend payment on January 2, 2004 of \$0.09 per Class B Non-Voting Share and \$0.0775 per Class A Voting Share.

We encourage all shareholders to access our web site [www.cclind.com](http://www.cclind.com) on a regular basis for investor and company news including scheduled dates for future earnings releases. If you would like to have future Press Releases emailed to you at the time they are issued, please complete the Information Request Form under the Investor Relations Section on our Web Site. You may also request a direct mailing of all Press Releases by writing to us, attention Christene Duncan.

We usually hold conference calls with our stakeholders following the release of our results. Presentation material used during these calls is posted on our web site and an audio recording of the calls is also available. Instructions for accessing these services are set out at the end of each earnings release.

Yours truly,

Jon K. Grant  
Chairman of the Board

**Investor Update**

1. 2003 Third Quarter Results and Dividend Release
2. Consolidated Statements of Earnings and Retained Earnings
3. Consolidated Balance Sheets
4. Consolidated Statements of Cash Flows
5. Notes to Interim Consolidated Financial Statements
6. Management's Discussion and Analysis
7. Sale of Non-Strategic Container Division Assets Release
8. Acquisition of Avery Dennison's European Label Plants Release

**News Release**

Stock Symbol: TSE - CCL.A and CCL.B

For Immediate Release – Thursday, October 30, 2003

**CCL Releases Third Quarter 2003 Results and Declares Dividend****Results Summary**

For Periods Ending September 30th

<b>(in Cdn millions except per share data)</b>	<b>Third Quarter</b>			<b>Nine Months</b>		
	<b>2003</b>	<b>2002</b>	<b>% Change</b>	<b>2003</b>	<b>2002</b>	<b>% Change</b>
Sales	<u>\$354.5</u>	<u>\$424.4</u>	(16.5)	<u>\$1,171.7</u>	<u>\$1,278.8</u>	(8.4)
Earnings before unusual items, interest, income taxes, depreciation and amortization (EBITDA)	<u>\$41.1</u>	<u>\$45.9</u>	(10.5)	<u>\$131.6</u>	<u>\$140.6</u>	(6.4)
Earnings before unusual items and income taxes	<u>\$18.9</u>	<u>\$19.5</u>	(3.1)	<u>\$61.9</u>	<u>\$59.7</u>	3.7
Unusual items - net loss	<u>\$(7.2)</u>	<u>\$(30.4)</u>		<u>\$(10.9)</u>	<u>\$(30.8)</u>	
Net earnings (loss)	<u>\$6.8</u>	<u>\$(15.7)</u>		<u>\$35.6</u>	<u>\$12.4</u>	
Per Class B share						
Earnings before unusual items	\$0.43	\$0.44	(2.3)	\$1.39	\$1.31	6.1
Unusual items – net loss	<u>(0.22)</u>	<u>(0.89)</u>		<u>(0.29)</u>	<u>(0.94)</u>	
Net earnings (loss)	<u>\$0.21</u>	<u>\$(0.45)</u>		<u>\$1.10</u>	<u>\$0.37</u>	
Cash flow per Class B share before unusual items*	<u>\$0.94</u>	<u>\$0.99</u>	<u>(5.1)</u>	<u>\$2.99</u>	<u>\$2.98</u>	0.3
Number of shares outstanding (in 000's)						
Weighted average for the period				<u>32,400</u>	<u>34,096</u>	(5.0)
Actual at period end				<u>32,190</u>	<u>33,565</u>	(4.1)

\* Net earnings before unusual items plus depreciation and amortization divided by average Class B shares outstanding.

**Toronto, October 30, 2003** -- CCL Industries Inc., a world leader in developing manufacturing, packaging and labelling solutions for the consumer products industry, announced today its financial results for the third quarter and nine months ended September 30, 2003.

Sales in the third quarter of 2003 were down 16% to \$354.5 million compared to \$424.4 million in 2002 but were down 7% excluding currency translation and divestitures. Earnings before unusual items and income taxes decreased by 3% to \$18.9 million compared to \$19.5 million in the third quarter of 2002 and earnings per Class B share before unusual items of \$0.43 in the third quarter of 2003 compared to \$0.44 in 2002. Year-to-date sales compared to the same period in 2002 were \$1,171.7 million compared to \$1,278.8 million, a decrease of 8%, however, earnings before unusual items and income taxes were up 4% to \$61.9 million compared to \$59.7 million and earnings per Class B share before unusual items, increased 6% to \$1.39 versus \$1.31 in 2002.

The United States dollar, which represents approximately 60% of total sales, has on average, depreciated by 12% for the quarter and 9% year-to-date compared to the same periods last year. Depreciation of the United States dollar and other currencies have had a negative effect on reported sales and net earnings, and have reduced earnings per share by approximately \$0.04 for the quarter and \$0.10 year-to-date compared to the same period last year. Excluding the impact of currency translation, earnings per share before unusual items would have increased by 7% or \$0.03 for the quarter and 14% or \$0.18 year-to-date versus the comparable periods in 2002. If the negative translation effect of currency translation and divestitures were excluded, reported sales in 2003 would have decreased 7% in the third quarter and 2% year-to-date.

Additionally, CCL had hedged its expected U.S. dollar net cash inflow for the full year 2003. These hedge transactions are at an average rate of \$1.59 compared to the actual average rate year-to-date of \$1.43 and have positively affected earnings before tax by \$1.5 million in the third quarter and \$2.8 million year-to-date. There are no similar hedges in place for 2004.

Earnings before unusual items, interest, income taxes, depreciation and amortization (EBITDA) were \$41.1 million for the third quarter of 2003 compared to \$45.9 million in 2002 and \$131.6 million year-to-date in 2003 compared to \$140.6 million a year ago. Cash flow per Class B share before unusual items (defined as net income before unusual items, plus depreciation and amortization divided by average Class B shares outstanding), for the third quarter amounted to \$0.94 compared to \$0.99 a year ago and \$2.99 year-to-date compared to \$2.98 for the first nine months of 2002.

Earnings per Class B share were \$0.21 in the third quarter compared to a loss of \$0.45 in the third quarter of 2002. Earnings per Class B share for the first nine months of 2003 were \$1.10 compared to \$0.37 a year ago.

Donald G. Lang, President and Chief Executive Officer said, "the sale of the four non-core businesses in the Container Division completes the plan to strategically reposition our three divisions which we have been working on over the past few years. We are now focused on three great business franchises with the resources to support further growth and profitability improvement through capital reinvestment and by acquisitions such as our recent purchase from Avery Dennison Corporation."

Mr. Lang continued, "the economics of North America and Western Europe have been generally weak and we have experienced this weakness in parts of our business, particularly Custom Manufacturing, after a record 2002, and segments of our Container and Label divisions. However, many of our Label and Container plants continue to be very busy in specific markets. In the short term, we anticipate a continuation of this unsettled economy but are optimistic that we are well positioned for an upturn in economic growth for all of our businesses. The negative effect of the stronger Canadian dollar relative to, in particular, the United States dollar, has resulted in lower reported earnings per share for the quarter. We estimate, based on a constant foreign exchange environment, earnings before unusual items would have improved \$0.03 per share in the third quarter and \$0.18 per share year-to-date as compared to our record earnings in 2002. The lower interest expense and number of shares outstanding in addition to the benefits from the restructuring efforts carried out within the Company over the past two years continue to positively affect our results."

Mr. Lang concluded, "I am pleased to inform you that your Board of Directors has approved the payment of a dividend of \$0.0775 on the Class A Voting and \$0.09 on the Class B non-voting Shares payable January 2, 2004 to shareholders of record at the close of business on December 12, 2003. This dividend reflects the strong cash flow being generated by your Company."

On August 29, 2003, CCL sold four non-core business units in its Container Division to IntraPac L.P. CCL has retained a 50% equity interest in these businesses. IntraPac L.P. has an option to purchase CCL's equity interest in the partnership. This option provides an incentive for IntraPac to exercise its right in the early years of the agreement. These businesses, in 2002, accounted for approximately \$119 million, \$21 million and \$11 million in sales, EBITDA and operating income respectively. On October 2, 2003, CCL reinvested the proceeds of the IntraPac sale to acquire the European Label converting assets of Avery Dennison Corporation with 2002 sales of \$82 million and EBITDA of \$20 million. The third quarter results reflect the negative impact of reduced sales and operating income due to the one-month timing gap between the disposition of IntraPac and the Avery Dennison acquisition.

Unusual items in the third quarter amounted to a loss of \$7.2 million before tax or \$0.22 per Class B share. The major item represents a loss of \$7.6 million before tax on the disposition of the four non-core business units in the Container Division. In addition, costs associated with the previously announced disposition of the Grimsby U.K. plant along with a small gain on capital repatriated from a foreign subsidiary, were recorded in the third quarter. In 2002, the unusual items relate mainly to an impairment provision of \$30.0 million taken on CCL's investment in Miza Pharmaceuticals, Inc.

The Company's financial position remains strong. As at September 30, 2003, cash and cash equivalents amounted to \$152.6 million compared to \$156.1 million as at December 31, 2002 and \$111.8 million as at September 30, 2002. Net debt amounted to \$293.4 million as at September 30, 2003 compared to \$366.3 million as at December 31, 2002 and \$415.2 million a year ago. Cash on hand at September 30, 2003 included \$74.8 million representing the proceeds from the above disposition in the Container Division. On October 1, 2003, the Company completed the acquisition of



**CCL INDUSTRIES INC.**  
**2003 Third Quarter**  
**Consolidated Statements of Earnings and Retained Earnings**

Unaudited	Third quarters ended September 30th			Nine months ended September 30th		
	2003	2002	% Change	2003	2002	% Change
(in millions of Cdn dollars, except per share data)						
<b>Sales</b>	\$ 354.5	\$ 424.4	(16.5)	\$ 1,171.7	\$ 1,278.8	(8.4)
<b>Earnings before unusual items, interest, income taxes, depreciation and amortization (EBITDA - see below)</b>	41.1	45.9	(10.5)	131.6	140.6	(6.4)
Depreciation, and amortization of other assets	16.6	19.0		52.0	57.1	
Interest expense, net	5.6	7.4		17.7	23.8	
<b>Earnings before unusual items and income taxes</b>	18.9	19.5	(3.1)	61.9	59.7	3.7
Unusual items - net loss (note 3)	(7.2)	(30.4)		(10.9)	(30.8)	
<b>Earnings (loss) before income taxes</b>	11.7	(10.9)	n.m.	51.0	28.9	76.5
Income taxes	4.9	4.8		15.4	16.5	
<b>Net earnings (loss)</b>	\$ 6.8	\$ (15.7)	n.m.	35.6	12.4	187.1
<b>Retained earnings, beginning of period</b>	208.7	225.8		199.4	204.8	
Net earnings (loss)	6.8	(15.7)		35.6	12.4	
Repurchase of shares (note 4)	-	(10.0)		(13.8)	(10.6)	
Settlement of exercised stock options	-	-		-	(1.1)	
	215.5	200.1		221.2	205.5	
Less dividends:						
Class A shares	0.2	0.2		0.6	0.5	
Class B shares	2.7	2.9		8.0	8.0	
	2.9	3.1		8.6	8.5	
<b>Retained earnings, end of period</b>	\$ 212.6	\$ 197.0		\$ 212.6	\$ 197.0	
<b>Earnings (loss) per share</b>						
Class B	\$ 0.21	\$ (0.45)	n.m.	\$ 1.10	\$ 0.37	197.3
Class A	\$ 0.20	\$ (0.46)	n.m.	\$ 1.06	\$ 0.33	221.2
<b>Diluted earnings (loss) per share</b>						
Class B	\$ 0.21	\$ (0.45)	n.m.	\$ 1.08	\$ 0.36	200.0
Class A	\$ 0.20	\$ (0.46)	n.m.	\$ 1.04	\$ 0.32	225.0

"n.m." represents not meaningful

EBITDA does not have any standardized meaning prescribed by generally accepted accounting principles, therefore, may not be comparable to similar measures presented by other issuers.

See notes to interim consolidated financial statements.

**CCL INDUSTRIES INC.**  
**2003 Third Quarter**  
**Consolidated Balance Sheets**

Unaudited	Sep 30th	Sep 30th	Dec 31st
(in millions of Cdn dollars, except book value per share data)	<b>2003</b>	<b>2002</b>	<b>2002</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 152.6	\$ 111.8	\$ 156.1
Accounts receivable - trade	173.4	235.7	209.0
Other receivables and prepaid expenses	31.9	35.5	27.3
Income and other taxes recoverable	1.8	-	-
Inventories	109.2	149.9	136.9
	<u>468.9</u>	<u>532.9</u>	<u>529.3</u>
Capital assets	410.2	501.1	507.9
Other assets (note 4)	44.2	36.1	30.4
Goodwill	263.6	275.9	275.1
<b>Total assets</b>	<b>\$ 1,186.9</b>	<b>\$ 1,346.0</b>	<b>\$ 1,342.7</b>
<b>Liabilities</b>			
Current liabilities			
Bank advances	\$ 13.8	\$ 5.8	\$ 0.4
Accounts payable and accrued liabilities	238.1	267.3	275.2
Income and other taxes payable	-	6.0	0.2
Current portion of long-term debt	14.3	16.7	16.3
	<u>266.2</u>	<u>295.8</u>	<u>292.1</u>
Long-term debt	417.9	504.5	505.7
Other long-term items	26.8	34.0	32.6
Future income taxes	70.9	77.7	75.3
<b>Total liabilities</b>	<b>781.8</b>	<b>912.0</b>	<b>905.7</b>
<b>Shareholders' equity</b>			
Share capital (note 4)	187.8	192.6	192.2
Executive share purchase plan loans (note 4)	(1.8)	-	-
Retained earnings	212.6	197.0	199.4
Foreign currency translation adjustment	6.5	44.4	45.4
<b>Total shareholders' equity</b>	<b>405.1</b>	<b>434.0</b>	<b>437.0</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,186.9</b>	<b>\$ 1,346.0</b>	<b>\$ 1,342.7</b>
Net debt	\$ 293.4	\$ 415.2	\$ 366.3
Net debt to equity	72.4%	95.6%	83.8%
Net debt to total capitalization	42.0%	48.9%	45.6%
Book value per share	\$ 12.58	\$ 12.93	\$ 13.10

Net debt is defined as bank advances and long-term debt net of cash and cash equivalents.

See notes to interim consolidated financial statements.

**CCL INDUSTRIES INC.**  
**2003 Third Quarter**  
**Consolidated Statements of Cash Flows**

Unaudited	Third quarters ended September 30th		Nine months ended September 30th	
(in millions of Cdn dollars)	2003	2002	2003	2002
<b>Cash provided by (used for)</b>				
<b>Operating activities</b>				
Net earnings (loss)	\$ 6.8	\$ (15.7)	\$ 35.6	\$ 12.4
Items not requiring cash:				
Depreciation, and amortization of other assets	16.6	19.0	52.0	57.1
Future income taxes	4.6	3.4	11.8	6.8
Unusual items	6.5	29.9	9.3	29.4
	34.5	36.6	108.7	105.7
Net change in non-cash working capital	4.4	(6.0)	(23.4)	(12.0)
Cash provided by operating activities	38.9	30.6	85.3	93.7
<b>Financing activities</b>				
Proceeds on long-term debt	-	-	-	1.8
Retirement of long-term debt	(15.6)	(14.9)	(17.7)	(15.3)
Increase (decrease) in bank advances	5.1	(7.8)	4.6	(7.3)
Issue of shares	1.1	0.6	2.5	2.5
Settlement of exercised stock options	-	-	-	(1.1)
Repurchase of shares	-	(14.0)	(20.7)	(14.9)
Dividends	(2.9)	(3.1)	(8.6)	(8.5)
Cash used for financing activities	(12.3)	(39.2)	(39.9)	(42.8)
<b>Investing activities</b>				
Additions to capital assets	(25.2)	(16.5)	(81.2)	(45.1)
Proceeds on disposals	75.9	-	80.4	17.7
Business acquisitions	(7.9)	-	(23.3)	(18.0)
Other	(5.8)	(9.2)	(5.9)	(5.2)
Cash provided by (used for) investing activities	37.0	(25.7)	(30.0)	(50.6)
Effect of exchange rate changes on cash	(3.2)	0.1	(18.9)	(1.4)
Increase (decrease) in cash	60.4	(34.2)	(3.5)	(1.1)
Cash and cash equivalents at beginning of period	92.2	146.0	156.1	112.9
Cash and cash equivalents at end of period	\$ 152.6	\$ 111.8	\$ 152.6	\$ 111.8

Certain 2003 quarterly figures have been restated for comparative purposes.

Cash and cash equivalents are defined as cash and short-term investments.

See notes to interim consolidated financial statements.

**CCL INDUSTRIES INC.**

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**PERIODS ENDED SEPTEMBER 30, 2003 AND 2002**

**(Tabular amounts in millions of Cdn dollars except share data)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The disclosures contained in these unaudited interim consolidated financial statements do not include all of the requirements of generally accepted accounting principles for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2002.

The unaudited interim consolidated financial statements are based upon accounting principles consistent with those used and described in the annual consolidated statements, except that: (1) starting January 1, 2003, the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") Emerging Issue Committee (EIC) 132 abstract on "Share Purchase Financing" as described in note 4; (2) during the second quarter, the Company adopted the new provisions of CICA Handbook section 3475, "Disposal of Long-Lived Assets and Discontinued Operations", EIC-134 "Accounting for Severance and Termination Benefits" and EIC-135 "Accounting for Costs Associated with Exit and Disposal Activities" on a prospective basis.

**2. ACQUISITIONS**

In June 2003, the Company purchased Lucas-Insertco, which manufactures consumer instructional leaflets for the pharmaceutical industry, for \$18.0 million, which includes \$2.6 million of debt assumed. Manufacturing facilities are located in Baltimore, Maryland and San German, Puerto Rico. The purchase price allocation is in the process of being finalized.

In July 2003, the Company entered into a 51 per cent controlled European joint venture with Pachem AG, a provider of state-of-the art pressure sensitive, shrink sleeve and in-mold labels. Consideration for CCL's share was \$17.5 million, which included \$8.8 million of pro-rated debt assumed. As part of the consideration, the Company contributed its Avelin, France facility. Additional consideration of up to approximately \$3 million will be payable in the future, provided the joint venture meets specified EBITDA and debt reduction targets. The joint venture, named CCL-Pachem Label GmbH has manufacturing facilities located in Hohonems, Austria; Rhyl, U.K. and Avelin, France; and is accounted for using proportionate consolidation. The purchase price allocation is in the process of being finalized.

**3. UNUSUAL ITEMS**

	<u>Division</u>	<u>Third quarters</u>		<u>Nine months</u>	
		<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Disposal of non-core business units	Container	(7.6)	-	(7.6)	-
Disposal of Grimsby U.K. and related restructuring	Custom Manufacturing	\$ (0.2)	\$ -	\$ (1.5)	\$ -
Repatriation of capital		0.6	(0.4)	0.6	1.6
"Series 400" closure restructuring	Container	-	-	(2.4)	-
Write-down of investment in Miza Pharmaceuticals		-	(30.0)	-	(30.0)
CPG Income Fund expenses		-	-	-	(2.2)
Disposal of K-G Packaging	Custom Manufacturing	-	-	-	(0.2)
		<u>\$ (7.2)</u>	<u>\$ (30.4)</u>	<u>\$ (10.9)</u>	<u>\$ (30.8)</u>

In August 2003, the Company sold four non-core business units in its Container Division to IntraPac L.P., a private Ontario Limited Partnership. Proceeds received were \$74.8 million in cash and \$12.5 million in equity of IntraPac L.P. CCL is entitled to additional consideration should future performance exceed specified benchmarks. The loss on sale recorded in the third quarter was \$7.6 million (\$7.4 million after tax). The Company has significant influence over IntraPac L.P.; therefore, this investment is accounted for using the equity method.

In July 2003, the Company sold its Grimsby U.K. facility and the related liquid business. Disposition costs, including those related to consolidating the aerosol business currently manufactured in Grimsby to the nearby Scunthorpe plant, resulted in a loss of \$0.2 million (\$0.1 million after tax) in the third quarter of 2003 and \$1.5 million (\$1.0 million after tax including provisions to reflect the estimated net realizable value of assets) for the nine-month period ended September 30, 2003. Additional disposition costs will be recorded as unusual items when incurred over the balance of the year.

**CCL INDUSTRIES INC.**

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**PERIODS ENDED SEPTEMBER 30, 2003 AND 2002**

**(Tabular amounts in millions of Cdn dollars except share data)**

**3. UNUSUAL ITEMS (Con't)**

In third quarter of 2003, the Company repatriated capital from a foreign subsidiary, which resulted in a net foreign exchange gain of \$0.6 million. In third quarter of 2002, the Company repatriated capital from a foreign subsidiary, which resulted in a net foreign exchange loss of \$0.4 million. For the nine-month period ended September 30, 2002, the net foreign exchange gain was \$1.6 million. The gain or loss arises from the difference between the exchange rate in effect on the date the capital was returned to Canada, compared to the historical rate in effect when the capital was invested. The gain or loss on foreign exchange did not give rise to any tax effect.

In the first quarter of 2003, the Company sold its non-core "Series 400" product line of plastic closures which were manufactured in the Los Angeles facility. Restructuring costs of \$2.4 million (\$1.5 million after tax ) related to the shutdown plans were incurred in the first quarter of 2003. In December 2002, a provision of \$2.4 million (\$1.5 million after tax) for the capital asset and inventory write-down related to this disposal was recorded .

In April 2001, CCL sold its non-core U.K. Custom Manufacturing pharmaceutical business to the U.K. subsidiary of Miza Pharmaceuticals, Inc. ("Miza"), a Canadian private company. CCL received subordinated convertible notes in the U.K. subsidiary and an equity interest in Miza. In September 2002, Miza Pharmaceuticals (UK) Limited, Miza's largest business unit, was placed under a court appointed administrator in the U.K. with the mandate to restructure and, if practical, sell this business unit as a going concern. In the third quarter of 2002, the Company announced that it was reviewing its options with respect to its investment in Miza, and recorded a write-down of \$30.0 million on this investment in the third quarter. No tax benefit was recorded. In the fourth quarter, Miza Ireland Limited, a subsidiary of Miza, was placed into receivership and as a result, an additional write-down of \$7.3 million was recorded (\$3.8 million after tax). The total provision for 2002 was \$37.3 million (\$33.8 million after tax).

In the second quarter of 2002, the Company announced that it would not proceed with the sale of its Custom Manufacturing Division to the CPG Income Fund. The expenses incurred for the anticipated sale of the Division were \$2.2 million. These expenses did not give rise to any tax benefit.

In the first quarter of 2002, the Company recorded a loss of \$0.2 million (\$1.4 million after tax) in connection with the disposal of its K-G Packaging business.

**4. SHARE CAPITAL**

**Issued and outstanding**

Actual number of shares:

	<u>September 30.</u> <u>2003</u>	<u>September 30.</u> <u>2002</u>	<u>December 31.</u> <u>2002</u>
Class A	2,444,469	2,447,819	2,447,419
Class B	29,895,574	31,116,824	30,905,424
Less: Executive Share Purchase Plan shares	(150,000)	-	-
<b>Total</b>	<b>32,190,043</b>	<b>33,564,643</b>	<b>33,352,843</b>

Year-to-date weighted average number of shares:

	<u>September 30.</u> <u>2003</u>	<u>September 30.</u> <u>2002</u>	<u>December 31.</u> <u>2002</u>
<b>Total</b>	<b>32,400,165</b>	<b>34,095,682</b>	<b>33,941,905</b>

For the nine months ended September 30, 2003, 1.2 million Class B shares (2002 - 0.7 million) were repurchased for \$20.7 million (2002 - \$14.9 million). The excess of the purchase price over the paid up capital of \$13.8 million (2002 - \$10.6 million) was charged to retained earnings. During the quarter, there were no repurchases of shares (2002 - 0.7 million shares for \$14.0 million)

**CCL INDUSTRIES INC.**

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**PERIODS ENDED SEPTEMBER 30, 2003 AND 2002**

(Tabular amounts in millions of Cdn dollars except share data)

**4. SHARE CAPITAL (Con't)**

**Executive Share Purchase Plan loans**

Effective January 1, 2003, the Executive Share Purchase Plan loans have been deducted from shareholders' equity based on the EIC Abstract on "Share Purchase Financing". This accounting change cannot be applied retroactively. These loans are non-interest bearing and are secured by 150,000 Class B shares of the Company (quoted value at September 30, 2003 of \$19.30 per Class B shares, totaling \$2.9 million). The loans have a ten-year term and are only repayable if the executive officers elect to sell their Class B shares, or if they leave the Company.

**5. GUARANTEES**

In connection with the divestitures of certain operations in prior periods, the Company has indemnified the purchasers against defined claims from the past conduct of the business and also provided certain guarantees in relation to the obligations assumed by the purchasers. It is not possible to quantify the maximum potential liability in relation to the indemnities. The maximum exposure under guarantees, if the purchasers were to default on their obligations, is approximately \$2 million. The Company has fully provided for guarantees. The Company has recourse to the purchasers if the Company is required to make payment under the guarantees.

**6. SUBSEQUENT EVENTS**

In October 2003, the Company purchased the shares of Avery Dennison's European label converting business. The consideration is approximately \$85 million, including anticipated restructuring and other costs to maximize consolidation benefits with the existing CCL Label plants in Europe.

**7. SEGMENTED INFORMATION**

**Industry segments**

	Third quarters ended September 30th					
	Sales		EBITDA		Operating income	
	2003	2002	2003	2002	2003	2002
<b>Custom Manufacturing</b>	\$ 183.6	\$ 229.2	\$ 14.8	\$ 18.4	\$ 10.0	\$ 13.2
Return on sales			8.1%	8.0%	5.4%	5.8%
Growth	(19.9)%		(19.6)%		(24.2)%	
<b>Container</b>	70.1	91.8	12.3	14.9	7.5	7.9
Return on sales			17.5%	16.2%	10.7%	8.6%
Growth	(23.6)%		(17.4)%		(5.1)%	
<b>Label</b>	100.8	103.4	15.2	14.4	8.5	7.9
Return on sales			15.1%	13.9%	8.4%	7.6%
Growth	(2.5)%		5.6%		7.6%	
<b>Total operations</b>	\$ 354.5	\$ 424.4	42.3	47.7	26.0	29.0
Return on sales			11.9%	11.2%	7.3%	6.8%
Growth	(16.5)%		(11.3)%		(10.3)%	
<b>Corporate expense</b>			(1.2)	(1.8)	(1.5)	(2.1)
			\$ 41.1	\$ 45.9	24.5	26.9
Interest expense, net					5.6	7.4
<b>Earnings before unusual items and income taxes</b>					18.9	19.5
Unusual items - net loss (note 3)					(7.2)	(30.4)
Earnings (loss) before income taxes					11.7	(10.9)
Income taxes					4.9	4.8
<b>Net earnings (loss)</b>					\$ 6.8	\$ (15.7)

CCL INDUSTRIES INC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2003 AND 2002

(Tabular amounts in millions of Cdn dollars except share data)

7. SEGMENTED INFORMATION (Con't)

Industry segments

	Nine months ended September 30th					
	Sales		EBITDA		Operating income	
	2003	2002	2003	2002	2003	2002
<b>Custom Manufacturing</b>	\$ 615.7	\$ 699.2	\$ 47.8	\$ 57.6	\$ 32.8	\$ 42.5
Return on sales			7.8%	8.2%	5.3%	6.1%
Growth	(11.9)%		(17.0)%		(22.8)%	
<b>Container</b>	246.9	264.9	45.6	45.1	27.3	22.5
Return on sales			18.5%	17.0%	11.1%	8.5%
Growth	(6.8)%		1.1%		21.3%	
<b>Label</b>	309.1	314.7	43.7	43.0	25.9	24.3
Return on sales			14.1%	13.7%	8.4%	7.7%
Growth	(1.8)%		1.6%		6.6%	
<b>Total operations</b>	\$ 1,171.7	\$ 1,278.8	137.1	145.7	86.0	89.3
Return on sales			11.7%	11.4%	7.3%	7.0%
Growth	(8.4)%		(5.9)%		(3.7)%	
<b>Corporate expense</b>			(5.5)	(5.1)	(6.4)	(5.8)
			\$ 131.6	\$ 140.6	79.6	83.5
Interest expense, net					17.7	23.8
<b>Earnings before unusual items and income taxes</b>					61.9	59.7
Unusual items - net loss (note 3)					(10.9)	(30.8)
Earnings before income taxes					51.0	28.9
Income taxes					15.4	16.5
<b>Net earnings</b>					\$ 35.6	\$ 12.4

	Identifiable Assets		Goodwill		Depreciation & Amortization		Capital Expenditures	
	Sep 30th	Dec 31st	Sep 30th	Dec 31st	Nine months ended September 30th		Nine months ended September 30th	
	2003	2002	2003	2002	2003	2002	2003	2002
<b>Custom Manufacturing</b>	\$ 325.8	\$ 378.7	\$ 36.5	\$ 40.5	\$ 14.9	\$ 15.1	\$ 17.5	\$ 14.1
<b>Container</b>	267.4	404.6	56.3	63.9	18.3	22.6	31.9	9.4
<b>Label</b>	426.1	404.0	170.8	170.7	17.9	18.7	31.8	21.0
<b>Corporate</b>	167.6	155.4	-	-	0.9	0.7	-	0.6
<b>Total</b>	\$ 1,186.9	\$ 1,342.7	\$ 263.6	\$ 275.1	\$ 52.0	\$ 57.1	\$ 81.2	\$ 45.1

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **First Quarters ended March 31, 2003 and 2002**

#### **Overview of Consolidated Operations**

The reasonably solid demand by our customers experienced throughout 2002 in North America continued to benefit the first quarter of 2003. The Company's order book in North America remains generally strong. Unfortunately, the economic slowdown in Europe that became evident in the last half of 2002, continues to affect both the contribution from and the outlook of the U.K. and German Custom Manufacturing operations. Earnings per Class B share before unusual items of \$0.47 for the quarter benefited from the higher unit sales volumes, the positive effect of the prior year's restructuring programs, lower interest expense and the lower number of shares outstanding in 2003 compared to 2002. These results were despite the strengthening of the Canadian dollar by over 5% against the United States dollar, which had a negative effect on currency translation, and impacted earnings by approximately \$0.02 per share compared to last year. Earnings per Class B share before unusual items in the first quarter of 2002 amounted to \$0.42.

Consolidated sales of \$426.8 million in the first quarter of 2003 were flat compared to the prior year. If the effect of foreign exchange and sales from divestitures in 2002 were excluded, sales would have increased by 5% in the first quarter of 2003 compared to the first quarter of 2002.

Earnings before unusual items and income taxes amounted to \$21.5 million in the first quarter of 2003 compared to \$19.5 million in the same quarter of 2002. Cash flow per Class B share before unusual items (defined as net earnings before unusual items, plus depreciation and amortization) increased to \$1.03 in the first quarter of 2003 compared to \$0.95 in the same quarter of 2002.

The unusual item in the first quarter of 2003, as anticipated in our year-end report, representing a loss before tax of \$2.4 million (\$1.5 million after tax) or \$0.04 per Class B share, arose from restructuring costs related to the sale of the non-core "series 400" product line of plastic closures which was manufactured in our Los Angeles facility. The unusual gain in the first quarter of 2002 of \$1.6 million consisted of a foreign exchange gain on capital repatriated from foreign subsidiaries net of a loss before tax of \$0.2 million on the disposal of a non-core business unit. This disposal also created additional tax expense resulting in an overall net gain of \$0.01 per Class B share. Net earnings per Class B share in the first quarter were \$0.43 in both 2003 and 2002.

The Company's financial position remains strong. As at March 31, 2003, cash and cash equivalents amounted to \$114.5 million compared to \$156.1 million as at December 31, 2002 and \$103.7 million as at March 31, 2002. Net debt amounted to \$370.1 million as at March 31, 2003 compared to \$366.3 million as at December 31, 2002 and \$438.1 million a year ago. Operations generated \$36.8 million in cash during the first quarter of 2003, of which \$28.1 million was expended on the anticipated seasonal build-up in working capital

to support the business. In addition, \$27.2 million was spent on capital assets, \$2.8 million on dividends to shareholders and \$17.1 million on share repurchases, net of issuances. In the 2002 and 2001 calendar years, capital spending was very tightly controlled and was less than the \$75 million average depreciation and amortization of other assets in these years. The plan in 2003 is to spend in excess of depreciation and amortization on new capital in order to take advantage of new market opportunities and to improve operating efficiencies.

Net debt to total capitalization and book value per share were 47.6% and \$12.62, respectively, as at March 31, 2003, compared to 45.6% and \$13.10 as at December 31, 2002 and 49.3% and \$13.16 as at March 31, 2002, on a comparable basis. Book value per share was affected by the devaluation of the United States dollar relative to the Canadian dollar over the past year since the Company has a majority of non-Canadian net assets. The currency translation adjustment, related to all non-Canadian net assets and which is reflected in shareholders' equity, was reduced to \$22.7 million as at March 31, 2003 compared to \$45.4 million as at December 31, 2002 and \$38.0 million as at March 31, 2002. In addition, effective January 1, 2003, the rules covering the treatment of Executive Share Purchase Plan loans changed. These loans, which amounted to \$1.9 million and are secured by the related 150,000 Class B shares, were previously carried both as an asset and issued shares. Under the new accounting rules, which cannot be applied retroactively, these loans are now disclosed as a reduction in equity and in the number of shares issued. The effect of this change and the comparability of the above ratios are not material.

Net interest expense for the quarter was \$6.1 million compared to \$8.5 million in the first quarter of 2002. Interest expense is net of interest earned on both short-term investments and interest rate swaps. The Company is amortizing a gain realized on the sale of an Interest Rate Swap Agreement in 2001. In June and December 2002, the Company entered into two additional Interest Rate Swap Agreements with a Canadian financial institution, the effect of which was to convert US\$120 million of notional fixed rate debt into floating rate debt. The unrealized gain on these agreements, as at March 31, 2003, amounted to \$5.1 million. The effect on interest earned on these three Swaps was to reduce interest expense by \$1.4 million in the first quarter of 2003 compared to \$0.8 million in the same quarter of 2002. Interest coverage (defined as operating income before unusual items, goodwill amortization and interest expense divided by interest expense, calculated on a 12-month rolling basis) was much improved to 3.79 times in 2003 versus 2.84 times in 2002.

The tax rate before unusual items of 27.5% in the first quarter of 2003 compares to 26.0% in the first quarter of 2002. These effective rates are lower than the combined Canadian federal and provincial tax rate of 32.5% for the year 2003 and 33.3% for 2002, due to the benefit of lower tax rates in foreign subsidiaries net of income and expense items not subject to tax. Approximately 80% of CCL's sales are derived outside of Canada, and the income from these foreign operations is subject to varying rates of taxation. The Company has benefited from lower tax rates in these jurisdictions compared to the combined

Canadian federal and provincial rates. The Company's effective tax rate varies from year to year as a result of the level of income in the various countries, the impact of tax losses not previously recognized, and the impact of income and expense items not subject to tax.

In the third and fourth quarters of 2002, the Company provided for, as unusual items, its total investment of \$37.3 million in Miza Pharmaceuticals. During the first quarter of 2003, the Administrators sold the U.K. and Irish assets separately. The amount and timing of a partial recovery, if any, of this investment remains uncertain.

The Company's three-year global property and casualty insurance policies expired on April 30, 2003. The cost of the new coverage, while significantly higher than the expired coverage, is in line with the Company's operating plan and expectations.

The outlook remains positive, but cautious, for the balance of 2003. World events, an unclear pattern of consumer confidence and recovery within both the North American and European economies combined with the unfavourable currency translation due to the weak U.S. dollar remain uncertain. However, management is optimistic that the Company will have earnings per share growth in 2003 as a result of continuing strong demand in North America, lower interest expense and the lesser number of shares outstanding in 2003, in addition to the continuing benefits from the restructuring efforts carried out over the past two years.

### **Discussion of divisional business segments**

#### **Custom Manufacturing - Operating income in the first quarter \$11.5 million in 2003 vs. \$13.6 million in 2002 (down 15%).**

First quarter 2003 sales and income contribution of the Division, compared to the first quarter of 2002, was negatively affected by the softness in demand in Europe, which became evident in the last half of 2002. Sales of the ongoing business excluding the effect of foreign exchange and sales related to the disposition of a non-core unit in the first quarter of 2002, increased 3% in the first quarter in 2003 compared to the same quarter in 2002. Demand in North America continues to be stable; however, the economic slowdown in both the U.K. and German operations, continues.

Operating income was down in the quarter in both North America and Europe compared to 2002. Both the number of units shipped and sales in the first quarter increased in North America, however, operating income was lower due to the production of lower margin products and the negative effect of currency translation. The contribution from the U.K. and German facilities was down due to a 20% sales volume reduction compared to the first quarter of 2002.

During the quarter, management announced the decision to consolidate production of selected product lines from the Grimsby, U.K. plant into the Scunthorpe, U.K. plant by the end of the year and to either sell the remaining business or close the facility at Grimsby.

Modest one-time costs will be incurred during this transition.

The Division invested \$3.2 million in capital assets in 2003 compared to \$5.3 million in 2002, to reduce costs, while maintaining and expanding its manufacturing base. Depreciation and amortization of other assets amounted to \$5.1 million in 2003 compared to \$5.2 million in 2002.

**Container - Operating income in the first quarter \$9.4 million in 2003 vs. \$7.8 million in 2002 (up 21%).**

Sales for this Division increased over 5% in the first quarter of 2003 compared to 2002. If the effect of foreign currency translation was excluded, sales and operating income increased 12% and 28%, respectively, in the quarter. All business units within this Division contributed to the improved operating income, in spite of lower sales in the Aluminum Tube and Mexican business units. The increase in sales was due to strong demand for aluminum beverage bottles and plastic tubes.

Both the Plastic Packaging and the Aluminum Tube business units within the Container Division continued to demonstrate operational improvements in the first quarter. These two business units had experienced significant operational issues over the past two years.

On March 5, 2003, the Company announced the sale of its non-core "series 400" closure business. As a result, the downsized Los Angeles plant and the new Wilkes-Barre, PA facility will now focus strictly on plastic tube manufacturing. These two plants currently have very strong order books.

The Division invested \$10.0 million in capital assets in 2003 compared to \$2.4 million in 2002 to maintain and expand its manufacturing base and to reduce its production costs. Depreciation and amortization of other assets in 2003 amounted to \$7.1 million compared to \$7.8 million in 2002. This Division is in the process of installing two new aluminum can lines, at an estimated outlay of \$27 million in 2003 and 2004, to support demand for the growing niche beverage and specialty shaped container market of which \$4.0 million was spent in the first quarter of 2003. The first line is scheduled for commercial production in late 2003 and the second for early 2004.

**Label - Operating income in the first quarter \$9.2 million in 2003 vs. \$8.8 million in 2002 (up 5%).**

Sales from continuing operations, which included the European plants acquired in early February 2002, were flat in the first quarter compared to 2002. If the effect of foreign currency translation was excluded, sales and operating income increased 4% and 8%, respectively, in the quarter.

Demand remained generally strong in this Division; however, the Mexican plant and one U.S. plant had lower than expected performance due to both decreased volume and a mix of lower margin products. This Division is in the process of relocating its Monrovia, CA

facility to Upland, CA, and commissioning a major new gravure printing press in Sioux Falls, SD. Management estimates that the expense associated with these initiatives during 2003 will be in the range of \$3 million of which approximately \$0.8 million was incurred in the first quarter. The European plants acquired on February 1, 2002 made a solid improvement in sales and operating income in the first quarter of 2003 compared to 2002.

The Division continues to work on expansion with emphasis on higher margin product lines and high growth geographies. In December 2002, the Division announced its intent to form a 51% controlled European joint venture with Pachem AG, headquartered in Hohenems, Austria, and expand its technology and know-how base in the decoration of food, beverage and battery containers. Negotiations on this venture are continuing. In addition, in January 2003, the Division commenced the establishment of a start-up operation in Thailand to supply global customers in the personal care and health care markets. This initial investment, which includes two new printing presses and leasehold improvements will amount to approximately \$6 million, is supported by a contract from a major international customer.

In the first quarter of 2003, the Division spent \$14.0 million in capital assets to maintain and expand its manufacturing base compared to \$2.8 million in the same period in 2002. Depreciation and amortization of other assets amounted to \$5.9 million in the first quarters of 2003 and 2002. Over the next few years, the Division has a plan to replace and/or upgrade its printing and associated manufacturing base as part of a strategy to broaden the Division's capability and at the same time improve operating efficiencies and reduce spoiled product and inventory.

The Division is also in the process of selling its existing plant in Leeds, U.K. to a property developer at a significant gain, and relocating in 2004 to a new facility in the area.

### **Liquidity and Capital Structure**

The Company's current debt structure comprises primarily three private debt placements issued in 1996, 1997 and 1998, totaling US\$323.6 million (Cdn\$475.0 million) at March 31, 2003, with an average interest rate of 5.9% factoring in the related Interest Rate Swap Agreements. A scheduled repayment of US\$9.4 million (Cdn\$13.8 million) on one of these notes is due September 16, 2003. During the first quarter of 2003, the note holders of the above debt agreed to change the loan covenants in the Company's favour to reflect recent changes in the accounting rules for goodwill impairment. The net debt analysis is as follows:

<u>\$ Millions</u>	<u>March 31</u> <u>2003</u>	<u>December 31</u> <u>2002</u>	<u>March 31</u> <u>2002</u>
Total debt	\$484.6	\$522.4	\$541.8
Cash on hand	(114.5)	(156.1)	(103.7)
<b>Net debt</b>	<b><u>\$370.1</u></b>	<b><u>\$366.3</u></b>	<b><u>\$438.1</u></b>

A summary of cash flow during the first quarters of 2003 and 2002 is as follows:

	<u>First Quarter</u>	
	<u>2003</u>	<u>2002</u>
<u>Cash inflows</u>		
Cash provided by operating activities (before change in non-cash working capital)	\$36.8	\$33.8
Proceeds on disposals	1.2	17.7
Other (net)	<u>(0.6)</u>	<u>0.9</u>
	<u>37.4</u>	<u>52.4</u>
<u>Cash outflows</u>		
Net increase in non-cash working capital	28.1	23.0
Additions to capital assets	27.2	10.6
Business acquisitions including debt assumed	-	18.6
Dividends to shareholders	2.8	2.7
Repurchase of shares, net of issuance	<u>17.1</u>	<u>(0.4)</u>
	<u>75.2</u>	<u>54.5</u>
Net cash outflow	37.8	2.1
Translation of foreign denominated debt, mainly U.S. dollars	<u>(34.0)</u>	<u>0.3</u>
Increase in net debt	<u>\$3.8</u>	<u>\$2.4</u>

Non-cash working capital traditionally increases during the first few months of each year, to accommodate increased customer activity following the slower year-end period, before reducing to its lowest point at year-end. The cash outflow associated with non-cash working capital for the first quarter of 2003 was \$28.1 million as expected.

In the first quarter of 2002, the Company sold the balance of the K-G Packaging business unit for proceeds of \$17.7 million and acquired the European label plants for \$18.6 million, including debt assumed.

Capital spending was \$27.2 million in the first quarter of 2003 compared to \$10.6 million for the same period in 2002. Capital spending was incurred in all divisions with a view to increasing capacity based on customers' requirements, implementing cost reduction

programs, and maintaining the existing business base. For the full year of 2003, it is anticipated that capital spending will be higher than 2002 as a result of additional opportunities to expand beverage can capacity in the Container Division and to upgrade the printing capability in the Label Division. Depreciation and amortization of other assets amounted to \$18.3 million in the first quarter compared to \$19.1 million a year earlier.

Total dividends for the quarter were \$2.8 million compared to \$2.7 million last year. The quarterly dividend rate was increased by 12.5% in the third quarter of 2002 reflecting the strong cash flow being generated by the business. The current annualized dividend rate is \$0.31 per Class A share and \$0.36 per Class B share. The Company has historically paid out dividends at a rate of 20-25% of normalized earnings.

The Company has a Normal Course Issuer Bid (NCIB) in place, which is governed by the rules of the Toronto Stock Exchange. CCL's current NCIB commenced on August 7, 2002 and terminates on August 6, 2003. It permits for the repurchase of up to 20,000 Class A shares and 2.1 million Class B shares. During the first quarter of 2003, the Company repurchased 992,300 Class B shares at an average price of \$17.31 per share. As at March 31, 2003, the Company may repurchase up to an additional 20,000 Class A and 583,300 Class B shares under the current NCIB.

The Company has no material "off balance sheet" financing obligations except for typical long-term operating lease agreements. The nature of these commitments is described in note 13 of the December 31, 2002 Annual Consolidated Financial Statements. Additionally, the vast majority of the Company's post-employment obligations are defined contribution pension plans. There are no defined benefit plans funded with CCL stock.

## **Risks and Strategy**

There have not been any significant changes during 2003 in either the risks to the business or the strategies from those discussed in the 2002 Management's Discussion and Analysis document in the Annual Report.

This document has been prepared for the purpose of providing Management's Discussion and Analysis (MD&A) of the financial condition and results of operations of the first quarters ended March 31, 2003 and 2002 and an update to the 2002 Annual MD&A document. This interim MD&A should be read in conjunction with the Company's March 31, 2003 first quarter unaudited financial statements released on May 1, 2003 and the 2002 Annual MD&A document, which forms part of the CCL INDUSTRIES INC. 2002 Annual Report, dated February 13, 2003.

The above financial statements have been prepared in accordance with Canadian generally accepted principles and in accordance with the requirements of section 1751 of the CICA Handbook. Unless otherwise noted, both these financial statements and this interim MD&A are expressed in Canadian dollars. CCL's Audit Committee and its Board of Directors have reviewed this interim MD&A to ensure consistency with the approved strategy of the Company.

**News Release**

**Stock Symbol: TSX-CCL.A and CCL.B**

**For Immediate Release - Tuesday, September 2, 2003**

**CCL INDUSTRIES SELLS NON-STRATEGIC ASSETS**

**Toronto, September 2, 2003** - CCL Industries Inc., a world leader in developing manufacturing, packaging and labeling solutions for the consumer products industry, today announced it has sold four non-core business units in its Container Division. The businesses that have been sold include CCL's aluminum tube plant in Harrisonburg, VA, the laminate tube facility in Swedesboro, NJ, the plastic jar plant in Plattsburgh, NY and the San Jose, Costa Rican facility that manufactures a variety of containers for the Central American market.

The purchaser is a private Ontario limited Partnership, 50% owned by Douglas Brent, Hollis Brent and Gary Ullman, and 50% owned by CCL, and will operate under the name of IntraPac. Mr. Ullman, a former senior executive of CCL, will be the President and Chief Executive Officer.

CCL will receive proceeds of approximately Cdn \$74 million in cash and Cdn \$13 million in equity of IntraPac L.P. In addition, CCL will be entitled to additional consideration should future performance exceed specified benchmarks. These businesses, in 2002, accounted for approximately Cdn \$119 million, \$21.4 million and \$11.3 million in sales, EBITDA and operating income respectively. This disposition will result in a loss of approximately Cdn \$6 million after tax and will be recorded as an unusual item in the third quarter ending September 30, 2003. The purchaser has the option to acquire CCL's residual equity in the partnership. CCL will carry its 50% interest as an equity investment.

Donald G. Lang, President and Chief Executive Officer of CCL Industries Inc. said, "we are very excited about completing this transaction which finalizes our major strategic repositioning of the businesses. CCL is now focused on three great business franchises with the resources to support further growth and profitability improvement through capital reinvestment and by acquisition as seen in our announcement of July 22, 2003 regarding the acquisition of Avery Dennison's European Label converting business. We anticipate the Avery Dennison transaction will be completed by the end of September." Mr. Lang also commented that, "the net earnings impact of this acquisition and the divestiture of these non-core assets will be positive to CCL."

CCL Industries Inc. (TSX CCL.A and CCL.B), provides state-of-the-art packaging solutions, including specialty aluminum and plastics packaging and innovative product labeling, to some of the world's largest producers of consumer brands, helping them to get their products to market quickly and cost-effectively. CCL develops solutions for producers of leading consumer brands in personal care, cosmetic, pharmaceutical, household and specialty food products. With headquarters in Toronto, Canada, CCL employs 7,000 people and operates 35 production facilities in North and Central America and Europe.

For more information, contact:

Steve Lancaster

Senior Vice President  
and Chief Financial Officer

416-756-8517

For more details on CCL, visit our web site - [www.cclind.com](http://www.cclind.com)

**News Release**

**Stock Symbol: TSX - CCL.A and CCL.B**

**For Immediate Release – Thursday, October 2, 2003**

**CCL Industries Inc. Completes its Acquisition of Avery Dennison's European Label Plants**

**Toronto, October 2, 2003** - CCL Industries Inc., a world leader in developing manufacturing, packaging and labelling solutions for the consumer products industry, announced today that it has completed the Agreement to purchase the shares of Avery Dennison's European label converting business.

The total consideration, which includes anticipated restructuring and other costs to maximize consolidation benefits with existing CCL Label plants in Europe, amounts to approximately Cdn \$85 million. CCL will utilize the proceeds from the recently announced disposition of its four non-core businesses within its Container Division, along with cash on hand, to satisfy the purchase price.

Avery Dennison's European label converting business focuses on healthcare and other specialty markets. With a total of 325 employees, it operates from facilities in Brondby, near Copenhagen and Randers, Denmark in addition to Chilly-Mazarin, near Paris, France. Sales in 2002 reached Cdn \$82 million with EBITDA of approximately Cdn \$20 million.

Donald G. Lang, President and Chief Executive Officer of CCL Industries Inc. said, "the potential for long-term sales, EBITDA and operating income growth have increased significantly for the Label Division over the past few years due to investment in restructuring, new label-manufacturing technologies, higher-growth markets and acquisitions such as this one."

CCL Industries Inc. (TSX CCL.A and CCL.B) provides state-of-the-art packaging solutions, including specialty aluminum and plastic packaging and innovative product labeling, to some of the world's largest producers of consumer brands, helping them to get their products to market quickly and cost-effectively. CCL develops solutions for producers of leading consumer brands in personal care, cosmetic, pharmaceutical, household and specialty food products. With headquarters in Toronto, Canada, CCL employs 7,000 people and operates 35 production facilities in North and Central America and Europe.

Statements contained in this Press Release, other than statements of historical facts, are forward-looking statements subject to a number of uncertainties that could cause actual events or results to differ materially from some statements made.

For more information, contact:

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For more details on CCL, visit our web site - [www.cclind.com](http://www.cclind.com)