

CCL INDUSTRIES INC.
2009 Third Quarter
Consolidated Balance Sheets

Unaudited	September 30th	December 31st	September 30th
(in millions of Canadian dollars)	<u>2009</u>	<u>2008</u>	<u>2008</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 108.4	\$ 136.3	\$ 206.1
Accounts receivable - trade	168.8	156.0	156.7
Other receivables and prepaid expenses	26.8	26.4	18.3
Income and other taxes recoverable	-	2.2	-
Inventories	82.1	87.1	83.9
	<hr/> 386.1	<hr/> 408.0	<hr/> 465.0
Property, plant and equipment	783.0	830.8	757.5
Other assets	46.6	57.6	39.5
Future income tax assets	45.5	43.5	35.1
Intangible assets	43.4	47.5	44.5
Goodwill	362.5	379.3	389.9
Total assets	<hr/> \$ 1,667.1	<hr/> \$ 1,766.7	<hr/> \$ 1,731.5
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	\$ 215.5	\$ 250.8	\$ 211.2
Income and other taxes payable	6.2	-	2.2
Current portion of long-term debt	59.5	25.9	22.1
	<hr/> 281.2	<hr/> 276.7	<hr/> 235.5
Long-term debt	452.9	566.6	566.1
Other long-term items	56.9	66.5	56.7
Future income tax liabilities	113.8	106.4	101.8
Total liabilities	<hr/> 904.8	<hr/> 1,016.2	<hr/> 960.1
Shareholders' equity			
Share capital (note 2)	195.9	191.3	189.0
Contributed surplus	6.1	4.8	6.2
Retained earnings	648.4	621.9	652.1
Accumulated other comprehensive loss (note 4)	(88.1)	(67.5)	(75.9)
Total shareholders' equity	<hr/> 762.3	<hr/> 750.5	<hr/> 771.4
Total liabilities and shareholders' equity	<hr/> \$ 1,667.1	<hr/> \$ 1,766.7	<hr/> \$ 1,731.5

See notes to interim consolidated financial statements.

CCL INDUSTRIES INC.
2009 Third Quarter
Consolidated Statements of Earnings

Unaudited (in millions of Canadian dollars, except per share data)	Three months ended September 30th			Nine months ended September 30th		
	<u>2009</u>	<u>2008</u>	<u>% Change</u>	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Sales	\$ 294.3	\$ 289.8	1.6	\$ 909.7	\$ 897.7	1.3
Costs and expenses						
Cost of goods sold	231.3	225.2		714.1	684.4	
Selling, general and administrative	35.0	31.3		105.8	97.8	
Depreciation and amortization	1.7	2.0		5.0	5.3	
Interest expense, net	7.0	6.1		22.8	16.2	
	19.3	25.2	(23.4)	62.0	94.0	(34.0)
Restructuring and other items - net (loss) gain (note 5)	-	1.7		(2.1)	3.5	
Earnings before income taxes	19.3	26.9	(28.3)	59.9	97.5	(38.6)
Income taxes	2.7	4.8		17.6	23.8	
Net earnings	\$ 16.6	\$ 22.1	(24.9)	\$ 42.3	\$ 73.7	(42.6)
Basic earnings per Class B share	\$ 0.51	\$ 0.70	(27.1)	\$ 1.31	\$ 2.30	(43.0)
Diluted earnings per Class B share	\$ 0.51	\$ 0.68	(25.0)	\$ 1.29	\$ 2.23	(42.2)

See notes to interim consolidated financial statements.

CCL INDUSTRIES INC.
2009 Third Quarter
Consolidated Statements of Comprehensive Income

Unaudited	Three months ended September 30th		Nine months ended September 30th	
(in millions of Canadian dollars)	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net earnings	\$ 16.6	\$ 22.1	\$ 42.3	\$ 73.7
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on translation of financial statements of self-sustaining foreign operations	(63.1)	(17.5)	(83.7)	32.1
Unrealized gains (losses) on hedges of net investment in self-sustaining foreign operations, net of tax recovery (expense) of (\$5.1) million and (\$7.0) million for the three-month and nine-month periods ending September 30, 2009 (2008 - \$1.2 million; \$4.1 million)	31.2	(4.0)	52.1	(20.2)
Unrealized foreign currency translation gains (losses), net of hedging activities	(31.9)	(21.5)	(31.6)	11.9
Gains (losses) on derivatives designated as cash flow hedges, net of tax recovery (expense) of (\$0.7) million and \$2.4 million for the three-month and nine-month periods ending September 30, 2009 (2008 - \$0.8 million; (\$0.2) million)	(0.9)	(0.4)	(5.2)	2.1
Reclassification of (gains) losses on derivatives designated as cash flow hedges to earnings, net of tax (recovery) expense of (\$1.3) million and (\$4.5) million for the three-month and nine-month periods ending September 30, 2009 (2008 - \$0.4 million; \$1.0 million)	5.5	(2.3)	14.0	(4.5)
Change in gains (losses) on derivatives designated as cash flow hedges	4.6	(2.7)	8.8	(2.4)
Other comprehensive income (loss)	(27.3)	(24.2)	(22.8)	9.5
Comprehensive income (loss)	\$ (10.7)	\$ (2.1)	\$ 19.5	\$ 83.2

See notes to interim consolidated financial statements.

CCL INDUSTRIES INC.
2009 Third Quarter
Consolidated Statements of Shareholders' Equity

Unaudited (in millions of Canadian dollars)	September 30th	
	<u>2009</u>	<u>2008</u>
Share capital (note 2)		
Class A shares, beginning of period	\$ 4.5	\$ 4.5
Class A shares, end of period	4.5	4.5
Class B shares, beginning of period	199.5	197.4
Shares issued	-	0.9
Stock options exercised	4.4	2.7
Normal course issuer bid	-	(3.9)
Class B shares, end of period	203.9	197.1
Executive share purchase plan loans, beginning of period	(1.3)	(1.3)
Repayment of executive share purchase plan loans	0.4	-
Executive share purchase plan loans, end of period	(0.9)	(1.3)
Shares held in trust, beginning of period	(11.5)	(10.1)
Shares released from trust	-	3.2
Shares purchased and held in trust	(0.1)	(4.4)
Shares held in trust, end of period	(11.6)	(11.3)
Share capital, end of period	195.9	189.0
Contributed surplus		
Contributed surplus, beginning of period	4.8	6.7
Stock option expense	0.8	0.9
Stock based compensation plan	0.5	(1.4)
Contributed surplus, end of period	6.1	6.2
Retained earnings, beginning of period		
	621.9	606.1
Transitional adjustment on adoption of new accounting standards (note 1)	(1.4)	-
Net earnings	42.3	73.7
Normal course issuer bid	-	(14.2)
Dividends		
Class A	0.9	0.9
Class B	13.5	12.6
Total dividends, end of period	14.4	13.5
Retained earnings, end of period	648.4	652.1
Accumulated other comprehensive loss (note 4)		
Accumulated other comprehensive loss, beginning of period	(67.5)	(85.4)
Transitional adjustment on adoption of new accounting standards (note 1)	2.2	-
Other comprehensive income (loss)	(22.8)	9.5
Accumulated other comprehensive loss, end of period	(88.1)	(75.9)
Total shareholders' equity, end of period	\$ 762.3	\$ 771.4

CCL INDUSTRIES INC.
2009 Third Quarter
Consolidated Statements of Cash Flows

Unaudited	Three months ended September 30th		Nine months ended September 30th	
(in millions of Canadian dollars)	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash provided by (used for)				
Operating activities				
Net earnings	\$ 16.6	\$ 22.1	\$ 42.3	\$ 73.7
Items not involving cash:				
Depreciation and amortization	24.4	21.5	74.1	61.3
Executive compensation	0.6	0.7	1.6	2.7
Future income taxes	(1.5)	2.4	1.6	6.4
Restructuring and other items, net of tax (note 5)	-	(1.7)	1.7	(3.5)
Gain on sale of property, plant and equipment	0.1	(0.1)	(1.0)	(1.0)
	40.2	44.9	120.3	139.6
Net change in non-cash working capital	(12.0)	6.4	(31.0)	44.8
Cash provided by operating activities	28.2	51.3	89.3	184.4
Financing activities				
Proceeds on issuance of long-term debt	2.1	141.8	6.2	182.2
Retirement of long-term debt	(10.8)	(20.8)	(12.9)	(28.4)
Issue of shares	0.8	2.1	4.1	2.2
Repurchase of shares (note 2)	-	-	-	(18.1)
Purchase of shares held in trust (note 2)	-	-	-	(4.4)
Repayment of executive share purchase plan loans	-	-	0.4	-
Dividends	(4.9)	(4.4)	(14.6)	(13.5)
Cash provided by (used for) financing activities	(12.8)	118.7	(16.8)	120.0
Investing activities				
Additions to property, plant and equipment	(19.9)	(54.6)	(88.4)	(157.7)
Proceeds on disposal of property, plant and equipment	0.2	0.5	4.0	3.8
Proceeds on product line dispositions (note 5)	-	1.0	-	9.4
Business acquisitions (note 3)	0.2	-	(5.3)	(35.2)
Long-term investment	-	-	-	(6.3)
Cash used for investing activities	(19.5)	(53.1)	(89.7)	(186.0)
Effect of exchange rate changes on cash	(7.9)	(15.2)	(10.7)	(8.9)
Increase (decrease) in cash and cash equivalents	(12.0)	101.7	(27.9)	109.5
Cash and cash equivalents at beginning of period	120.4	104.4	136.3	96.6
Cash and cash equivalents at end of period	\$ 108.4	\$ 206.1	\$ 108.4	\$ 206.1

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, 2009 and 2008

(Tabular amounts in millions of Canadian dollars, except share data)

(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

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, 2008.

b) Changes in accounting policies

The unaudited interim consolidated financial statements are based upon accounting principles consistent with those used and described in the annual consolidated statements, except that: effective January 1, 2009, the Company adopted the new Canadian Institute of Chartered Accountants (CICA) Handbook Section 3064, Goodwill and Intangible Assets and EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.

Handbook Section 3064, Goodwill and Intangible Assets replaces Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill, subsequent to its initial recognition, and of intangible assets. Standards concerning goodwill are unchanged from the previous Section 3062. The new section requires certain costs that were previously deferred and amortized be expensed as incurred. Upon adoption of the new standard, the Company reduced 2009 opening retained earnings by \$1.4 million due to the write-off of previously deferred start-up costs.

EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, requires an entity to account for its credit risk and counterparty credit risk in the measurement of financial assets and financial liabilities. The transitional adjustment to recognize the impact of EIC-173 resulted in a decrease of \$2.2 million in Accumulated Other Comprehensive Loss on January 1, 2009.

c) Recently issued accounting standards

The Canadian Accounting Standards Board confirmed in February 2008 that all publicly accountable enterprises will be required to report under International Financial Reporting Standards ("IFRS") for fiscal periods beginning on or after January 1, 2011.

In December 2008, the CICA issued Handbook Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests.

Section 1582 establishes standards for accounting for business combinations and is equivalent to IFRS 3. The new standards apply to business combinations with an acquisition date on or after January 1, 2011; however, earlier adoption is permitted.

Sections 1601 and 1602, together, replace Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for non-controlling interest in a subsidiary subsequent to a business combination. It is equivalent to the provisions of IFRS standard, IAS 27, Consolidated and Separate Financial Statements. The new standards apply to interim and annual consolidated financial statements with fiscal years beginning on or after January 1, 2011. Early adoption is permitted as of the beginning of a fiscal year.

2. SHARE CAPITAL

Issued and outstanding

	<u>September 30, 2009</u>	<u>December 31, 2008</u>	<u>September 30, 2008</u>
Issued share capital	\$ 208.4	\$ 204.0	\$ 201.6
Less: Executive share purchase plan loans	(0.9)	(1.3)	(1.3)
Shares held in trust	(11.6)	(11.5)	(11.3)
Total	<u>\$ 195.9</u>	<u>\$ 191.3</u>	<u>\$ 189.0</u>

During 2009, the Company commenced a normal course issuer bid ("the Bid") to acquire up to 13,000 of its outstanding Class A voting shares and 2,100,000 Class B non-voting shares. The Bid commenced on March 23, 2009, and will end no later than March 22, 2010. CCL's management believes that such purchases are an appropriate and desirable use of available funds. No shares have been purchased under this Bid to date.

During the first nine months of 2008, 0.6 million Class B shares were repurchased for \$18.1 million. The excess of the purchase price over the paid-up capital of \$3.9 million was charged to retained earnings.

During 2008, the Company issued 29,753 restricted shares as part of the consideration for the purchase of Clear Image Labels Pty. Ltd. These restricted shares are price protected and cannot be sold or transferred until December 31, 2009 (note 3).

2. SHARE CAPITAL (CON'T)

During 2008, the Company granted awards totaling 145,000 Class B shares of the Company. These shares are restricted in nature and will vest at the end of 2010 dependent on the Company's performance. The Company purchased these 145,000 shares in the open market and has placed them in a trust until the vesting conditions are met.

During 2007, the Company granted an award totaling 120,000 Class B shares of the Company. These shares are restricted in nature and will vest at the end of 2010 dependent on the Company's performance and continuing employment. The Company purchased these 120,000 shares in the open market.

The fair value of these stock awards are being amortized over the vesting period and recognized as compensation expense.

During 2005, the Company granted an award totaling 200,000 Class B shares of the Company and has placed them in a trust until the vesting conditions are met. These shares are restricted in nature. In 2007, 120,000 became fully vested and were released from the trust in 2008. The fair value of these shares had been amortized over the vesting period and recognized as compensation expense. The balance of the award will continue to be amortized over the remaining vesting period, ending November 9, 2009, and recognized as executive compensation expense.

Number of shares:

	<u>September 30, 2009</u>	<u>December 31, 2008</u>	<u>September 30, 2008</u>
Class A	2,374,025	2,374,025	2,374,043
Class B	30,465,621	30,180,921	30,042,353
	<u>32,839,646</u>	<u>32,554,946</u>	<u>32,416,396</u>
Less: Executive share purchase plan shares - Class B	(75,000)	(100,000)	(100,000)
Shares held in trust - Class B	(345,000)	(345,000)	(345,000)
Total	<u>32,419,646</u>	<u>32,109,946</u>	<u>31,971,396</u>
Year-to-date weighted average number of shares	<u>32,282,652</u>	<u>32,090,470</u>	<u>32,116,020</u>
Year-to-date weighted average diluted number of shares	<u>32,911,379</u>	<u>32,982,083</u>	<u>33,086,510</u>

3. ACQUISITIONS

In March 2009, the Company completed the purchase of Ferro Print Western Cape (Pty) Ltd. ("Ferro Print"). Ferro Print has a factory near Cape Town in the wine growing region of Stellenbosch, South Africa. The purchase price was \$2.7 million.

Details of the transaction are as follows:

Current assets	\$	0.9
Current liabilities		(0.7)
Non-current assets at assigned values		1.5
Goodwill		1.0
Net assets purchased	<u>\$</u>	<u>2.7</u>

Consideration given:

Cash	<u>\$</u>	<u>2.7</u>
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In December 2008, the Company completed the purchase of Eltex GmbH ("Eltex") based in Solingen, Germany. Eltex supplies a patented pressure sensitive label solution that replaces solid aluminum riveted rating plates widely used in the automotive, consumer durable and information technology hardware markets. The purchase price was \$5.0 million, net of cash acquired.

Details of the transaction are as follows:

Current assets	\$	1.1
Current liabilities		(1.0)
Non-current assets at assigned values		2.3
Future taxes		(1.0)
Intangible assets		1.5
Goodwill		2.1
Net assets purchased	<u>\$</u>	<u>5.0</u>

Consideration given:

Cash, less cash acquired of \$0.9 million	<u>\$</u>	<u>5.0</u>
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3. ACQUISITIONS (CONT'D)

In April 2008, the Company completed the purchase of Clear Image Labels Pty. Ltd. ("Clear Image") based in Australia. Clear Image supplies pressure sensitive labels to the Australian wine industry with plants in Sydney, New South Wales, and Barossa Valley, South Australia. Clear Image also exports labels to wine producers in the United States. The Company paid \$33.6 million in a combination of cash, restricted stock and assumed debt to acquire the business. During 2008, the Company issued 29,753 restricted shares as part of the consideration for the purchase of Clear Image. These restricted shares are price protected and cannot be sold or transferred until December 31, 2009.

Details of the transaction are as follows:

Current assets	\$	4.9
Current liabilities		(4.2)
Non-current assets at assigned values		10.3
Future taxes		(2.4)
Intangible assets		5.8
Goodwill		19.2
Net assets purchased	\$	<u>33.6</u>

Consideration given:

Cash	\$	27.1
Assumed debt		5.6
Restricted shares		0.9
Total consideration	\$	<u>33.6</u>

In January 2008, the Company purchased CD-Design GmbH, now known as CCL Design GmbH ("CCL Design"), based in Solingen, Germany, for \$8.3 million, net of cash acquired, and assumed debt of \$1.4 million. CCL Design converts pressure sensitive films and aluminum for leading original equipment manufacturers in Germany.

Under the terms of the purchase agreement the Company paid an additional \$2.8 million during the second quarter of 2009 as CCL Design achieved predetermined levels of earnings for the year ended December 31, 2008. The additional consideration of \$2.8 million, adjusted from \$3.4 million at December 31, 2008, has been recognized as goodwill.

Details of the transaction are as follows:

Current assets	\$	7.1
Current liabilities		(3.1)
Non-current assets at assigned values		2.0
Future taxes		(0.6)
Intangible assets		1.2
Goodwill		5.9
Net assets purchased	\$	<u>12.5</u>

Consideration given:

Cash, less cash acquired of \$0.4 million	\$	8.3
Additional consideration		2.8
Assumed debt		1.4
Total consideration	\$	<u>12.5</u>

4. ACCUMULATED OTHER COMPREHENSIVE LOSS

	September 30, 2009	December 31, 2008	September 30, 2008
Unrealized foreign currency translation losses, net of tax expense of \$8.2 million (2008 - net of tax expense of \$1.2 million; net of tax expense of \$9.9 million)	\$ (88.4)	\$ (58.7)	\$ (75.0)
Gains (losses) on derivatives designated as cash flow hedges, net of tax recovery of \$0.2 million (2008 - net of tax recovery of \$2.3 million; net of tax recovery of \$0.7 million)	0.3	(8.8)	(0.9)
	<u>\$ (88.1)</u>	<u>\$ (67.5)</u>	<u>\$ (75.9)</u>

The transitional adjustment to recognize the impact of EIC-173, as described in note 1, resulted in a decrease of \$2.2 million in Accumulated Other Comprehensive Loss on January 1, 2009.

5. RESTRUCTURING AND OTHER ITEMS

	Segment	Three months ended September 30th		Nine months ended September 30th	
		2009	2008	2009	2008
Pension settlement	Corporate	\$ -	\$ -	\$ (1.4)	\$ -
Label segment restructuring	Label	-	-	(0.3)	-
Repatriation of capital	Corporate	-	1.7	(0.4)	1.7
Gain on note receivable	Corporate	-	-	-	2.3
Sale of ABS product line	Container	-	-	-	3.1
Restructuring of Rhyl, Wales label business	Label	-	-	-	(3.6)
Net (loss) gain		<u>\$ -</u>	<u>\$ 1.7</u>	<u>\$ (2.1)</u>	<u>\$ 3.5</u>
Tax recovery on restructuring and other items		\$ -	\$ -	\$ 0.4	\$ -

The Company offered to buy out certain categories of members of the U.K. defined benefit pension plan in 2008. In 2009, payments totalling \$4.4 million were made to members of the plan who accepted the Company's buyout offer. As a result of the settlement, an additional expense of \$1.4 million (\$1.0 million net of tax recovery) was recorded.

In 2009, the Company, as part of its restructuring of the Avelin label plant located in France, recorded provisions for plant closure costs of \$0.3 million with no tax effect.

In 2009, the Company repatriated capital from a foreign subsidiary that resulted in a net foreign exchange loss of \$0.4 million. Gains and losses arise 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. This exchange gain did not give rise to any tax effect.

In 2008, an unrealized exchange gain on a euro-denominated note receivable on the sale of ColepCCL of \$2.3 million was recognized (\$1.6 million after tax).

In the third quarter of 2008, the Company repatriated capital from a foreign subsidiary that was generated from the sale of its interest in the ColepCCL joint venture. The repatriation resulted in a net foreign exchange gain of \$1.7 million. Gains and losses arise 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. This exchange gain did not give rise to any tax effect.

In 2008, the Company sold the assets of its ABS "Bag-on-Valve" product line from the Container segment to AptarGroup, Inc. for \$9.4 million in cash. CCL Container retained the aluminum aerosol can business and will continue to sell to its existing customers. AptarGroup will separately market the "Bag-on-Valve" product line. The Company recognized a gain on the sale of \$3.1 million (\$2.8 million after tax).

In 2008, the Company, as part of its restructuring of the Rhyl plant located in Wales recorded provisions for costs of \$3.6 million (\$2.6 million after tax).

6. EMPLOYEE FUTURE BENEFITS

The expense for the defined benefit pension plans in the third quarter is \$0.6 million (2008 - \$0.3 million) and \$3.3 million year-to-date (2008 - \$1.0 million), which includes \$1.4 million in expenses related to the pension settlement (note 5).

7. SEGMENTED INFORMATION

Industry segments

	Three months ended September 30th				Nine months ended September 30th			
	Sales		Operating income		Sales		Operating income	
	2009	2008	2009	2008	2009	2008	2009	2008
Label	\$ 244.8	\$ 237.1	\$ 30.7	\$ 30.1	\$ 751.2	\$ 733.4	\$ 98.2	\$ 107.0
Container	31.5	36.9	(2.8)	2.8	105.0	117.6	(3.2)	11.0
Tube	18.0	15.8	1.0	0.2	53.5	46.7	2.2	0.6
Total operations	\$ 294.3	\$ 289.8	28.9	33.1	\$ 909.7	\$ 897.7	97.2	118.6
Corporate expense			(2.6)	(1.8)			(12.4)	(8.4)
Interest expense, net			26.3	31.3			84.8	110.2
Restructuring and other items - net (loss) gain (note 5)			7.0	6.1			22.8	16.2
Earnings before income taxes			19.3	25.2			62.0	94.0
Income taxes			-	1.7			(2.1)	3.5
Net earnings			19.3	26.9			59.9	97.5
			2.7	4.8			17.6	23.8
			\$ 16.6	\$ 22.1			\$ 42.3	\$ 73.7

	Identifiable Assets		Goodwill		Depreciation & Amortization		Capital Expenditures	
	September 30th	December 31st	September 30th	December 31st	Nine months ended September 30th		Nine months ended September 30th	
	2009	2008	2009	2008	2009	2008	2009	2008
Label	\$ 1,218.5	\$ 1,250.3	\$ 349.8	\$ 366.5	\$ 55.7	\$ 48.1	\$ 81.5	\$ 117.4
Container	177.3	190.4	12.7	12.8	11.2	7.6	2.4	30.1
Tube	63.0	77.1	-	-	6.9	5.2	4.5	9.7
Corporate	208.3	248.9	-	-	0.3	0.4	-	0.5
Total	\$ 1,667.1	\$ 1,766.7	\$ 362.5	\$ 379.3	\$ 74.1	\$ 61.3	\$ 88.4	\$ 157.7

MANAGEMENT'S DISCUSSION AND ANALYSIS

Third Quarters Ended September 30, 2009 and 2008

This Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") relates to the third quarters ended September 30, 2009 and 2008 and an update to the 2008 Annual MD&A document. The information in this interim MD&A is current to November 5, 2009 and should be read in conjunction with the Company's September 30, 2009 unaudited third quarter financial statements released on November 5, 2009 and the 2008 Annual MD&A document and financial statements, which form part of the CCL Industries Inc. 2008 Annual Report, dated March 10, 2009.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and in accordance with the requirements of Section 1751, Interim Financial Statements, of the CICA Handbook. Unless otherwise noted, both the financial statements and this interim MD&A are expressed in Canadian dollars as the reporting currency. The major measurement currencies of CCL's operations are the Canadian dollar, the U.S. dollar, the euro, the Australian dollar, the Brazilian real, the Chinese renminbi, the Danish krone, the Japanese yen, the Mexican peso, the Polish zloty, the Russian rouble, the South African rand, the Thai baht, the U.K. pound sterling and the Vietnamese dong. All "per Class B share" amounts in this document are expressed on an undiluted basis, unless otherwise indicated. 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 and the financial results of the Company.

This MD&A contains forward-looking information, as defined in Canadian securities laws (hereinafter referred to as "forward-looking statements"), that involves a number of risks and uncertainties. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words "believes," "expects," "anticipates," "estimates," "intends," "plans" or similar expressions. Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties, and assumptions relating to future events and conditions, including, but not limited to, the evolving global financial crisis and its impact on the world economy and capital markets; the impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; income tax rates and the ability to tax-benefit losses by jurisdiction; technological change; changes in government regulations; risks associated with operating and product hazards; and the Company's ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company's actual results could differ materially from those anticipated in these forward-looking statements. Further details on key risks can be found throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2008 Annual MD&A.

Except as otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on the Company's business. Such statements do not, unless otherwise specified by us, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts.

The forward-looking statements are provided as of the date of this MD&A and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

1. Overview

The global macroeconomic environment continued to be difficult in the third quarter although signs of improvement in certain markets in North America were evident, including some stabilization in the Home and Personal Care segment. A number of CCL's customers, peers and suppliers continue to report revenue declines in the quarter but at a slower pace than the first half of 2009. Conditions in Europe remain the most difficult of all the world's major economic zones while Asia and Latin America both continue to grow at a faster rate than other regions.

Despite these market conditions, CCL's underlying sales experienced a slight improvement in the third quarter compared to last year's third quarter. Sales were negatively impacted by continued difficulties in Europe, although comparables against the prior year have eased significantly as Europe's economy began to experience declines in last year's third quarter. The Container business in the United States remained challenging due to lower demand for high-end aerosol cans and aluminum beverage bottles. Excluding the Container Division, North American sales increased significantly at both the Label and Tube Divisions. Home and Personal Care markets, however, generally remained soft in the developed world but were partly compensated by strong growth in Asia and Latin America.

2. Review of Consolidated Financial Results

The following acquisitions and a divestiture affected financial comparisons to 2008 results in the third quarter and the year-to-date periods. Further details on these transactions follow later in the Business Segment Review section:

- In March 2009, Ferro Print Western Cape (Pty) Ltd., a privately owned pressure sensitive label company based in South Africa, was acquired for approximately \$3 million in cash. Ferro Print is a leading South African wine label producer with a plant located near Cape Town.
- In late December 2008, Eltex GmbH, based in Solingen, Germany, was acquired for approximately \$5 million on a debt-free basis. Eltex provides a patented pressure sensitive label solution servicing the automotive, consumer durable and information technology hardware markets. This business merged with CCL's complementary and neighbouring CCL Design operation (previously known as CD-Design).
- In April 2008, Clear Image Labels Pty. Ltd., a privately owned pressure sensitive label company based in Australia, was acquired for approximately \$34 million in a combination of cash, restricted stock and assumed debt. Clear Image is a leading Australian wine label business with two operations in Australia, servicing both the domestic and U.S. markets.

- In April 2008, the Company sold the inventory and equipment related to the Container Division's ABS "Bag-on-Valve" product line located within its Penetanguishene, Ontario, plant for approximately \$9 million in cash.
- In January 2008, CD-Design GmbH in Germany was acquired for \$10 million, including assumed debt, as CCL's first entry into the durable label business as it services the automotive original equipment manufacturing market in Europe. A further payment of approximately \$3 million, which was contingent upon its 2008 financial performance, was paid in the second quarter of 2009. CD-Design now operates under the name CCL Design GmbH.

Financial comparisons to the prior year's third quarter results have been affected by the 5% (15% year-to-date) appreciation of the U.S. dollar and to a lesser degree, the 1% (3% year-to-date) appreciation of the euro relative to the Canadian dollar in 2009 compared to average exchange rates in the comparable 2008 period. As a partial offset, the U.K. pound sterling has depreciated 9% for the quarter and year-to-date versus the Canadian dollar in these time frames. The combined effect of these movements was nominal for the third quarter, but had a much larger impact on the performance for the first nine months of 2009.

Sales for the third quarter of 2009 were \$294.3 million, an increase of 2% versus the \$289.8 million recorded in the third quarter of 2008. Sales increased due to acquisitions (1%) with the balance from organic growth and nominal foreign exchange impact. The third quarter benefited from improved business conditions compared to the second quarter and easier comparative results as Europe entered the economic downturn at this time last year. On a comparative basis with last year's third quarter, sales were higher in the Label and Tube Divisions due primarily to positive organic growth and small Label acquisitions, while Container Division sales were lower largely due to a decline in unit volume. Year-to-date, sales increased by 1% as a result of positive foreign currency translation of 5% mainly offset by an organic decline of 5%, with small acquisitions accounting for the remaining 1%.

Net earnings for the third quarter of 2009 were \$16.6 million, down 25% from \$22.1 million recorded in the third quarter of 2008 due to lower operating income (a non-GAAP measure, refer to definition in Section 13), higher corporate expense and higher net interest expense partially offset by lower income tax rates. Foreign exchange had a nominal impact in the quarter. Despite improved business conditions in the Label and Tube Divisions in the quarter, operating income was down by \$4.2 million or 13% largely driven by the unfavourable performance at the Container Division, partially offset by slightly improved results at Label Division and a strong improvement at the Tube Division. In the third quarter of 2009, no restructuring and other costs were incurred. In the third quarter of 2008, net earnings were favourably impacted by a gain from the repatriation of capital from Europe that arose from the disposal of the Company's investment in ColepCCL of \$1.7 million with no tax effect.

For the first nine months of 2009, net earnings were \$42.3 million, down 43% from \$73.7 million in the comparable 2008 period. Net earnings for the first nine months of 2009 were affected by the \$1.4 million (\$1.0 million after tax) cost to settle pension obligations to certain members of the U.K. pension plan, \$0.3 million (with no tax affect) in additional costs to shutdown the plant in Avelin, France, and a \$0.4 million (with no tax affect) foreign exchange loss from the repatriation of capital from Europe. Net earnings decreased by \$1.7 million from the foregoing items. Net earnings for the first nine months of 2008 were affected by a gain on a note receivable of \$2.3 million (\$1.6 million after tax), the gain on the ABS product line of \$3.1 million (\$2.8 million after tax), the loss from the shutdown of the plant in Rhyl, Wales, of \$3.6 million (\$2.6 million after tax) and the gain from repatriation of capital from Europe of \$1.7 million (no tax effect). Net earnings in 2008 were higher by \$3.5 million due to the foregoing items.

EBITDA (a non-GAAP measure; see Section 13 later in this report) was \$50.7 million in the third quarter of 2009, down by 4% from the \$52.8 million reported in 2008. This decline reflects lower operating income and higher corporate expense partially offset by the modest positive impact from the improvement in currency translation rates. Year-to-date EBITDA was \$158.9 million in 2009, down 7% from \$171.5 million in the comparable 2008 period.

Net interest expense was \$7.0 million for the quarter, \$0.9 million higher than last year's corresponding quarter of \$6.1 million primarily due to a full quarter impact of the September 2008 private placement debt in the current year, lower interest income on cash on hand due to lower rates on cash deposits and the continued impact of currency exchange on interest expense on U.S. dollar-denominated debt.

Corporate expense of \$2.6 million for the quarter was higher than the \$1.8 million in last year's third quarter primarily due to the prior year comparatives being favourably impacted by a reduction in self-insurance claims reserves, lower variable executive compensation and higher foreign exchange gains.

The overall effective income tax rate was 14.0% for the third quarter of 2009 compared to 17.8% in the third quarter of 2008. The current quarter's income tax expense reflects \$4.7 million of income (a reduction in income tax expense) related to an accounting adjustment to benefit certain tax losses. This benefit is related to the unrealized foreign exchange gains on the Company's U.S. dollar - denominated debt resulting from the strengthening of the Canadian dollar at the end of the third quarter compared to the end of the second quarter of 2009. This benefit is only for accounting purposes and has no impact on cash taxes payable. This accounting benefit will fluctuate with the movement in the Canadian dollar versus the U.S. dollar and as such this benefit would reverse in all or in part in the future if the Canadian dollar weakens and would grow larger if it strengthens. Excluding this accounting adjustment, the overall effective tax rate was 38.4%. The current quarter was also negatively impacted by an unfavourable mix of income earned in highly taxed jurisdictions versus lower taxed jurisdictions. The tax rate in the third quarter of 2008 was favourably

affected by the non-taxable repatriation of capital which reduced the rate by 1.2% down from 19.0%. Year-to-date, the effective tax rate was 29.4% in 2009 compared to 24.4% in the comparable 2008 period. Excluding the accounting adjustment, the year-to-date effective tax rate is 37.2%. The Company continues to expect to implement certain restructuring initiatives by the end of the current year that could reduce the effective tax rate for 2010 assuming the current mix of income continues.

Basic earnings per Class B share were \$0.51 in the third quarter of 2009 compared to \$0.70 earned in the same period last year, a decrease of 27%.

Restructuring and other items in the third quarter of 2008 increased earnings per Class B share by \$0.05. The currency translation and transactions had no material impact on basic earnings per Class B share in the third quarter of 2009 versus the third quarter of 2008.

For the first nine months of 2009, earnings per Class B share were \$1.31 compared to \$2.30 in the prior year period, a 43% decrease. Restructuring and other items decreased earnings per Class B share by \$0.05 for the first nine months of 2009 versus an \$0.11 increase in the same period last year. The positive impact of currency translation and transactions on basic earnings per Class B share was \$0.10 in the first nine months of 2009 versus the same period last year.

Diluted earnings per Class B share were \$0.51 in the third quarter of 2009 and \$0.68 in the third quarter of 2008.

The following table is presented to provide context to the comparative change in the financial performance of the business by excluding restructuring and other costs.

(in Canadian dollars)

Adjusted Basic Earnings per Class B Share	Third Quarter		Year-to-Date	
	2009	2008	2009	2008
Basic earnings	\$0.51	\$0.70	\$1.31	\$2.30
Less: Net gain (loss) from restructuring and other items included above	-	0.05	(0.05)	0.11
Adjusted basic earnings ⁽¹⁾	\$0.51	\$0.65	\$1.36	\$2.19

⁽¹⁾ Adjusted Basic Earnings per Class B share is a non-GAAP measure. Refer to definition in Section 13.

The following is selected financial information for the eleven most recently completed quarters. In November 2007, the Company's interest in its ColepCCL joint venture was sold and was treated as Discontinued Operations.

(in millions of Canadian dollars, except per share amounts)

	<u>Qtr 1</u>	<u>Qtr 2</u>	<u>Qtr 3</u>	<u>Qtr 4</u>	<u>Total</u>
Sales-continuing operations					
2009	\$314.1	\$301.3	\$294.3		\$909.7
2008	295.1	312.8	289.8	\$291.3	1,189.0
2007	316.2	303.5	274.9	249.7	1,144.3
Net earnings (loss) - continuing operations					
2009	16.8	8.9	16.6		42.3
2008	27.5	24.1	22.1	(25.7)	48.0
2007	26.3	25.9	20.8	20.4	93.4
Net earnings (loss)					
2009	16.8	8.9	16.6		42.3
2008	27.5	24.1	22.1	(25.7)	48.0
2007	30.0	28.8	23.8	65.3	147.9
Net earnings (loss) per Class B share - continuing operations					
Basic					
2009	0.52	0.28	0.51		1.31
2008	0.85	0.75	0.70	(0.80)	1.50
2007	0.82	0.80	0.64	0.64	2.90
Diluted					
2009	0.51	0.27	0.51		1.29
2008	0.82	0.73	0.68	(0.80)	1.46
2007	0.79	0.77	0.61	0.62	2.79
Net earnings (loss) per Class B share					
Basic					
2009	0.52	0.28	0.51		1.31
2008	0.85	0.75	0.70	(0.80)	1.50
2007	0.93	0.89	0.74	2.03	4.59
Diluted					
2009	0.51	0.27	0.51		1.29
2008	0.82	0.73	0.68	(0.80)	1.46
2007	0.90	0.86	0.71	1.95	4.42
Goodwill impairment loss, restructuring and other items, favourable tax adjustments and gain on discontinued operations in basic earnings per Class B share- (loss) gain					
2009	(0.04)	(0.01)	-		(0.05)
2008	0.05	0.01	0.05	(1.15)	(1.04)
2007	0.05	0.11	0.12	1.49	1.77

The impact on basic net earnings per Class B share of the gain on the sale of ColepCCL in November 2007 is included in the table above. Net earnings per Class B share fluctuated significantly due to changes in foreign exchange rates, restructuring costs and other items, goodwill impairment loss recorded in the fourth quarter of 2008 and favourable tax adjustments. In late 2008 and into 2009, the impact of the global recession has reduced comparative earnings.

In addition, the seasonality of the business has evolved over the last few years with the first and second quarters generally being the strongest due to the number of work days and various customer related activities. Also, there are many products that have a spring-summer bias in North America and Europe such as agricultural chemicals and certain beverage products, which generate additional sales volumes for CCL in the first half of the year. The last two quarters of the year are negatively affected from a sales perspective by summer vacation in the Northern Hemisphere, Thanksgiving and the holiday season shutdowns at the end of the fourth quarter.

3. Business Segment Review

Label Division

(\$ millions)	Third Quarter			Year-To-Date		
	2009	2008	+/-	2009	2008	+/-
Sales	\$244.8	\$237.1	+3.2%	\$751.2	\$733.4	+2.4%
Operating Income ⁽¹⁾	\$ 30.7	\$ 30.1	+2.0%	\$ 98.2	\$107.0	-8.2%
Return on Sales ⁽¹⁾	12.5%	12.7%		13.1%	14.6%	
Capital Spending	\$ 19.1	\$ 28.9		\$ 81.5	\$117.4	
Depreciation and Amortization	\$ 18.8	\$ 16.9		\$ 55.7	\$ 48.1	

⁽¹⁾ Operating Income and Return on Sales are non-GAAP measures. Refer to definitions in Section 13.

Sales for the Label Division were \$244.8 million for the third quarter of 2009, up 3% from \$237.1 million in the same quarter last year. The increase in sales was a result of organic growth of 2% and 1% from the small acquisitions made in 2009 referred to earlier. The impact of currency translation was nominal for the quarter.

The Division experienced a significant improvement this quarter in North America driven by new business wins and a number of large one-off orders in the Healthcare & Specialty segment. Europe continues to be difficult and lags behind the economic recovery in the United States. Latin American and Asian markets continued to deliver strong growth.

Sales overall in North America were strong and up double digits, excluding currency translation. Demand was robust in some segments but with the notable exception of Home & Personal Care where sales grew, but only by low single digits. This market remains characterized by soft demand for consumer products with premium pricing. The Healthcare & Specialty segment grew significantly as many customers experienced strong one time demand for products directly and indirectly associated with the H1N1 virus. Demand in the Agricultural Chemical business and Promotional products areas remains solid and seasonally busy. The Sleeve business also rose significantly on a small base driven by new business wins in the Beverage market. The small US Battery business continues to be challenged by private label imports from China. Overall profitability in North America improved significantly over the prior year period driven by the sales increase and improved mix.

Sales in Europe declined in the high single digits, excluding currency translation and acquisitions, in a difficult market compounded by the effects of currency movements, particularly with the UK pound and Swedish krona. Home and Personal Care sales increased mid single digits driven by share gains at key customers in a soft market. The Healthcare & Specialty business was down high single digits in CCL's seasonally slow quarter, largely due to soft markets in the UK and Scandinavia. The Sleeve business was stable with a soft market in the UK offset by stronger conditions in Central Europe. The European Battery & Beverage business had a particularly weak quarter and largely accounted for the sales decline in the region as many beer customers reported slow sales of their premium brands, and with some market share loss being experienced in Russia. Although the Durables segment was also down from last year sequential improvements continue in this business driven by returning demand in the automotive sector. Profitability overall in Europe was impacted by a slow start up at the new Home and Personal Care plant in Paris. Profitability comparisons eased sequentially, but were still down from the prior year period. However, the region still posted acceptable profitability, albeit below the Division's average.

The Latin America and Asia regions benefited from continuing robust demand. The notable exception was the Battery business in China where exporting customers are still impacted by global macroeconomic events. Home and Personal Care markets were particularly strong in Mexico and China, but were also solid in all countries in these emerging regions. Profitability continues to improve at many of these operations in line with the sales increases but was impacted in Asia this quarter by one-time start-up expenses at new facilities in China, Thailand and Vietnam. As these operations come fully on line over the next few quarters, Asia will incur ongoing start-up losses, although not at material levels given the size of these plants.

Our small wine label operations in Australia and South Africa had stable sales in the quarter. Profitability was impacted by one-time costs to improve these recently acquired plants and was nominal for the quarter.

The 50% equity investment in Russia saw some recovery in the quarter with improved sales and profitability, and continues to generate cash.

Operating income for the third quarter of 2009 was \$30.7 million, up 2% from \$30.1 million in the third quarter of 2008. Excluding the impact of currency translation and acquisitions, operating income was up 4%. Operating income as a percentage of sales at 12.5% is slightly above our global internal targets and in-line with the 12.7% return generated in last year's third quarter.

Sales backlogs for the label business rarely exceed one month of sales, making forecasts one quarter ahead difficult. However, the sales trend improvement that developed in the third quarter has continued into the fourth quarter to date. Europe continues to show soft conditions, relative to the rest of the world but also shows some early signs of improvement. The fourth quarter remains the most difficult to predict due to the Thanksgiving holidays in the United States and the

Christmas and New Year holidays in most of the rest of the world. However, the outlook appears stable compared to the current quarter.

The Label Division invested \$81.5 million in capital spending in the first nine months of 2009 compared to \$117.4 million in the same period last year. This reduction reflects the global economic slowdown and major plant construction and renovations completed in the prior year. Major expenditures in the quarter include the construction of our new facilities in Asia and capacity expansions for the Healthcare and Specialty business. Investments in the Label Division are expected to continue in order to increase its capabilities, expand geographically, and replace or upgrade existing plants and equipment. Depreciation and amortization for the Label Division was \$55.7 million for the first nine months of 2009 and \$48.1 million in the comparable 2008 period.

Container Division

(\$ millions)	Third Quarter			Year-To-Date		
	<u>2009</u>	<u>2008</u>	<u>+/-</u>	<u>2009</u>	<u>2008</u>	<u>+/-</u>
Sales	\$ 31.5	\$ 36.9	-14.6%	\$ 105.0	\$117.6	-10.7%
Operating Income ⁽¹⁾	\$ (2.8)	\$ 2.8	n.m.	\$ (3.2)	\$ 11.0	n.m.
Return on Sales ⁽¹⁾	-8.9%	7.6%		-3.0%	9.4%	
Capital Spending	\$ 0.5	\$ 18.7		\$ 2.4	\$ 30.1	
Depreciation and Amortization	\$ 3.6	\$ 2.7		\$ 11.2	\$ 7.6	

⁽¹⁾ Operating Income and Return on Sales are non-GAAP measures. Refer to definitions in Section 13.
n.m. = not meaningful

Sales in the third quarter were \$31.5 million, down 15% from \$36.9 million last year. Sales decreased for the quarter primarily due to lower volumes and lower aluminum costs passed through to customers, offset slightly by a favourable currency translation of 1%.

The Container Division continues to experience weak sales driven by unit volume declines in the premium personal care business in North America and, more recently, soft markets for beverage bottles. High-end aerosol cans used in the personal care segment continue to experience double digit sales declines at a number of customers driven by weak consumer demand and pressure to reduce inventories. The Beverage business experienced soft demand in the quarter after showing growth in the first half of the year. Sales in Mexico continue to grow due to our new plant in Guanajuato, although it is operating well below capacity.

Operating loss for the Container Division for the third quarter of 2009 was \$2.8 million compared to operating income of \$2.8 million in the third quarter of 2008. The main driver was reduced unit volume but losses on forward aluminum contracts and lower income from scrap aluminum sales resulted in losses of approximately \$2 million in the quarter and \$9 million for the year. This was partially offset by hedging gains on the U.S. dollar. Return on sales in the third quarter of 2009 was an 8.9% loss compared to a 7.6% return in last year's third quarter.

The aluminum container plant in Penetanguishene, Ontario, sells the vast majority of its production to the United States market in U.S. dollars. Forward contracts are used to hedge part of the Canadian dollar value of these U.S. dollar sales. Overall, including the hedges, the favourable change in the exchange rates on U.S. currency transactions increased pre-tax income for the Container Division by \$0.5 million in the third quarter of 2009 due to forward currency contracts in place, which only partly offset the effect of the weakening U.S. dollar. Year-to-date, the results were positively impacted by \$2.0 million.

The Container Division invested a minimal amount of capital in the first nine months of 2009 at \$2.4 million compared to \$30.1 million in the same period last year primarily due to the construction of the new plant in Guanajuato, Mexico, in 2008. Depreciation and amortization for the first nine months of 2009 and 2008 were \$11.2 million and \$7.6 million, respectively.

The Container Division continues to hedge some of its anticipated future aluminum purchases through futures contracts and has hedged 77%, 39% and 12% of its expected 2009, 2010 and 2011 requirements, respectively. The vast majority of these hedges are priced in the \$1,700-\$2,000 range with all remaining hedges over \$2,000 expiring in the remainder of 2009. Current pricing for aluminum is around the \$1,900 range. All of the 2010 and 2011 hedges are matched to customer pricing contracts. Aluminum market prices have dropped over the last year since the hedges were made and resulted in a \$1.0 million loss in the third quarter of 2009 from hedges not related to customer contracts compared to a nominal gain in last year's third quarter. There are no future hedges in place not specifically tied to customer contacts.

Tube Division

(\$ millions)	Third Quarter			Year-To-Date		
	2009	2008	+/-	2009	2008	+/-
Sales	\$ 18.0	\$ 15.8	+13.9%	\$ 53.5	\$ 46.7	+14.6%
Operating Income ⁽¹⁾	\$ 1.0	\$ 0.2	n.m.	\$ 2.2	\$ 0.6	n.m.
Return on Sales ⁽¹⁾	5.6%	1.3%		4.1%	1.3%	
Capital Spending	\$ 0.3	\$ 6.9		\$ 4.5	\$ 9.7	
Depreciation and Amortization	\$ 2.2	\$ 1.8		\$ 6.9	\$ 5.2	

(1) Operating Income and Return on Sales are non-GAAP measures. Refer to definitions in Section 13.
n.m. = not meaningful

Sales in the third quarter for the Tube Division were \$18.0 million, up 14% from \$15.8 million last year. Sales increased for the quarter due to organic growth of 9% and the favourable impact of currency translation of 5%. The improved sales performance was counter to the trends of a number of plastic container peers who are citing lower revenues driven by soft demand in the Personal Care markets and lower resin pricing. New business wins, particularly in the Los Angeles facility drove the positive performance.

Operating income for the Tube Division for the third quarter of 2009 was \$1.0 million, significantly higher than the \$0.2 million in the third quarter of 2008.

Return on sales continues to improve reaching 5.6% in the third quarter of 2009 compared to a 1.3% return in the prior year's third quarter. Order levels were positive in the third quarter compared to the prior year's quarter and continued profitability is expected for the fourth quarter.

The Tube Division invested \$4.5 million in capital in the first nine months of 2009 primarily related to new equipment in the Los Angeles operation compared to \$9.7 million in last year's first nine months. Depreciation and amortization for the first nine months of 2009 and 2008 were \$6.9 million and \$5.2 million, respectively.

4. Currency Translation and Currency Transaction Hedging

As only about 9% of CCL's sales are generated from Canadian manufacturing locations, the remaining 91% of sales from international operations are recorded in foreign currencies and then translated into Canadian dollars for reporting purposes. The U.S. dollar is the functional currency for approximately 39% of the Company's total sales and it appreciated relative to the Canadian dollar by a substantial 5% on average in the third quarter of 2009 versus last year's third quarter. In addition, European currencies are now the measurement currencies for approximately 38% of CCL's sales and the primary European currency, the euro, has also appreciated relative to the Canadian dollar by 1% versus the prior year's quarter while the U.K pound sterling depreciated by 9%. Changes in foreign exchange rates have historically had a material impact on profitability and decreased earnings per share due to currency translation by \$0.02 in the third quarter of 2009 compared to last year's quarter. Year-to-date, earnings per share have been positively affected by \$0.04 due to currency translation compared to last year's nine-month period.

The Container Division sells products from its Canadian plant into the U.S. market in U.S. dollars, as previously discussed. The Division hedged a portion of its U.S. dollar sales by selling forward a portion of its U.S. dollar inflows. Including these hedges, the significant change in the exchange rates on U.S. currency transactions increased comparative income by \$0.5 million in the third quarter of 2009 and increased comparative earnings per share by \$0.02 for the quarter. Currency transactions increased comparative income from operations for the first nine months of 2009 by \$2.0 million or \$0.06 per share.

Currency translation and transactions in total had no material impact on basic earnings per share in the third quarter of 2009 versus the third quarter of 2008. Year-to-date, currency translation and transactions in total had a positive impact of \$0.10 on basic earnings per share versus the same period last year.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

\$ Millions	September 30, 2009	December 31, 2008	September 30, 2008
Total debt	\$ 512.4	\$ 592.5	\$ 588.2
Cash and cash equivalents	(108.4)	(136.3)	(206.1)
Net debt ⁽¹⁾	\$ 404.0	\$ 456.2	\$ 382.1
Shareholders' equity	\$ 762.3	\$ 750.5	\$ 771.4
Net debt: total book capitalization ⁽¹⁾	34.6%	37.8%	33.1%
Book value per Class B share ⁽¹⁾	\$ 23.51	\$ 23.37	\$ 24.13

⁽¹⁾ Net Debt, Net Debt: Total Book Capitalization and Book Value per Class B Share are non-GAAP measures. Refer to definitions in Section 13.

The Company's financial position remains strong. As of September 30, 2009, cash and cash equivalents amounted to \$108.4 million compared to \$206.1 million at September 30, 2008. The prior year cash and cash equivalents reflect a temporary increase related to the timing between the receipt of the proceeds from the September 2008 private placement and the repayment of the revolving line of credit. Net debt (a non-GAAP measure, refer to definition in Section 13) was \$404.0 million at September 30, 2009, \$21.9 million higher than the net debt of \$382.1 million at the end of September 2008. The increase in net debt was primarily due to the capital spending program and the cost of strategic acquisitions in the last twelve months as previously described and the unfavourable currency translation on U.S. dollar-denominated debt (U.S. dollar rate appreciated 1% over last year's rate on September 30).

Net debt to total book capitalization (a non-GAAP measure, refer to definition in Section 13) at September 30, 2009, was 34.6%, up from 33.1% at September 2008 due to the capital spending and acquisition programs and the write-down of the Tube Division's goodwill in the fourth quarter of 2008. Book value per share, a non-GAAP measure, defined later in Section 13, was \$23.51 at September 30, 2009, 3% lower compared to \$24.13 at September 30, 2008, primarily due to the Tube Division goodwill write-down.

The Company's debt structure at September 30, 2009, is primarily comprised of four private debt placements completed in 1997, 1998, 2006 and 2008 for a total of US \$438.1 million (Cdn \$469.0 million) and a five-year revolving line of credit of \$95 million. This was unchanged from December 31, 2008, except for the annual payment on one of the senior notes of US\$9.4 million in September 2009. The Company's overall average interest rate is 5.4% after factoring in the related Interest Rate Swap Agreements ("IRSAs") and Cross Currency Interest Rate Swap Agreements ("CCIRSAs") compared to 5.8% at December 31, 2008. The IRSAs and CCIRSAs are discussed later in this report.

The Company has a revolving line of credit with a Canadian chartered bank for \$95 million that expires in January 2013. As at the end of September 2009, the credit line was unused.

The Company believes that it has sufficient cash on hand, unused credit lines and the ability to generate cash flow from operations to fund its expected financial obligations for the next few years.

6. Cash Flow

During the third quarters of 2009 and 2008, the Company generated cash from operating activities of \$28.2 million and \$51.3 million, respectively. The decrease in cash flow compared to last year's third quarter was primarily due to lower earnings and increased working capital during the third quarter of 2009 compared to the third quarter of 2008.

Capital spending in the third quarter amounted to \$19.9 million compared to \$54.6 million last year. Depreciation and amortization for the third quarters of 2009 and 2008 were \$24.4 million and \$21.5 million, respectively. Plans for capital spending in 2009 are still expected to be in the \$100 million range for the year. The Company is continuing to seek investment opportunities to expand its business geographically, add capacity in its facilities and improve its competitiveness.

Dividends paid in the third quarters of 2009 and 2008 were \$4.9 million and \$4.4 million, respectively. The total number of shares issued and outstanding as at September 30, 2009 and 2008, was 32.4 million and 32.0 million, respectively. The Company has historically paid out dividends at a rate of 20%-25% of net earnings. Since the Company's cash flow and financial position are strong, the Board of Directors approved a continuation of the higher dividend declared earlier this year of \$0.1375 per Class A share and \$0.15 per Class B share to shareholders of record as of December 14, 2009, and payable on January 4, 2010. The annualized dividend rate is \$0.55 per Class A share and \$0.60 per Class B share.

The Company's share repurchase program under a normal course issuer bid ("the bid") became effective March 23, 2009, indicating the intention to acquire under the bid up to 13,000 Class A voting shares and 2,100,000 of its issued and outstanding Class B non-voting shares in the following 12-month period. There have been no shares purchased under this new bid. Under CCL's previous normal course issuer bid, which expired on March 3, 2009, CCL purchased 618,000 Class B non-voting shares at a weighted average price per share of \$29.27 and no Class A voting shares. There were no shares purchased under the prior bid after June 2008. All of the shares acquired under the prior bid have been cancelled.

7. Interest Rate and Foreign Exchange Management

The Company has utilized interest rate swap agreements ("IRSA") to allocate notional debt between fixed and floating rates since all of the underlying debt is fixed rate debt with U.S. financial institutions. Since the Company has developed into a global business with a significant asset base in Europe in the last few years, it has utilized cross-currency interest rate swap agreements ("CCIRSA") to effectively convert notional U.S. dollar fixed rate debt into fixed and floating rate euro debt to hedge its euro-based assets and cash flows.

The effect of the IRSAs and CCIRSAs has been to decrease interest expense by \$0.7 million in the third quarter of 2009 compared to no effect in the third quarter of 2008. Interest coverage (a non-GAAP measure, defined later in Section 13) decreased to 3.5 times in 2009 compared to 6.5 times as at September 30, 2008, reflecting lower earnings and higher interest expense.

8. New Accounting Standards

A. Changes in Accounting Policies

The unaudited interim consolidated financial statements are based upon accounting principles consistent with those used and described in the annual consolidated statements, except that effective January 1, 2009, the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, Goodwill and Intangible Assets and EIC-173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.

Handbook Section 3064 replaces Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill, subsequent to its initial recognition, and of intangible assets. Standards concerning goodwill are unchanged from the previous Section 3062. The new section requires certain costs that were previously deferred and amortized be expensed as incurred. Upon adoption of the new standard, the Company reduced 2009 opening retained earnings by \$1.4 million due to the write-off of previously deferred start-up costs.

EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, requires an entity to account for its credit risk and counterparty credit risk in the measurement of financial assets and financial liabilities. The transitional adjustment to recognize the impact of EIC-173 resulted in a decrease of \$2.2 million in Accumulated Other Comprehensive Loss on January 1, 2009.

B. Recently Issued Accounting Standards

In December 2008, the CICA issued Handbook Section 1582, Business Combinations; Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests.

Section 1582 establishes standards for accounting for business combinations and is equivalent to the International Financial Reporting Standard ("IFRS") 3. The new standards apply to business combinations with an acquisition date on or after January 1, 2011; however, earlier adoption is permitted.

Sections 1601 and 1602, together, replace Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for non-controlling interest in a subsidiary subsequent to a business combination. It is equivalent to the provisions of IFRS IAS 27, Consolidated and Separate Financial Statements. The new standards apply to interim and annual consolidated financial statements with fiscal years beginning on or after January 1, 2011. Early adoption is permitted as of the beginning of a fiscal year.

C. International Financial Reporting Standards – CCL Industries Inc

The Canadian Accounting Standards Board confirmed in February 2008 that all publicly accountable enterprises will be required to report under IFRS for fiscal periods beginning on or after January 1, 2011.

The Company has designated the Senior Vice President and Chief Financial Officer as the executive responsible for the implementation of IFRS, including the staffing and financial resources required.

The Company has identified the four key phases to this project conversion to be: preliminary scoping and planning, detailed impact assessments, implementation and post-implementation. Within these four key phases the project is further segregated into rollouts at the plant level versus the corporate level. These two areas require separate approaches due to the different financial processes in manufacturing operations versus the technical and complex financial issues, such as tax and treasury, at the corporate level. In addition, the corporate level is responsible for the preparation and publication of external financial statements and other related disclosures.

The scoping and planning phase, which commenced in late 2008, involved the assignment of an internal project leader along with the identification of other key team participants, development of the overall project plan and project charter. Furthermore, in early 2009 an outside consultant was hired with past IFRS conversion experience to assist in the project rollout. This first phase of the project has been completed.

The detailed impact assessment phase has involved the detailed review of IFRS versus Canadian GAAP to identify changes required as well as any areas involving choices or electives available to the Company. This second phase will also result in the identification of the accounting policy changes that are required, the review and establishment of shell financial statements including new disclosure requirements, and additional staff training. This phase is well under way and will allow the Company to be in a position to determine the initial estimated impact on the financial statements, which will be presented in the fourth quarter MD&A to be released in February 2010. The estimated impact on the financial statements will be continually reassessed throughout 2010.

The third phase, implementation, will involve the rollout of required changes at the plant level and the corporate level, as well as any system changes required to permit the compilation of financial statement data that is IFRS compliant. Certain aspects of the implementation phase have commenced, which are assisting with the financial impact assessment figures. This phase will also involve updating the internal control over financial reporting. Certain attributes of this phase will continue throughout 2010.

The fourth phase, post-implementation, will involve monitoring to ensure that all financial data for fiscal 2011 and beyond continues to be IFRS compliant, as well as the testing of the internal control over financial reporting in an IFRS environment during 2011.

The timing and completion of certain aspects of the conversion project may require adjustment as the project moves forward, due to changes in the standards between now and January 1, 2011, and variations in the actual length of time to complete each task in the process. However, the Company believes that the appropriate level of resources have been assigned to the project to fulfill the overall project timelines.

Some of the key activities, milestones and status to date are outlined in the table below.

Further detailed information about the conversion to IFRS will be provided in the annual 2009 MD&A.

IFRS IMPLEMENTATION TIMETABLE

Key Activity	Milestones	Status To Date
<p>Project Overview:</p> <ul style="list-style-type: none"> • Project team formation including project lead • Project resources • Project plan and charter • Project management methods 	<ul style="list-style-type: none"> • Selection of project lead Nov 2008 • Selection of outside consultant Jan 2009 • Document project plan and project update methodologies 	<ul style="list-style-type: none"> • Resources have been identified and assigned • Project updates to senior management and the audit committee taking place at least quarterly • Staff training is ongoing
<p>Financial Statements:</p> <ul style="list-style-type: none"> • Identify differences with Cdn GAAP • Identify revised accounting policies for the entity • Develop IFRS financial statement layout including required disclosures • Review electives under IFRS 1 	<ul style="list-style-type: none"> • Initial financial impact assessment of the changes for presentation to senior management and the audit committee by Dec 31, 2009 • Finalize financial statement layout with disclosures during 2010 ready for issuance Q1 2011 • Review IFRS 1 electives with senior management and the audit committee by Dec 31, 2009 	<ul style="list-style-type: none"> • Detailed impact assessments to identify the differences has been completed • Revised financial statement layout is complete and review of additional disclosures is well under way • Rollout of changes impacting plants has been completed • Data collection of plant and corporate impacts has commenced for review during Q4 2009
<p>System and Process Changes:</p> <ul style="list-style-type: none"> • Assess and identify required system changes • Implement required system changes for corporate consolidation and at the plant level as required • Training of plant and corporate finance staff • Review internal controls for changes required 	<ul style="list-style-type: none"> • Implement required system changes that ensure collection of comparative IFRS data throughout 2010 • Amend internal controls for required changes related to IFRS by mid 2010 	<ul style="list-style-type: none"> • Implementation of new accounts and financial statement layout is virtually complete • Training of key personnel has commenced and will continue as required • Review of internal control changes has not yet commenced

9. Commitments and Contingencies

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 15 of the 2008 Annual Consolidated Financial Statements. The Company does not have any material related party transactions. There are no defined benefit plans funded with CCL stock.

The Company has had no material changes in contractual obligations in the third quarter of 2009 and has not made any material changes in critical accounting estimates in the third quarter of 2009.

10. Controls and Procedures

Disclosure Controls and Procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the President and Chief Executive Officer (“CEO”) and the Senior Vice President and Chief Financial Officer (“CFO”) on a timely basis so that appropriate decisions can be made regarding public disclosure. CCL’s Disclosure Committee reviews all external reports and documents of CCL before publication to enhance the Company’s disclosure controls and procedures.

As at December 31, 2008, and September 30, 2009, based on the continued evaluation of the disclosure controls and procedures, the CEO and CFO have concluded that CCL’s disclosure controls and procedures, as defined in National Instrument 52-109 (“NI 52-109”), are effective to ensure that information required to be disclosed in reports and documents that CCL files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Management is responsible for establishing and maintaining adequate internal control over financial reporting. NI 52-109 requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal control over financial reporting for the issuer, that internal control has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP, and that the issuer has disclosed any changes in its internal control during its most recent interim period that has materially affected or is reasonably likely to materially affect its internal control over financial reporting.

As of December 31, 2008, and September 30, 2009, the CEO and the CFO certified that they were in compliance with NI 52-109 regarding internal control over financial reporting.

11. Risks and Strategies

The 2008 Management's Discussion and Analysis in the Annual Report detailed risks to the Company's business and the strategies that were planned for 2009 and beyond. Although the continuing difficult global macroeconomic conditions have added a significant degree of uncertainty and volatility for all businesses in this environment, there have been no material changes to those risks and strategies.

12. Outlook

The Company's strategy remains focused on the growth prospects of its specialty packaging businesses and staying within its core competencies. The Company continues to seek investment opportunities to maintain its premier position in the specialty packaging industry and to further expand its operations geographically.

At the same time, maintaining cash and liquidity while reducing operating costs have become primary concerns in this difficult macroeconomic environment. Cash management continues to be a key priority for the Company in these uncertain times. The Company will continue to be rigorous in its reinvestment plans with the objective of maintaining full availability on its existing lines of credit. Cash flow from operations will remain the key metric in assessing the size of the capital spending program for the remainder of 2009 and into 2010. The Company will remain selective and cautious about acquisitions in this business climate even though valuations for businesses have become more favourable for acquirers in the last year. CCL is continuing to integrate and reorganize the large number of recent acquisitions it has made to reduce costs and simplify administration. The Company may buy back its stock if it is compelling in enhancing shareholder value as long as it has the financial resources to do so and does not have a significant impact on the Company's liquidity position.

The current macroeconomic environment will continue to be a challenge for the remainder of 2009 and into 2010 and we expect any recovery to be slow. The global recession has significantly impacted the level of business activity across many of our consumer markets in the developed world. Although there are signs of recovery in the United States, Europe remains difficult and it remains unclear how much of the improvement relates to rebuilding of inventory versus real consumer demand. Emerging market growth has continued and the outlook remains encouraging but Asia and Latin America combined remain a much smaller revenue base for the company than either the United States or Europe.

Many actions have been taken to reduce costs across the Divisions. In particular, the Company is focused on restoring profitability in the Container Division but it is unlikely that any planned initiatives will have a significant impact in 2009. Pricing continues to be a challenge as global customers have become more focused on cost reductions to manage their margins in these difficult economic times and commodity prices continue to fluctuate and, if anything, look likely to rise in 2010. The weakness of the Canadian dollar relative to the U.S.

dollar and the euro positively impacted earnings for the first nine months of 2009 compared to 2008. However, based on current exchange rates, comparative earnings would be unfavourably affected by currency translation and transactions in the fourth quarter of 2009. Interest income on cash on hand has been reduced to nominal amounts due to negligible interest rates and this does not appear to be improving. CCL's income tax rate is subject to the mix of jurisdictions and tax rates where income is earned and the ability, or inability, to tax benefit tax losses generated in certain jurisdictions for accounting purposes. It is expected that the Company's tax rate will fluctuate significantly.

13. Key Performance Indicators and Non-GAAP Measures

CCL measures the success of its business using a number of key performance indicators, many of which are in accordance with Canadian GAAP as described throughout this report. The following performance indicators are not measurements in accordance with Canadian GAAP and should not be considered as an alternative or replacement of any other measure of performance under Canadian GAAP. These non-GAAP measures do not have any standardized meaning and may not be comparable to similar measures presented by other issuers.

Adjusted Basic Earnings per Class B Share – An important non-GAAP measure used to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for Basic Net Earnings per Class B share but it does provide additional insight into the ongoing financial results of the Company. This non-GAAP measure is defined as basic net earnings per Class B share excluding goodwill impairment loss, restructuring and other items and favourable tax adjustments.

Book Value per Share - A measure of the shareholders' equity at book value per the combined Class A and Class B shares. It is calculated by dividing shareholders' equity by the actual number of Class A and Class B shares issued and outstanding, excluding amounts and shares related to shares held in trust and the executive share purchase plan.

Days of Working Capital Employed - A measure indicating the relative liquidity and asset intensity of the Company's working capital. It is calculated by multiplying the net working capital by the number of days in the quarter and then dividing by the quarterly sales. Net working capital includes accounts receivable, inventory, other receivables and prepaid expenses, accounts payable and accruals, income and other taxes payable.

EBITDA - A critical financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results and is also considered as a proxy for cash flow and a facilitator for business valuations. This non-GAAP measure is defined as earnings before interest, taxes, depreciation and amortization, goodwill impairment loss, restructuring and other items. We believe that it is an important measure as it allows us to assess our ongoing business without the impact of interest, depreciation and

amortization and income tax expenses, as well as non-operating factors and one-time items. As a proxy for cash flow, it is intended to indicate our ability to incur or service debt and to invest in property, plant and equipment, and it allows us to compare our business to that of our peers and competitors who may have different capital or organizational structures. EBITDA is a measure tracked by financial analysts and investors to evaluate financial performance and as a key metric in business valuations. EBITDA is considered as an important measure by lenders to the Company and is included in the financial covenants for our bank lines of credit.

Growth Rate in Earnings per Share – A measure indicating the percentage change in Adjusted Basic Earnings per Class B Share (see definition above).

Interest Coverage – A measure indicating the relative amount of operating income earned by the Company compared to the amount of interest expense incurred by the Company. It is calculated as Operating Income, including discontinued items, less corporate expense, divided by net interest expense on a 12-month rolling basis.

Net Debt – A measure indicating the financial indebtedness of the Company assuming that all cash on hand is used to repay a portion of the outstanding debt. It is defined as current debt including cash advances, plus long-term debt, less cash and cash equivalents.

Net Debt to Total Book Capitalization - A measure that indicates the financial leverage of the Company. It measures the relative use of debt versus equity in the book capital of the Company. Net debt to total book capitalization is defined as Net Debt (see definition above) divided by Net Debt plus shareholders' equity, expressed as a percentage.

Operating Income – A measure indicating profitability of the Company's business units defined as income before corporate expenses, interest, goodwill impairment loss, restructuring and other items and tax.

Restructuring and Other Items and Favourable Tax Adjustments – A measure of significant non-recurring items that are included in net earnings. The impact of restructuring and other items and favourable tax adjustments on a per share basis is measured by dividing the after-tax income of the restructuring and other items and favourable tax adjustments by the average number of shares outstanding in the relevant period. Management will continue to disclose the impact of these items on the Company's results because the timing and extent of such items do not reflect or relate to the Company's ongoing operating performance. Management evaluates the operating income of its divisions before the effect of these items.

Return on Equity ("ROE") before goodwill impairment loss, restructuring and other items and favourable tax adjustments - A measure that provides insight into the effective use of shareholder capital in generating ongoing net earnings. ROE is calculated by dividing annual net income before goodwill impairment loss,

restructuring and other items and favourable tax adjustments by the average of the beginning and end of year shareholders' equity.

Return on Sales - A measure indicating relative profitability of sales to customers. It is defined as Operating Income (see definition above) divided by sales, expressed as a percentage.

Total Debt – A measure indicating the financial indebtedness of the Company. It is defined as current debt, including cash advances, plus long-term debt.

Total Debt to Total Book Capitalization – A measure that indicates the financial leverage of the Company. It measures the relative use of debt versus equity in the book capital of the Company. Total debt to total book capitalization is defined as Total Debt (see definition above) divided by Total Debt plus shareholders' equity, expressed as a percentage.