

CCL INDUSTRIES INC.
2010 First Quarter
Consolidated Balance Sheets

Unaudited	March 31st	December 31st	March 31st
(in thousands of Canadian dollars)	2010	2009	2009
Assets			
Current assets			
Cash and cash equivalents	\$ 126,616	\$ 150,594	\$ 106,899
Accounts receivable - trade	176,251	148,688	179,587
Other receivables and prepaid expenses	27,773	24,342	24,253
Income and other taxes recoverable	-	-	42
Inventories	72,583	75,530	84,612
	<u>403,223</u>	<u>399,154</u>	<u>395,393</u>
Property, plant and equipment	724,881	751,592	848,933
Other assets	45,677	46,182	62,681
Future income tax assets	47,364	47,440	46,011
Intangible assets	40,405	42,335	45,486
Goodwill	352,647	358,794	384,407
Total assets	\$ 1,614,197	\$ 1,645,497	\$ 1,782,911
Liabilities			
Current liabilities			
Bank advances	533	-	-
Accounts payable and accrued liabilities	197,270	206,510	234,993
Income and other taxes payable	4,854	10,943	-
Current portion of long-term debt	119,238	49,290	25,685
	<u>321,895</u>	<u>266,743</u>	<u>260,678</u>
Long-term debt	365,751	448,849	585,391
Other long-term items	56,017	58,384	63,945
Future income tax liabilities	118,598	118,764	110,878
Total liabilities	862,261	892,740	\$ 1,020,892
Shareholders' equity			
Share capital (note 2)	203,140	201,339	193,224
Contributed surplus	4,510	3,805	5,273
Retained earnings	661,392	643,303	632,432
Accumulated other comprehensive loss (note 4)	(117,106)	(95,690)	(68,910)
Total shareholders' equity	751,936	752,757	762,019
Total liabilities and shareholders' equity	\$ 1,614,197	\$ 1,645,497	\$ 1,782,911

See notes to interim consolidated financial statements.

CCL INDUSTRIES INC.
2010 First Quarter
Consolidated Statements of Earnings

Unaudited

Three months ended March 31st

(in thousands of Canadian dollars, except per share data)	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Sales	\$ 307,131	\$ 314,071	(2.2)
Costs and expenses			
Cost of goods sold	233,980	245,875	
Selling, general and administrative	32,881	31,618	
Depreciation and amortization	1,511	1,668	
	38,759	34,910	
Interest expense, net	6,477	8,246	
	32,282	26,664	21.1
Restructuring and other items - net loss (note 5)	-	1,687	
Earnings before income taxes	32,282	24,977	29.2
Income taxes			
Current	9,817	7,688	
Future	(842)	549	
Net earnings	\$ 23,307	\$ 16,740	39.2
Basic earnings per Class B share	\$ 0.71	\$ 0.52	36.5
Diluted earnings per Class B share	\$ 0.70	\$ 0.51	37.3

See notes to interim consolidated financial statements.

CCL INDUSTRIES INC.
2010 First Quarter
Consolidated Statements of Comprehensive Income

Unaudited	Three months ended March 31st	
	<u>2010</u>	<u>2009</u>
(in thousands of Canadian dollars)		
Net earnings	\$ 23,307	\$ 16,740
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on translation of financial statements of self-sustaining foreign operations	(40,428)	13,767
Unrealized gains (losses) on hedges of net investment in self-sustaining foreign operations, net of tax expense of \$2,956 for the three-month period ending March 31, 2010 (2009 - nil)	19,114	(13,917)
Unrealized foreign currency translation losses, net of hedging activities	(21,314)	(150)
Losses on derivatives designated as cash flow hedges, net of tax recovery of \$72 for the three-month period ending March 31, 2010 (2009 - \$2,078)	(1,356)	(4,563)
Reclassification of losses on derivatives designated as cash flow hedges to earnings, net of tax recovery of \$5 for the three-month period ending March 31, 2010 (2009 - \$1,831)	1,254	1,101
Change in losses on derivatives designated as cash flow hedges	(102)	(3,462)
Other comprehensive loss	(21,416)	(3,612)
Comprehensive income	\$ 1,891	\$ 13,128

See notes to interim consolidated financial statements.

CCL INDUSTRIES INC.
2010 First Quarter
Consolidated Statements of Shareholders' Equity

Unaudited

(in thousands of Canadian dollars)	<u>2010</u>	<u>2009</u>
Share capital (note 2)		
Class A shares, beginning of period	\$ 4,517	\$ 4,517
Class A shares, end of period	4,517	4,517
Class B shares, beginning of period	206,874	199,486
Stock options exercised	1,159	2,000
Class B shares, end of period	208,033	201,486
Executive share purchase plan loans, beginning of period	(916)	(1,258)
Repayment of executive share purchase plan loans	683	-
Executive share purchase plan loans, end of period	(233)	(1,258)
Shares held in trust, beginning of period	(9,136)	(11,472)
Shares purchased and held in trust	(41)	(49)
Shares held in trust, end of period	(9,177)	(11,521)
Share capital, end of period	203,140	193,224
Contributed surplus		
Contributed surplus, beginning of period	3,805	4,826
Stock option expense	313	314
Stock options exercised	(175)	(63)
Stock based compensation plan	567	196
Contributed surplus, end of period	4,510	5,273
Retained earnings, beginning of period	643,303	621,916
Net earnings	23,307	16,740
Transitional adjustment on adoption of new accounting standards	-	(1,412)
Dividends		
Class A	350	326
Class B	4,868	4,486
Total dividends, end of period	5,218	4,812
Retained earnings, end of period	661,392	632,432
Accumulated other comprehensive loss (note 4)		
Accumulated other comprehensive loss, beginning of period	(95,690)	(67,497)
Transitional adjustment on adoption of new accounting standards	-	2,199
Other comprehensive loss	(21,416)	(3,612)
Accumulated other comprehensive loss, end of period	(117,106)	(68,910)
Total shareholders' equity, end of period	751,936	762,019

See notes to interim consolidated financial statements.

CCL INDUSTRIES INC.
2010 First Quarter
Consolidated Statements of Cash Flows

Unaudited	Three months ended March 31st	
(in thousands of Canadian dollars)	<u>2010</u>	<u>2009</u>
Cash provided by (used for)		
Operating activities		
Net earnings	\$ 23,307	\$ 16,740
Items not involving cash:		
Depreciation and amortization	23,691	24,604
Executive compensation	880	510
Future income taxes	(842)	549
Restructuring and other items (note 5)	-	1,687
Gain on sale of property, plant and equipment	(38)	(903)
	46,998	43,187
Net change in non-cash working capital	(39,702)	(36,974)
Cash provided by operating activities	7,296	6,213
Financing activities		
Proceeds on issuance of long-term debt	1,592	2,821
Retirement of long-term debt	(615)	(1,260)
Increase in bank advances	533	-
Issue of shares	984	1,936
Repayment of executive share purchase plan loans	683	-
Dividends	(5,260)	(4,862)
Cash used for financing activities	(2,083)	(1,365)
Investing activities		
Additions to property, plant and equipment	(21,222)	(36,547)
Proceeds on disposal of property, plant and equipment	68	3,221
Business acquisitions (note 3)	(1,239)	(2,717)
Cash used for investing activities	(22,393)	(36,043)
Effect of exchange rate changes on cash	(6,798)	1,825
Decrease in cash and cash equivalents	(23,978)	(29,370)
Cash and cash equivalents at beginning of period	150,594	136,269
Cash and cash equivalents at end of period	\$ 126,616	\$ 106,899
Consists of:		
Cash	\$ 81,736	\$ 38,919
Short-term investments	44,880	67,980
Cash and cash equivalents at end of period	\$ 126,616	\$ 106,899

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 March 31, 2010 and 2009
(Tabular amounts in thousands 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, 2009.

b) 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. For additional information about the transition plan, see Management's Discussion and Analysis for the first quarter ended March 31, 2010 and 2009.

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.

The Company is currently evaluating the impact of these new standards on the consolidated financial statements.

2. SHARE CAPITAL

Issued and outstanding

	<u>March 31, 2010</u>	<u>December 31, 2009</u>	<u>March 31, 2009</u>
Issued share capital	\$ 212,550	\$ 211,391	\$ 206,003
Less: Executive share purchase plan loans	(233)	(916)	(1,258)
Shares held in trust	(9,177)	(9,136)	(11,521)
Total	<u>\$ 203,140</u>	<u>\$ 201,339</u>	<u>\$ 193,224</u>

During 2010 and 2009, certain executive share purchase plan loans were repaid.

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 expired March 22, 2010. No shares were purchased under this Bid.

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 could not be sold or transferred before December 31, 2009.

During 2008, the Company granted awards totalling 145,000 Class B shares of the Company. These shares were 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 totalling 120,000 Class B shares of the Company. These shares are restricted in nature and will vest in 2010 dependent on the Company's performance and continuing employment. The Company purchased these 120,000 shares in the open market and has placed them in a trust until the vesting conditions are met.

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 totalling 200,000 Class B shares of the Company and had placed them in a trust until the vesting conditions were met. These shares were restricted in nature. In 2007, 120,000 shares vested and were released from the trust in 2008. In 2009, the remaining 80,000 shares vested and were released from the trust that same year. The fair value of these shares was amortized over the vesting period and recognized as compensation expense.

Number of shares (in thousands)

	<u>March 31, 2010</u>	<u>December 31, 2009</u>	<u>March 31, 2009</u>
Class A	2,375	2,375	2,375
Class B	30,714	30,674	30,322
	<u>33,089</u>	<u>33,049</u>	<u>32,697</u>
Less: Executive share purchase plan shares - Class B	(25)	(75)	(100)
Shares held in trust - Class B	(265)	(265)	(345)
Total	<u>32,799</u>	<u>32,709</u>	<u>32,252</u>

2. SHARE CAPITAL (CON'T)

The weighted average number of shares for the purposes of the earnings per share calculation was as follows:

	<u>March 31, 2010</u>		<u>March 31, 2009</u>	
	<u>Class A</u>	<u>Class B</u>	<u>Class A</u>	<u>Class B</u>
Weighted average number of shares outstanding - basic	2,375	30,373	2,375	29,779
Effect of dilutive securities:				
Stock options	-	223	-	291
Stock-based compensation	-	322	-	405
Weighted average number of shares outstanding - diluted	<u>2,375</u>	<u>30,918</u>	<u>2,375</u>	<u>30,475</u>

3. ACQUISITIONS

In March 2010, the Company completed the purchase of Purbrick Ltd. ("Purbrick"), a privately held company based in Melbourne, Australia. Purbrick supplies patient information leaflets and pressure sensitive labels to global pharmaceutical customers located in Australia. The purchase price was \$1.2 million, net of cash acquired. The Company is reviewing the valuation of the net assets acquired, therefore certain items disclosed below may change upon completion of the review.

Details of the transaction are as follows:

Current assets	\$ 1,891
Current liabilities	(1,153)
Non-current assets	2,481
Non-current liabilities	(2,400)
Future tax assets	420
Net assets purchased	<u>\$ 1,239</u>

Consideration given:

Cash, less cash acquired of \$0.9 million	<u>\$ 1,239</u>
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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 \$2.8 million.

Details of the transaction are as follows:

Current assets	\$ 850
Current liabilities	(719)
Non-current assets	1,541
Goodwill	1,085
Net assets purchased	<u>\$ 2,757</u>

Consideration given:

Cash	<u>\$ 2,757</u>
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4. ACCUMULATED OTHER COMPREHENSIVE LOSS

	<u>March 31, 2010</u>	<u>December 31, 2009</u>	<u>March 31, 2009</u>
Unrealized foreign currency translation losses, net of tax expense of \$13,796 (2009 - net of tax expense of \$10,805; net of tax expense of \$1,647)	\$ (120,519)	\$ (99,205)	\$ (56,966)
Gains (losses) on derivatives designated as cash flow hedges, net of tax expense of \$1,452 (2009 - net of tax expense of \$1,519; net of tax recovery of \$2,527)	3,413	3,515	(11,944)
	<u>\$ (117,106)</u>	<u>\$ (95,690)</u>	<u>\$ (68,910)</u>

5. RESTRUCTURING AND OTHER ITEMS

	Segment	Three months ended March 31st	
		2010	2009
Pension settlement	Corporate	\$ -	\$ (1,415)
Label segment restructuring	Label	-	(272)
Net loss		\$ -	\$ (1,687)
Tax recovery on restructuring and other items		\$ -	\$ 396

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.

6. EMPLOYEE FUTURE BENEFITS

The expense for the defined benefit pension plans in the first quarter was \$0.7 million (2009 - \$2.0 million, which included \$1.4 million in expenses related to the pension settlement; see note 5).

7. SEGMENTED INFORMATION

Industry segments

	Three months ended March 31st			
	Sales		Operating income	
	2010	2009	2010	2009
Label	\$ 248,904	\$ 257,528	\$ 43,210	\$ 39,123
Container	40,315	38,099	(1,670)	(280)
Tube	17,912	18,444	2,053	514
Total operations	\$ 307,131	\$ 314,071	43,593	39,357
Corporate expense			(4,834)	(4,447)
			38,759	34,910
Interest expense, net			6,477	8,246
			32,282	26,664
Restructuring and other items - net loss (note 5)			-	(1,687)
Earnings before income taxes			32,282	24,977
Income taxes			8,975	8,237
Net earnings			\$ 23,307	\$ 16,740

	Identifiable Assets		Goodwill		Depreciation & Amortization		Capital Expenditures	
	March 31st 2010	December 31st 2009	March 31st 2010	December 31st 2009	Three months ended March 31st		Three months ended March 31st	
					2010	2009	2010	2009
Label	\$ 1,151,940	\$ 1,095,832	\$ 339,909	\$ 346,051	\$ 18,161	\$ 18,311	\$ 20,893	\$ 32,657
Container	175,851	171,500	12,738	12,743	3,538	3,643	226	747
Tube	57,353	59,472	-	-	1,917	2,387	94	3,143
Corporate	229,053	318,693	-	-	75	263	9	-
Total	\$ 1,614,197	\$ 1,645,497	\$ 352,647	\$ 358,794	\$ 23,691	\$ 24,604	\$ 21,222	\$ 36,547